

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT, ORIGINALLY ISSUED IN TURKISH, SEE NOTE I OF
SECTION THREE

PASHA YATIRIM BANKASI A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS TOGETHER WITH
REVIEW REPORT AT 31 MARCH 2022**

**EY****Building a better
working world**

Güney Bağımsız Denetim ve SMMM A. Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27 K: 2-3-4
34485 Sarıyer/İstanbul TÜRKİYE

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 auditor's report originally issued in Turkish, See Note I of Section three)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Pasha Yatırım Bankası A.Ş.

Report on the Unconsolidated Financial Statements

Introduction

We have reviewed the unconsolidated statement of financial position of PASHA Yatırım Bankası A.Ş. ("the Bank") at March 31, 2022 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the three-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of these unconsolidated of interim financial information in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency("BRSA") and circulars and interpretations published by Banking Regulation and Supervision Authority (together referred as BRSA Accounting and Financial Reporting Legislation) and Turkish Accounting Standard 34 "Interim Financial Reporting" principles 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 unconsolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (ISRE) 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 unconsolidated financial position of PASHA Yatırım Bankası A.Ş. at March 31, 2022 and the results of its operations and its unconsolidated cash flows for the three-month period then ended in all material aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.



**Building a better
working world**

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 Eight, are not consistent with the unconsolidated 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 Financial Reporting Legislation” and the 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 Bağırsız Denetim Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



April 29, 2022
İstanbul, Turkey

**THE THREE MONTH UNCONSOLIDATED FINANCIAL REPORT OF
PASHA YATIRIM BANKASI A.Ş. AS OF 31 MARCH 2022**

Address of the Bank's Headquarters

Sultan Selim Mahallesi Hümeyra Sokak
PASHA Plaza No:2/7 34415 Kağıthane, İstanbul

Telephone of the Bank

(0 212) 705 89 00

Fax of the Bank

(0 212) 345 07 12

Web site of the Bank

www.pashabank.com.tr

E-mail for correspondence

info@pashabank.com.tr

The unconsolidated three-month financial report includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced as sanctioned by the Banking Regulation and Supervision Agency.

1. General Information About The Bank
2. Unconsolidated Financial Statements of The Bank
3. Explanations on Accounting Policies
4. Information Related to Unconsolidated Financial Position and Risk Management
5. Explanations and Notes Related to Unconsolidated Financial Statements
6. Other Explanations and Notes
7. Explanations on Independent Auditor's Interim Review Report
8. Interim Annual Report

The accompanying unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in **thousands of Turkish Lira ("TL")**, have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been audited and presented hereafter.


Jalal GASIMOV

Chairperson of
Board of Directors


Furkan EVRANOS

Chairperson of
Audit Committee


Kamala NURIYEVA

Member of
Audit Committee


H. Cenk EYNEHAN

CEO


Benan Bilge KÖKSAL

Deputy CEO


Yeşim ÇAĞLAR

Finance Director

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

Name-Surname/Title

: Erkan AKGÜZEL / Head of Balance Sheet Management

Telephone Number

: (0212) 705 89 18

Fax Number

: (0212) 345 07 12

INDEX

PAGE

SECTION ONE

GENERAL INFORMATION

I.	Bank's foundation date, start-up statute, history about the changes in this mentioned statute.....	1
II.	Explanation about the Bank's capital structure, shareholders of the Bank who are in charge of the Management and/or auditing of the Bank directly or indirectly, changes in these matters (if any) and the group the Bank belongs to.....	2
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
IV.	Explanation on shareholders having control shares.....	3
V.	Information on the Bank's service type and field of operations	3
VI.	Existing or potential, actual or legal obstacles on immediate equity transfer between the Bank and its subsidiaries or repayment of the debt	3

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

I.	Balance sheet.....	4
II.	Off-balance sheet.....	6
III.	Statement of income (Profit and loss)	7
IV.	Statement of profit or loss and other comprehensive income	8
V.	Statement of changes in shareholders' equity.....	9
VI.	Statement of cash flow	10

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I.	Basis of presentation	11
II.	Explanations on strategy of using financial instruments and foreign currency transactions	12
III.	Explanations on forward transactions, options and derivative instruments	12
IV.	Explanations on interest income and expense	13
V.	Explanations on fee and commission income and expense	13
VI.	Explanations on financial assets	13
VII.	Explanations on expected credit loss	15
VIII.	Explanations on offsetting financial assets.....	17
IX.	Explanations on sales and repurchase agreements and securities lending transactions	17
X.	Explanations on assets held for resale and fixed assets from discontinued operations and liabilities related with these assets	18
XI.	Explanations on goodwill and other intangible assets	18
XII.	Explanations on property and equipment	18
XIII.	Explanations on investment properties.....	19
XIV.	Explanations on leasing transactions	19
XV.	Explanations on provisions and contingent commitments.....	20
XVI.	Explanations on obligations related to employee rights	20
XVII.	Explanations on taxation	20
XVIII.	Explanations on borrowings	22
XIX.	Explanations on issuance of share certificates.....	22
XX.	Explanations on avalized drafts and acceptances	22
XXI.	Explanations on government grants.....	22
XXII.	Explanations on profit reserves and profit distribution.....	22
XXIII.	Explanations on earnings per share	22
XXIV.	Explanations on cash and cash equivalents	23
XXV.	Explanations on segment reporting	23
XXVI.	Reclassifications.....	23
XXVII.	Explanations on other matters	23

SECTION FOUR**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT**

I.	Information about shareholders' equity items	24
II.	Explanations on currency risk	27
III.	Explanations on interest rate risk.....	29
IV.	Explanations on equity position risk.....	32
V.	Explanations on liquidity risk and liquidity coverage ratio	32
VI.	Explanations on leverage ratio	39
VII.	Explanations on the risk management	40
VIII.	Explanations on the presentation of financial assets and liabilities at their fair values.....	52
IX.	Explanations on the activities carried out on behalf of and account of other persons.....	55
X.	Explanations on operating segments	55

SECTION FIVE**EXPLANATIONS AND NOTES RELATED TO
UNCONSOLIDATED FINANCIAL STATEMENTS**

I.	Explanations and notes related to assets	56
II.	Explanations and notes related to liabilities.....	69
III.	Explanations and notes related to off-balance sheet accounts	74
IV.	Explanations and notes related to income statement	77
V.	Explanations and notes related to statement of changes in the shareholders' equity	81
VI.	Explanations and notes related to statement of cash flows	82
VII.	Explanations and notes related to Bank's risk group	83
VIII.	Explanations and notes related to the domestic, foreign, off-shore branches and foreign representatives of the bank.....	84

SECTION SIX**OTHER EXPLANATIONS AND NOTES**

I.	Other explanations related to operations of the Bank	85
II.	Explanations and notes related to subsequent events.....	85

SECTION SEVEN**EXPLANATIONS ON INDEPENDENT AUDITOR'S INTERIM REPORT**

I.	Explanations on interim auditor's report	85
II.	Explanations and notes prepared by independent auditor.....	85

SECTION EIGHT**INFORMATION ON INTERIM ACTIVITY REPORT**

I.	Interim period activity report included chairman of the board of directors and CEO's assessments for the interim activities	86
-----------	---	----

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

PASHA YATIRIM BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

SECTION ONE

GENERAL INFORMATION

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

Bank's commercial title	PASHA Yatırım Bankası A.Ş.
Reporting Period	1 January - 31 March 2022
Address of the Bank's Headquarters	Eski Büyükdere Caddesi Hümeysra Sokak No:2 PASHA Plaza, Kat:5 34415 Kağıthane, İstanbul
Telephone	(0 212) 705 89 00
Fax	(0 212) 345 07 12
Website	www.pashabank.com.tr
E-mail	info@pashabank.com.tr

PASHA Yatırım Bankası A.Ş. ("Bank", "PASHA Bank") has been permitted by the decree no. 87/11898 dated 17 June 1987 by the Council of Ministers pursuant to the repealed Banking Law No. 3182 and the Bank, as a subsidiary of Bahrain based TAIB Bank B.S.C.(c) has been established under the trade name of Yatırım Bank A.Ş. headquartered in İstanbul on the date of 25 December 1987. The trade name of the Bank have been changed to TAIB YatırımBank A.Ş. in effect from 29 May 1997.

In the year 2013, Aksoy Holding A.Ş. acquired the majority shares of the Bank, which until then had been held by TAIB Bank B.S.C.(c), and became the controlling shareholder. Acquisition of the Bank's share capital for as much as TL 28,795 from Aksoy Holding A.Ş. by the PASHA Bank OJSC, the Baku based financial organization, and thus directly obtaining 79.92% of its shares upon at the same time increasing the paid-up capital from TL 80,000 to TL 255,000, by injecting TL 175,000 cash and; acquisition of the 47.95% of the shares indirectly by PASHA Holding LLC, had been approved by the resolution of the Banking Regulation and Supervision Board, dated 26 December 2014 and numbered 6137. This share transfer had been recorded in the Bank's share ledger, as of the date of 27 January 2015.

The amendment of the Bank's Articles of Association, including at the same time the change of its business name to PASHA Yatırım Bankası A.Ş. and its brand name to PASHA Bank, had been decided by the Extraordinary General Assembly on the date of 27 January 2015 and had taken effect upon having been published in the 8773rd issue of the Trade Registry Gazette of Turkey, dated 6 March 2015.

Upon transfer of the total TL 51,000 shares of Aksoy Holding A.Ş. to PASHA Bank OJSC, the ratio of PASHA Bank OJSC's shares in the Bank had reached 99.92%, and the ratio of the indirect shareholding of PASHA Holding LLC had reached to 59.95%, as permitted by the resolution of the Banking Regulation and Supervision Board, dated 24 December 2015 and numbered 110. This share transfer had been recorded in the share ledger, as per the resolution of the Board of Directors, dated 24 January 2015 and numbered 110.

Increasing of the Bank's paid-up capital to TL 500,000, by PASHA Holding LLC – which indirectly owned 59.95% of the total share capital – by injecting TL 245,000 cash, and thus directly acquiring 49% of the shares as permitted by the resolution of the Banking Regulation and Supervision Board, dated 4 May 2018 and numbered 7803, had been approved and; as the result of this capital increase, the total direct and indirect shareholding of PASHA Holding LLC in the Bank had increased to 79.57%.

The Bank's Articles of Association had been amended by the resolution of the Extraordinary General Assembly, dated 18 May 2018 and registered by the Trade Registry Directorate of İstanbul on the date of 6 June 2018 and had been announced in the 9598th issue of the Trade Registry Gazette of Turkey, dated 12 June 2018.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

GENERAL INFORMATION *(continued)*

II. Explanation about the Bank's capital structure, shareholders of the Bank who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters (if any) and the group the Bank belongs to

There were no changes in the Bank's share capital, Articles of Association and ownership structure during the period and the shareholding structure of the Bank as of 31 March 2022, is stated below:

Name Surname/Commercial Title	Capital	%
PASHA Bank OJSC	254,795	50.96%
PASHA Holding LLC	245,000	49.00%
Other	205	0.04%
Total	500,000	100.00%

Paid-in-capital of the Bank is divided into 500,000,000 registered shares of TL 1.00 (full) par value. Each share has one voting right. The Bank has no preferred shares.

As of 31 March 2022, the shareholders of PASHA Bank OJSC are PASHA Holding LLC, Bless LLC, Mr. Arif Pashayev and Mr. Mir Jamal Pashayev with rates of 56.82%, 28.18%, 9.99% and 5.01% respectively.

As of 31 March 2022, the shareholders of PASHA Holding LLC are Bless LLC, Reveri LLC, Mr. Arif Pashayev and Mr. Mir Jamal Pashayev with rates of 37.50%, 37.50%, 15.00% and 10.00% respectively.

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

Title	Name	Education	Share %
Chairman of the Board of Directors ⁽¹⁾	Jalal Gasimov	Postgraduate	-
Deputy Chairman of the Board of Directors ⁽¹⁾	Farid Mammadov	Postgraduate	-
Board Member	Shahin Mammadov	PhD	-
Board Member	Javid Guliyev	Postgraduate	-
Board Member / Audit Committee Member	Kamala Nuriyeva	Postgraduate	-
Independent Board Member / Audit Committee Chairperson	Furkan Evranos	PhD	-
Independent Board Member	Ebru Oğan Knottnerus	Graduate	-
Independent Board Member	Nuri Tuncalı	Graduate	-
Board Member and CEO	Hikmet Cenk Eynehan	Postgraduate	-
Deputy CEO (Acting CEO)	Ayşe Hale Yıldırım	Postgraduate	-
Deputy CEO	Özer Baran	Postgraduate	-
Deputy CEO	Benan Bilge Köksal	Graduate	-

⁽¹⁾ Upon allocation of duties among the members of the Board of Directors, as per Article 13 of the Articles of Association of the Bank, and by the Board resolution dated March 18, 2022 and numbered 29, it has been decided to have Jalal Gasimov continue to serve as the Chairman of the Board of Directors, and Farid Mammadov as the Deputy Chairman of the Board of Directors.

The Chairman and the Members of the Board of Directors, as well as the CEO and Deputy CEOs do not possess shares of the Bank directly or indirectly.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

GENERAL INFORMATION *(continued)*

IV. Explanation on shareholders having control shares

Explanation on shareholders having control shares of the Bank as of 31 March 2022, is stated below;

Name/Commercial title	Share Amounts (nominal)	Share percentage	Paid-in Capital (nominal)	Unpaid portion
Leyla Aliyeva	179,916	35.98%	179,916	-
Arzu Aliyeva	179,916	35.98%	179,916	-
Arif Pashayev	88,229	17.65%	88,229	-
Mir Jamal Pashayev	51,734	10.35%	51,734	-

V. Information on the Bank's service type and field of operations

The Bank operates as an investment bank and as of 31 March 2022 the Bank has 61 employees (31 December 2021 - 60).

The Bank has been operating through its Head Office in Istanbul only as of 31 March 2022 and has no branches.

VI. Existing or potential, actual or legal obstacles on immediate equity transfer between the Bank and its subsidiaries or repayment of the debt

None.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

	ASSETS	Note	Current Period 31/03/2022			Prior Period 31/12/2021		
			LC	FC	Total	LC	FC	Total
I.	FINANCIAL ASSETS (Net)		91,093	470,840	561,933	77,046	501,397	578,443
1.1	Cash and cash equivalents		27,655	445,362	473,017	10,078	483,120	493,198
1.1.1	Cash and balances at Central Bank	(5.1.1)	24,910	274,040	298,950	7,592	276,177	283,769
1.1.2	Banks	(5.1.3)	3,294	171,322	174,616	2,967	206,943	209,910
1.1.3	Receivables from money markets		-	-	-	-	-	-
1.1.4	Allowance for expected credit losses (-)		(549)	-	(549)	(481)	-	(481)
1.2	Financial assets at fair value through profit or loss	(5.1.2)	3,673	25,478	29,151	2,679	18,277	20,956
1.2.1	Public debt securities		-	-	-	-	-	-
1.2.2	Equity instruments		-	25,478	25,478	-	18,277	18,277
1.2.3	Other financial assets		3,673	-	3,673	2,679	-	2,679
1.3	Financial assets at fair value through other comprehensive income	(5.1.4)	59,762	-	59,762	50,685	-	50,685
1.3.1	Public debt securities		43,407	-	43,407	39,205	-	39,205
1.3.2	Equity instruments		7,659	-	7,659	7,659	-	7,659
1.3.3	Other financial assets		8,696	-	8,696	3,821	-	3,821
1.4	Derivative financial assets		3	-	3	13,604	-	13,604
1.4.1	Derivative financial assets at fair value through profit or loss	(5.1.2)	3	-	3	13,604	-	13,604
1.4.2	Derivative financial assets at fair value through other comprehensive income	(5.1.11)	-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		797,164	2,321,235	3,118,399	677,541	2,030,857	2,708,398
2.1	Loans	(5.1.5)	791,064	1,733,901	2,524,965	663,192	1,553,258	2,216,450
2.2	Receivables from leasing transactions	(5.1.10)	82,751	147,556	230,307	88,824	117,178	206,002
2.3	Factoring receivables		-	-	-	-	-	-
2.4	Financial assets measured at amortised cost	(5.1.6)	-	439,778	439,778	-	361,103	361,103
2.4.1	Public debt securities		-	266,022	266,022	-	189,860	189,860
2.4.2	Other financial assets		-	173,756	173,756	-	171,243	171,243
2.5	Allowance for expected credit losses (-)	(5.1.5)	(76,651)	-	(76,651)	(74,475)	(682)	(75,157)
III.	NON-CURRENTS ASSETS OR DISPOSAL GROUPS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS (Net)	(5.1.16)	-	-	-	-	-	-
3.1	Held for sale		-	-	-	-	-	-
3.2	Held from discontinued operations		-	-	-	-	-	-
IV.	INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		-	-	-	-	-	-
4.1	Investments in associates (Net)	(5.1.7)	-	-	-	-	-	-
4.1.1	Associates accounted by using equity method		-	-	-	-	-	-
4.1.2	Non-consolidated associates		-	-	-	-	-	-
4.2	Investments in subsidiaries (Net)	(5.1.8)	-	-	-	-	-	-
4.2.1	Non-consolidated financial subsidiaries		-	-	-	-	-	-
4.2.2	Non-consolidated non-financial subsidiaries		-	-	-	-	-	-
4.3	Jointly Controlled Partnerships (Joint Ventures) (Net)	(5.1.9)	-	-	-	-	-	-
4.3.1	Jointly controlled partnerships accounted by using equity method		-	-	-	-	-	-
4.3.2	Non-consolidated jointly controlled partnerships		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)	(5.1.12)	87,300	-	87,300	87,982	-	87,982
VI.	INTANGIBLE ASSETS AND GOODWILL (Net)	(5.1.13)	7,275	-	7,275	7,784	-	7,784
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		7,275	-	7,275	7,784	-	7,784
VII.	INVESTMENT PROPERTIES (Net)	(5.1.14)	143,676	-	143,676	143,910	-	143,910
VIII.	CURRENT TAX ASSETS		519	-	519	483	-	483
IX.	DEFERRED TAX ASSETS	(5.1.15)	14,920	-	14,920	13,020	-	13,020
X.	OTHER ASSETS (Net)	(5.1.17)	25,385	16	25,401	22,505	28	22,533
	TOTAL ASSETS		1,167,332	2,792,091	3,959,423	1,030,271	2,532,282	3,562,553

The accompanying notes are an integral part of these financial statements

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

		Note	Current Period 31/03/2022			Prior Period 31/12/2021		
			LC	FC	Total	LC	FC	Total
	EQUITY AND LIABILITIES							
I.	DEPOSITS	(5.2.1)	-	-	-	-	-	-
II.	LOANS RECEIVED	(5.2.3)	221,431	1,325,506	1,546,937	90,947	1,285,105	1,376,052
III.	MONEY MARKET FUNDS	(5.2.4)	163,915	67,883	231,798	141,143	64,380	205,523
IV.	MARKETABLE SECURITIES ISSUED (Net)	(5.2.5)	69,461	1,270,807	1,340,268	64,264	1,158,195	1,222,459
4.1	Bills		69,461	-	69,461	64,264	-	64,264
4.2	Asset backed securities		-	-	-	-	-	-
4.3	Bonds		-	1,270,807	1,270,807	-	1,158,195	1,158,195
V.	FUNDS		44,253	9,439	53,692	12,977	15,202	28,179
5.1	Borrower funds		44,253	9,439	53,692	12,977	15,202	28,179
5.2	Other		-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		2	2,954	2,956	-	114	114
7.1	Derivative financial liabilities at fair value through profit or loss	(5.2.2)	2	2,954	2,956	-	114	114
7.2	Derivative financial liabilities at fair value through other comprehensive income	(5.2.8)	-	-	-	-	-	-
VIII.	FACTORING PAYABLES		-	-	-	-	-	-
IX.	LEASE PAYABLES (Net)	(5.2.7)	487	-	487	538	-	538
X.	PROVISIONS	(5.2.9)	16,336	-	16,336	15,969	-	15,969
10.1	Provision for restructuring		-	-	-	-	-	-
10.2	Reserves for employee benefits		1,408	-	1,408	1,349	-	1,349
10.3	Insurance technical reserves (Net)		-	-	-	-	-	-
10.4	Other provisions		14,928	-	14,928	14,620	-	14,620
XI.	CURRENT TAX LIABILITIES	(5.2.10)	13,454	-	13,454	8,526	-	8,526
XII.	DEFERRED TAX LIABILITIES	(5.2.11)	-	-	-	-	-	-
XIII.	LIABILITIES RELATED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.2.12)	-	-	-	-	-	-
13.1	Held for sale		-	-	-	-	-	-
13.2	Related to discontinued operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT	(5.2.13)	-	-	-	-	-	-
14.1	Loans		-	-	-	-	-	-
14.2	Other debt instruments		-	-	-	-	-	-
XV.	OTHER LIABILITIES	(5.2.6)	67,291	49,557	116,848	52,709	45,504	98,213
XVI.	SHAREHOLDERS' EQUITY	(5.2.14)	636,647	-	636,647	606,980	-	606,980
16.1	Paid-in capital		500,000	-	500,000	500,000	-	500,000
16.2	Capital reserves		-	-	-	-	-	-
16.2.1	Equity share premiums		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Other capital reserves		-	-	-	-	-	-
16.3	Other accumulated comprehensive income that will not be reclassified in profit or loss		-	-	-	-	-	-
16.4	Other accumulated comprehensive income that will be reclassified in profit or loss		(3,305)	-	(3,305)	(2,911)	-	(2,911)
16.5	Profit reserves		109,891	-	109,891	62,766	-	62,766
16.5.1	Legal reserves		5,327	-	5,327	2,971	-	2,971
16.5.2	Statutory reserves		295	-	295	295	-	295
16.5.3	Extraordinary reserves		104,269	-	104,269	59,500	-	59,500
16.5.4	Other profit reserves		-	-	-	-	-	-
16.6	Profit or loss		30,061	-	30,061	47,125	-	47,125
16.6.1	Prior years' profits or losses		-	-	-	-	-	-
16.6.2	Current period net profit or loss		30,061	-	30,061	47,125	-	47,125
	TOTAL EQUITY AND LIABILITIES		1,233,277	2,726,146	3,959,423	994,053	2,568,500	3,562,553

The accompanying notes are an integral part of these financial statements.

(Authorised Signatory / Stamp)

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

**PASHA YATIRIM BANKASI A.Ş.
UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022**

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

II. OFF-BALANCE SHEET

		Note	Current Period 31/03/2022			Prior Period 31/12/2021		
			LC	FC	Total	LC	FC	Total
	OFF BALANCE SHEET COMMITMENTS							
A.	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		190,706	960,304	1,151,010	231,574	795,011	1,026,585
I.	GUARANTEES AND WARRANTIES	(5.3.1)	187,141	424,798	611,939	151,668	580,821	732,489
1.1.	Letters of Guarantee		187,141	159,186	346,327	151,668	153,419	305,087
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		187,141	159,186	346,327	151,668	153,419	305,087
1.2	Bank Acceptances		-	-	-	-	-	-
1.2.1	Import Letter of Acceptance		-	-	-	-	-	-
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	-	-	-	109,673	109,673
1.3.1	Documentary Letters of Credit		-	-	-	-	-	-
1.3.2	Other Letters of Credit		-	-	-	-	109,673	109,673
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	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	265,612	265,612	-	317,729	317,729
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	(5.3.1)	3,565	17,240	20,805	-	15,388	15,388
2.1	Irrevocable Commitments		3,565	17,240	20,805	-	15,388	15,388
2.1.1	Asset Purchase and Sales Commitments		3,565	3,560	7,125	-	-	-
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Commitments for Loan Limits		-	-	-	-	-	-
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		-	-	-	-	-	-
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10	Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
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		-	13,680	13,680	-	15,388	15,388
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2)	-	518,266	518,266	79,906	198,802	278,708
3.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		-	518,266	518,266	79,906	198,802	278,708
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		-	518,266	518,266	79,906	198,802	278,708
3.2.2.1	Foreign Currency Swap-Buy		-	257,698	257,698	-	145,999	145,999
3.2.2.2	Foreign Currency Swap-Sell		-	260,568	260,568	79,906	52,803	132,709
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)		3,299,158	3,244,194	6,543,352	2,938,397	2,721,906	5,660,303
IV.	ITEMS HELD IN CUSTODY		57,425	89,813	147,238	35,076	2,666	37,742
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		55,694	89,813	145,507	33,824	2,666	36,490
4.3	Cheques Received for Collection		1,731	-	1,731	1,252	-	1,252
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		-	-	-	-	-	-
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		3,174,491	3,020,759	6,195,250	2,787,894	2,602,645	5,390,539
5.1	Marketable Securities		115,630	235,031	350,661	115,630	214,027	329,657
5.2	Guarantee Notes		396,765	256,654	653,419	321,118	251,471	572,589
5.3	Commodity		635,517	561,631	1,197,148	515,483	331,856	847,339
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1,141,051	950,053	2,091,104	965,051	869,248	1,834,299
5.6	Other Pledged Items		885,528	1,017,390	1,902,918	870,612	936,043	1,806,655
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		67,242	133,622	200,864	115,427	116,595	232,022
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		3,489,864	4,204,498	7,694,362	3,169,971	3,516,917	6,686,888

The accompanying notes are an integral part of these financial statements.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

III. STATEMENT OF PROFIT OR LOSS

	INCOME STATEMENT	Note	Current Period 31/03/2022	Prior Period 31/03/2021
I.	INTEREST INCOME	(5.4.1)	79,338	42,435
1.1	Interest on Loans		62,146	33,304
1.2	Interest Received From Reserve Deposits		551	248
1.3	Interest Received From Banks		156	130
1.4	Interest Received From Money Market Transactions		105	1,837
1.5	Interest Received From Marketable Securities Portfolio		10,543	3,266
1.5.1	Financial assets at fair value through profit or loss		-	-
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		3,130	789
1.5.3	Financial Assets Measured at Amortised Cost		7,413	2,477
1.6	Finance Lease Income		5,837	3,641
1.7	Other Interest Income		-	9
II.	INTEREST EXPENSES (-)	(5.4.2)	41,738	19,672
2.1	Interest on Deposits		-	-
2.2	Interest on Funds Borrowed		19,267	10,753
2.3	Interest on Money Market Transactions		3,805	1,083
2.4	Interest on Securities Issued		16,300	7,227
2.5	Finance Lease Expense		23	7
2.6	Other Interest Expenses	(5.4.12)	2,343	602
III.	NET INTEREST INCOME/EXPENSE (I - II)		37,600	22,763
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		8,278	1,661
4.1	Fees and Commissions Received		11,162	2,667
4.1.1	Non-cash loans		1,477	1,118
4.1.2	Other	(5.4.12)	9,685	1,549
4.2	Fees and Commissions Paid (-)		2,884	1,006
4.2.1	Non-Cash Loans		122	113
4.2.2	Other	(5.4.12)	2,762	893
V.	DIVIDEND INCOME	(5.4.3)	-	-
VI.	TRADING PROFIT/LOSS (Net)	(5.4.4)	8,489	6,341
6.1	Profit/Losses From Capital Market Transactions		4,081	3,209
6.2	Profit/Losses From Derivative Financial Transactions		3,970	1,754
6.3	Foreign Exchange Profit/Losses		438	1,378
VII.	OTHER OPERATING INCOME	(5.4.5)	3,662	8,408
VIII.	GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		58,029	39,173
IX.	ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	(5.4.6)	2,797	11,222
X.	OTHER PROVISION EXPENSES (-)	(5.4.6)	-	-
XI.	PERSONNEL EXPENSES (-)		8,974	5,242
XII.	OTHER OPERATING EXPENSES (-)	(5.4.7)	6,877	5,421
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		39,381	17,288
XIV.	SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-
XV.	PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-
XVI.	NET MONETARY POSITION GAIN/LOSS		-	-
XVII.	PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	(5.4.8)	39,381	17,288
XVIII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.4.9)	9,320	3,525
18.1	Current Tax Provision		11,122	1,921
18.2	Expense Effect Of Deferred Tax (+)		2,224	3,077
18.3	Income Effect Of Deferred Tax (-)		4,026	1,473
XIX.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	(5.4.10)	30,061	13,763
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income From Assets Held For Sale		-	-
20.2	Profit From Sale Of Associates, Subsidiaries And Joint Ventures		-	-
20.3	Other Income From Discontinued Operations		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses On Assets Held For Sale		-	-
21.2	Losses From Sale Of Associates, Subsidiaries And Joint Ventures		-	-
21.3	Other Expenses From Discontinued Operations		-	-
XXII.	PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)	(5.4.8)	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(5.4.9)	-	-
23.1	Current Tax Provision		-	-
23.2	Expense Effect Of Deferred Tax (+)		-	-
23.3	Income Effect Of Deferred Tax (-)		-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	(5.4.10)	-	-
XXV.	NET PROFIT/LOSSES (XIX-XXIV)	(5.4.11)	30,061	13,763
	Profit/Loss Per Share (Expressed in exact TL)		0.0601	0.0275

The accompanying notes are an integral part of these financial statements.

(Authorised Signatory / Stamp)

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

**PASHA YATIRIM BANKASI A.Ş.
UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022**

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

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Current Period 31/03/2022	Prior Period 31/03/2021
I.	PROFIT (LOSS)	30,061	13,763
II.	OTHER COMPREHENSIVE INCOME	(394)	(57)
2.1	Other comprehensive income that will not be reclassified to profit or loss	-	-
2.1.1	Gains (Losses) on Revaluation of Property, Plant and Equipment	-	-
2.1.2	Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3	Gains (losses) on remeasurements of defined benefit plans	-	-
2.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	-	-
2.1.5	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	-	-
2.2	Other Comprehensive Income That Will Be Reclassified to Profit or Loss	(394)	(57)
2.2.1	Exchange Differences on Translation	-	-
2.2.2	Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	(492)	(71)
2.2.3	Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	-	-
2.2.6	Taxes Relating To Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss	98	14
III.	TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	29,667	13,706

The accompanying notes are an integral part of these financial statements.

(Authorised Signatory / Stamp)

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

**PASHA YATIRIM BANKASI A.Ş.
UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

						Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit and Loss			Other Accumulated Comprehensive Income That Will Be Reclassified In Profit and Loss							
		Note	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders' Equity

1) Accumulated revaluation increase/decrease of fixed assets

2) Accumulated remeasurement gain/loss of defined benefit pension plan

3) Other (Shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income items not reclassified through other profit or loss)

4) Foreign currency translation reserve

5) Accumulated revaluation and/or remeasurement gain/loss of the financial assets at fair value through other comprehensive income

6) Other (Cash flow hedge gain/loss, shares of investments valued by equity method in other comprehensive income classified through profit or loss and other accumulated amounts of other comprehensive income items reclassified through other profit or loss)

The accompanying notes are an integral part of these financial statements.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

VI. STATEMENT OF CASH FLOW

		Note	Current Period 31/03/2022	Prior Period 31/03/2021
A.	CASH FLOWS FROM BANKING OPERATIONS			
I.1	Operating Profit Before Changes in Operating Assets and Liabilities		52,407	2,126
1.1.1	Interest Received		75,576	34,133
1.1.2	Interest Paid		(42,851)	(15,534)
1.1.3	Dividend Received		-	-
1.1.4	Fees and Commissions Received		7,573	841
1.1.5	Other Income		22,281	600
1.1.6	Collections from Previously Written-off Loans and Other Receivables		8,628	140
1.1.7	Payments to Personnel and Service Suppliers		(7,042)	(11,402)
1.1.8	Taxes Paid		(4,980)	(2,207)
1.1.9	Other	(5.6.2)	(6,778)	(4,445)
I.2	Changes in Operating Assets and Liabilities		(28,897)	(71,018)
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss		(2,927)	-
1.2.2	Net increase (decrease) in due from banks		11,859	(4,468)
1.2.3	Net increase (decrease) in loans		(192,697)	(143,329)
1.2.4	Net increase (decrease) in other assets	(5.6.2)	(80)	(384)
1.2.5	Net increase (decrease) in bank deposits		-	-
1.2.6	Net increase (decrease) in other deposits		-	-
1.2.7	Net increase (decrease) in financial liabilities at fair value through profit or loss		-	-
1.2.8	Net Increase/(Decrease) in Funds Borrowed		85,299	84,156
1.2.9	Net Increase/(Decrease) in matured Payables		-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities	(5.6.2)	69,649	(6,993)
I.	Net Cash Provided from Banking Operations		23,510	(68,892)
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net Cash Provided from / (Paid For) Investing Activities		(52,516)	(19,073)
2.1	Cash paid for the purchase of associates, subsidiaries and joint ventures		-	-
2.2	Cash obtained from the sale of associates, subsidiaries and joint ventures		-	-
2.3	Cash paid for the purchase of tangible and intangible asset		(275)	(1,655)
2.4	Cash obtained from the sale of tangible and intangible asset		-	-
2.5	Cash paid for the purchase of financial assets at fair value through other comprehensive income		(51,820)	(1,320)
2.6	Cash obtained from the sale of financial assets at fair value through other comprehensive income		43,059	-
2.7	Cash paid for the purchase of financial assets at amortised cost		(71,833)	(16,098)
2.8	Cash obtained from sale of financial assets at amortised cost		28,353	-
2.9	Other		-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Provided from Financing Activities		7,274	43,004
3.1	Cash Obtained from Funds Borrowed and Securities Issued		418,790	111,000
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(411,443)	(67,974)
3.3	Equity instruments issued		-	-
3.4	Dividends Paid		-	-
3.5	Payments for Finance Lease Liabilities		(73)	(22)
3.6	Other		-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(5.6.2)	10,472	479
V.	Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)		(11,260)	(44,482)
VI.	Cash and Cash Equivalents at the Beginning of the Period	(5.6.1)	174,422	163,361
VII.	Cash and Cash Equivalents at the End of the Period (V+VI)	(5.6.1)	163,162	118,879

The accompanying notes are an integral part of these financial statements.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**SECTION THREE
EXPLANATIONS ON ACCOUNTING POLICIES**

I. BASIS OF PRESENTATION

The unconsolidated financial statements are prepared in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents":

The unconsolidated financial statements are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA"). 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" and "Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks" and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation. The unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

Accounting policies and valuation principles used in the preparation of the financial statements:

The accounting policies and valuation principles applied in the preparation of unconsolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TAS and TFRS, are consistent with the accounting policies applied in prior period. Aforementioned accounting policies and valuation principles are explained in below.

Judgements and estimates used in the preparation of the financial statements:

A new type of coronavirus (COVID-19), first emerging in China, has been classified by the World Health Organization as a pandemic affecting countries globally. The COVID-19 outbreak not only affects economic conditions both regionally and globally, as it causes disruptions in operations, especially in countries that are exposed to the epidemic. The effects of COVID-19 on Bank's financial statements are regularly monitored by the risk units and Bank's Management. While preparing the interim financial statements dated 31 March 2022, the Bank reflected the possible effects of the COVID-19 outbreak on the estimates and judgments used in the preparation of the financial statements

According to the announcement made by Public Oversight Accounting and Auditing Standards Authority on 20 January 2022, due to the fact that cumulative change in the general purchasing power of the last 3 years was 74.41%; it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies. As of 31 March 2022, Public Oversight Accounting and Auditing Standards Authority has not made a new announcement within the scope TAS 29. Therefore, no inflation adjustment has been applied on the financial statements dated 31 March 2022 in accordance with TAS 29.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

The tension between Russia and Ukraine since January 2022 has turned into a crisis and an armed conflict as of the date of the report. Bank does not carry out major activities in these two countries that are subject to the crisis. Considering the geographies in which Bank operates, no direct impact is expected on Bank operations. However, since the course of the crisis is uncertain as of the date of this report, developments that may occur on a global scale, and the effects of these developments on the global and regional economy and on Bank's operations, are closely monitored and considered with the best estimation approach in the preparation of the financial statements.

Explanation for convenience translation into 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 Standards 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 STRATEGY OF USING FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS

The general strategy of the Bank of using financial instruments is to sustain an optimal balance between the yield of the instruments and their risks. The most important funding sources of the Bank are shareholders' equity, borrowing from domestic and foreign financial institutions and debt securities issued. Funds obtained from internal and external sources are invested in high yield and quality financial assets and currency, interest rate and liquidity risks are being kept within the limits following the asset-liability management strategy. The currency, interest and liquidity risks of on-balance sheet and off-balance sheet assets and liabilities are managed in accordance with the risk limits accepted by the Bank and the related legal limits. Derivative instruments are mainly utilised for liquidity needs and for mitigating currency and interest rate risks. The position of the Bank as a result of foreign currency activities being held at minimum levels and the exposed currency risk is followed within the determined levels by the Board of Directors by considering the limits given by the Banking Law.

Foreign currency denominated monetary assets and liabilities are translated with the Bank's foreign currency bid rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognised in the income statement under the account of "Foreign exchange gains or losses".

III. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

The Bank does not have any embedded derivative instruments.

Derivative financial instruments of the Bank are classified under "TFRS 9 Financial Instruments" ("TFRS 9"), "Derivative Financial Assets/Liabilities Designated at Fair Value through Profit or Loss" or "Derivative Financial Assets/Liabilities Designated at Fair Value through Other Comprehensive Income".

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

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments designated at fair value through profit or loss are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transactions.

IV. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

Interest income and expenses are recognized in the income statement by using the "effective interest rate method". The Bank calculate interest income accrual for the non-performing loans that are not fully provisioned in the period they occur.

V. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE

Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15 Revenue from Contracts with Customers. Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted under accrual basis of accounting throughout the service period. Income from asset purchases to a third party or by natural or legal persons contracts are recognized in the period they occur.

VI. EXPLANATIONS ON FINANCIAL ASSETS

The Bank categorizes its financial assets as "Financial Assets at Fair Value Through Profit/Loss", "Financial Assets at Fair Value Through Other Comprehensive Income" or "Financial Assets Measured at Amortized Cost". Such financial assets are recognized or derecognized according to the principles defined in section three of "TFRS 9 Financial Instruments" standard, issued for classification and measurement of the financial instruments, published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

Financial assets at fair value through profit or loss

"Financial Assets at Fair Value Through Profit/Loss" are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; 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.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

Financial Assets at Fair Value Through Other Comprehensive Income

"Financial Assets at Fair Value Through Other Comprehensive Income" are financial assets which are managed with business model that aims to hold to collect contractual cash flows and aims to hold to sell; and if the contractual terms of the financial assets lead to cash flows representing solely payments of principal and interest at certain dates.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost which reflects the fair value of the financial asset. After initial 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.

Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

During initial recognition an entity can make an irrevocable choice as to record the changes of the fair value of investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is recognized in the financial statements as profit or loss.

Financial Assets Measured at Amortized 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 (internal rate of return) method. Interest income obtained from financial assets measured at amortized cost is accounted in the income statement.

Loans

Loans are financial assets that have fixed or determinable payment terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and subsequently measured at amortized cost using the effective interest rate (internal rate of return) method. Bank's loans are fully recorded under the "Measured at Amortized Cost" account.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON EXPECTED CREDIT LOSS

The Bank allocates allowance for expected loss on financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income.

As of 1 January 2018, the Bank started to recognize provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. In this framework, as of 31 December 2017, method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under TFRS 9. The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

- **Stage 1:** For the financial assets at initial recognition or for those which do not have a significant increase in credit risk since initial recognition. Allowance for credit risk is recorded in the amount of 12-month expected credit losses.
- **Stage 2:** In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Allowance for credit risk is determined on the basis of the instrument's lifetime expected credit losses.
- **Stage 3:** Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

Individual assessment would be applied for stage 2 and stage 3 financial assets when it is necessary by considering various scenarios including discounting cash flows of financial assets.

In the general application of TFRS 9, the probability of default (PD) and loss given default (LGD) is determined within the framework of the Bank's models and expected loss provisions are calculated by taking into account the exposure at default (EAD).

Within the scope of TFRS 9, three types of expected loss provisions are defined:

- **12-month expected credit losses:** For the financial assets that do not have a significant increase in credit risk since initial recognition. Impairment for these classes of assets are recorded in Stage 1.
- **Lifetime expected credit losses:** It expresses credit losses that have significant increase in credit risk since initial recognition. These assets are evaluated in Stage 2.
- **Provision for defaulted financial assets:** This classification represents the losses that are subject to default. It is used for assets classified as Stage 3.

The expected loss calculations are used for financial assets at amortized cost and financial assets at fair value through other comprehensive income. In addition, expected loss provision is calculated for financial guarantees, sureties and liabilities that are monitored in off-balance sheet accounts, where the Bank will be exposed to a credit risk.

While the Bank takes into account the interest amount in the calculation of the impairment, Stage 1 and Stage 2 consider the interest for the financial assets as gross value and the interest rate for Stage 3 is based on net value.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

Within the framework of the credit rating methodology, the Bank uses LGD ratios to be calculated by using the PDs corresponding to the external / internal ratings and the coefficient of approximation used within the framework of Basel and BRSA applications.

In the calculation of the expected loss provision, for banks and central governments the ratings given by the internationally accepted independent rating institutions are taken as basis. For corporate loans and financial customers other than banks, internal rating model of the Bank are used to evaluate customers. In determining the internal rating grades, the rating scale published by independent credit institutions is taken as a basis, and sub-notches are used to better differentiate customers with low grade bands. In the determination of PD values, independent credit rating agency methodology based on the historical default rates and Bank's calibration methodology with a forward-looking perspective taking macroeconomic expectations into consideration is used. For customers having a better rating than the Turkey's rating, a sub-notch below of the country's rating is applied as a cap. Thus, a prudent approach is applied that doesn't allow to assign a better rating than country's one for customers residing in that country.

In the last quarter of 2020, some improvements were made to increase the performance of the Bank's internal rating model. The bank portfolio consists of large companies and financial institutions that are small in number but have a high volume of loan demand. Due to the low number of observations involving bank internal default data, a global rating methodology based on publicly published global methodology documents is used instead of a model based on internal data. The methodology is based on both a financial assessment based on information from the client's balance sheets and a qualitative assessment, including questions such as management strategy and structure. This assessment is the base module, which is the basis of the Bank's rating methodology. Then, subsequent adjustment factors such as the parental support, government support, early warning signals and country ceiling are applied in the form of grade increases/decreases on the base module in a modular structure. As of September 2021, the one-year usage period of the internal rating model has been completed. Validation studies were conducted on the discrimination power and reliability of the model based on the one-year usage period data, and it was concluded that it performed at the expected level. In its ECL models, the Bank relies on a broad range of forward looking information as economic inputs, such as gross domestic product and Turkish Banking Sector NPL rates. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Different scenarios have been applied on macro-economic models in line with management expectations.

For LGD ratios, conversion rates of the collaterals received for the financial asset are taken into consideration in the framework of certain coefficients considering the general banking practices and the information published by Basel and BRSA. Personal or corporate warranties received for collaterals are not taken into account in LGD ratio calculation.

For EAD to be calculated for the risks that are monitored in the off-balance sheet, the Bank includes to the calculation of the relevant risks within the framework of a credit conversion factor (CCF) application. CCF ratio applied as 100% for cash supply non cash loans and 50% for the rest.

With the respect of criteria that mentioned in above paragraph, the expected credit loss provision (ECL), which is ultimately calculated for a financial asset, is calculated as follows:

$$ECL = PD * LGD * EAD * (if any CCF)$$

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

Expected credit loss calculation is calculated over financial assets that has counterparty risk which in scope of IFRS 9 and off-balance sheet risks that are present each reporting period.

The ratings of financial assets subject to PD calculations are reviewed and updated annually (unless there is a significant improvement in the credit risk of the counterparty). In the case of delay over 30 days, which is the main criteria for transition from Stage 1 to Stage 2, the rating of financial asset is revised. For transitions between stages, certain criteria have been defined by taking into account the relevant regulations/circulars of the BRSA and the notifications issued. In case of following criteria; if the principal or interest/commission collection delays exceed 30 days or the credit rating falls down to two grades relative to the country rating, or restructuring of loan due to debtor has difficulty on payment, the transition criteria from Stage 1 to Stage 2 is applied. The fact that the principal and interest/commission collection delays of 90 days or more is also applied for the transition to Stage 3. In addition, in case the Bank management considers that it is appropriate, the Bank will be able to transition between stages whether not to meet with criteria.

The expected loss provision for the assets in Stage 1 are presented under the "12 Months Expected Credit Losses (Stage 1)", expected loss provision for the assets in Stage 2 are presented under the "Significant Increase in Credit Risk" and expected loss provision for financial assets in Stage 3 are followed as "Credit-Impaired (Stage 3)". Due to the deterioration in the credit risk between stages, there may be downgrade transitions as well as improvements between stages.

In accordance with the internal policies, TFRS 9 models are updated once a year. The related model update was made in the 4th quarter of 2021 and expected credit losses provision is continued to calculated based on the mentioned updated model as its needed.

VIII. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognised amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

IX. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS

Securities subject to repurchase agreements ("Repo") are classified as "Financial assets at fair value through profit or loss", "Financial assets at fair value through other comprehensive income" and "Financial assets measured at amortised cost" according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under "Funds Provided under Repurchase Agreements" in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the effective interest method.

Funds given against securities purchased under agreements ("Reverse repo") to resell are accounted under "Receivables from Reverse Repurchase Agreements" on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the "effective interest method".

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

X. EXPLANATIONS ON ASSETS HELD FOR RESALE AND FIXED ASSETS FROM DISCONTINUED OPERATIONS AND LIABILITIES RELATED WITH THESE ASSETS

According to TFRS 5, non-current asset classified as held for sale (or group of assets to be disposed) is measured by the lowest of book value or sales costs discounted fair value. An asset to be held for sale asset (or group of assets to be disposed) it is necessary that, the related asset has to be commonly seen on the sales of these kind of sales assets, it could be easily immediately sold in the frame of usual conditions and it has to have high sales probability. For the high sales probability, there has to be a plan regarding the sales of asset made by the appropriate management level and by the determination of buyers there has to be an active program started regarding to completion of the plan.

A discontinued operation is a part classified as discarded or held for sales by the bank. Results regarding to discontinue operations are presented individually in income statement. The Bank has no discontinued operations.

XI. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated amortization and the provision for value decreases, if any. Intangibles are amortised over their estimated useful lives of three to five years using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilise the economic benefit of the assets.

The Bank expects no change with respect to accounting estimates, amortization period, amortization method, or residual value that will have significant impact on the current or the following periods.

As of 31 March 2022 and 31 December 2021, there is no any goodwill amount that need to reflect to the financial statements.

XII. EXPLANATIONS ON PROPERTY AND EQUIPMENT

Property and equipment is measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for value decrease, if any.

Depreciation is calculated over the cost of property with useful life of 50 years and other fixed assets with useful lives of three to fifteen years using the straight-line method.

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

Where the carrying amount of an asset is greater than its estimated "recoverable amount", it is written down immediately to its "recoverable amount" and the provision for the diminution in value is charged to the income statement.

Property and equipment are not subject to valuation such that fair value is presented in the financial statements. Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales revenue.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

Expenditures for the regular repair and maintenance of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalised on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset, or the quality of the product or to decrease the costs.

There is no pledge, mortgage or commitment on the Bank’s property and equipment.

XIII. EXPLANATIONS ON INVESTMENT PROPERTIES

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less amortisation less any impairment losses.

The Bank’s investment properties are valued by external, independent valuation companies on a periodic basis for disclosure and impairment assessment purposes. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm’s length transaction. In the absence of available current prices in an active market, the valuations are based on estimated cash flows expected to be received. Investment property held consists of land and building with a useful life of 50 years and accounted with straight-line depreciation.

Gains or losses in the case of disposal of an investment property; is the difference between the net selling price of the asset sold and the carrying amount of the property and is recognized as profit or loss on sale of investment property in the period of disposal.

XIV. EXPLANATIONS ON LEASING TRANSACTIONS

Assets acquired under finance lease agreements are capitalised at the inception of the lease at the “lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset”. Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of these assets. If there is any diminution in value of the leased asset, a “Provision for value decrease” is recognised. Liabilities arising from the leasing transactions are included in “Financial Lease Payables” on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement.

The Bank can engage in financial lease transactions as the lessor. The Bank records the gross amount of minimum lease receivables comprising of principal and interest amounts as “financial lease receivables” under lease receivables account. The difference between the aggregate of lease receivables and the cost of the related leased assets, corresponding to interest, is recorded under “unearned income” item. The interest income is recognised in the income statement on an accrual basis.

The Bank adopted TFRS 16 Leases and started to present most leases on-balance sheet except its short term leases and its low value assets.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS

Provisions and contingent liabilities except for the financial instruments within the scope of the TFRS 9 or the provisions recognised in accordance with other standards such as TAS 12 and TAS 19 are accounted in accordance with the "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" (TAS 37).

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognised in the same period of occurrence in accordance with the "Matching principle". When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Bank, it is considered that a "Contingent" liability exists and it is disclosed in the related notes to the financial statements.

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

Obligations related to employee termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") and are classified under "Reserve for Employee Rights" account in the balance sheet. Under the Turkish Labour Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Bank arising from this liability.

	31 March 2022	31 December 2021
Discount Rate (%)	3.48	3.48
Inflation Rate (%)	15.00	15.00

XVII. EXPLANATIONS ON TAXATION

The income tax charge is composed of the sum of current tax and deferred tax.

The current tax liability is calculated over 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 and it further excludes items that are never taxable or deductible.

As of 31 March 2022, the prevailing corporate tax rate is as 23% in Turkey. However, as per the Article 26 of the Law No. 7394 on the "Law on Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law" and as per added first sentence to the temporary Article 13 of the Law No. 5520 on the "Corporate Tax Law" published in the Official Gazette No. 31810 dated 15 April 2022, the corporate tax rate will be applied as 25% for the corporate earnings for the taxation period of 2022. Since the tax rate change is effective as of 15 April 2022 and 23% was used as the tax rate in the current tax and deferred tax calculations in the financial statements as of 31 March 2022.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

Deferred tax asset or liability 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, and currently enacted tax rates are used to determine deferred tax on income. 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. In accordance with TFRS 9 articles, beginning from 1 January 2018, deferred tax has started to be measured over expected credit losses constituting temporary differences. Deferred tax is not calculated over free provisions.

Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date. Deferred tax is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized and reflected in the income statement as expense or income. Moreover, if the deferred tax is related with items directly recorded under the equity in the same or different period, deferred tax is also associated directly with equity. Deferred tax assets and liabilities are also offset. According to the second paragraph of the Article 53 of the Banking Act No 5411 dated 19 October 2005, all specific reserves for loans and other receivables are considered as deductible expense for determining corporate tax base.

With the "Law Amending the Tax Procedure Law and the Corporate Tax Law", which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from the balance sheet dated on December 31, 2023

Transfer Pricing

Transfer pricing is regulated through article 13 of Corporate Tax Law titled "Transfer Pricing through camouflage of earnings". Detailed information for the practice regarding the subject is found in the "General Communiqué Regarding Camouflage of Earnings Through Transfer Pricing". According to the aforementioned regulations, in the case of making purchase or sales of goods or services with relevant persons/corporations at a price that is determined against "arm's length principle", the gain is considered to be distributed implicitly through transfer pricing and such distribution of gains is not subject to deductions in means of corporate tax.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVIII. EXPLANATIONS ON BORROWINGS

Trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at “amortised cost” using the effective interest method.

The Bank utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities.

XIX. EXPLANATIONS ON ISSUANCE OF SHARES CERTIFICATES

Transaction costs regarding the issuance of share certificates are accounted under shareholders’ equity after eliminating the tax effects. Dividend payments are determined by the General Assembly of Bank.

The Bank has not issued any share certificates.

No dividend payments were announced after the balance sheet date.

XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES

Avalized drafts and acceptances shown as liabilities against assets are included in the “Off-balance sheet commitments”.

XXI. EXPLANATIONS ON GOVERNMENT INCENTIVES

None.

XXII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below. Under the Turkish Commercial Code (“TCC”) the legal reserves are composed of first and second reserves. The TCC requires first reserves to be 5% of the profit until the total reserve is equal to 20% of issued and fully paid-in share capital. Second reserves are required to be 10% of all cash profit distributions that are in excess of 5% of the issued and fully paid-in share capital. However holding companies are exempt from this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

XXIII. EXPLANATIONS ON EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit for the year to the weighted average number of shares outstanding during the period concerned. Earnings per share disclosed in the income statement are calculated by dividing net profit for the year to the weighted average capital outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect to bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period. Where the number of outstanding shares increase due to distribution of bonus shares after the balance sheet date but before the release of the financial statements, earnings per share computations are performed based on the revised average number of shares.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXIV. EXPLANATIONS ON 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. EXPLANATIONS ON SEGMENT REPORTING

Information on operational fields which are determined in accordance with the Bank's organizational and internal reporting structure and the requirements of "Turkish Financial Reporting Standards on Segment Reporting" ("TFRS 8") is disclosed in Section Four.

XXVI. RECLASSIFICATIONS

In order to be consistent with the presentation of current period financial statements, there are certain reclassifications.

XXVII. EXPLANATIONS ON OTHER MATTERS

None.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

SECTION FOUR

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT**

I. INFORMATION ABOUT SHAREHOLDERS' EQUITY ITEMS

Equity capital amount and capital adequacy standard ratio is calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" and "Regulation on Equities of Banks".

The current period equity amount of the Bank is TL 680,010 (31 December 2021 –TL 646,135) while its capital adequacy standard ratio is 16.79 % (31 December 2021 – 17.39%) as of 31 March 2022. The capital adequacy ratio of the Bank is far beyond the minimum rate determined by the related legislation.

a. Information on shareholders' equity

	Current Period	Prior Period
Common Equity Tier 1 capital		
Directly issued qualifying common share capital plus related stock surplus	500,000	500,000
Share premium	-	-
Legal reserves	109,891	62,766
Projected gains to shareholders' equity of the accounting standards in Turkey	546	971
Profit	30,061	47,125
Net current period profit	30,061	47,125
Prior period profit	-	-
Free shares from investments and associates, subsidiaries and joint ventures that is not recognised in profit	-	-
Common Equity Tier 1 capital before regulatory adjustments	640,498	610,862
Common Equity Tier 1 capital: regulatory adjustments		
Prudential valuation adjustments	-	-
Sum of current year net loss and prior period's loss that is not covered with reserves and losses on shareholders' equity of the accounting standards in Turkey	3,851	3,374
Development cost of operating lease	-	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	7,275	7,784
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Cash-flow hedge reserve	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Securitisation gain on sale	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	-
Reciprocal cross-holdings in common equity	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	-
Mortgage servicing rights (amount above 10% threshold)	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
Amount exceeding the 15% threshold	-	-
of which: significant investments in the common stock of financials	-	-
of which: mortgage servicing rights	-	-
of which: deferred tax assets arising from temporary differences	-	-
National specific regulatory adjustments	-	-
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-
Total regulatory adjustments to Common equity Tier 1	11,126	11,158
Common Equity Tier 1 capital (CET 1)	629,372	599,704

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

	Current Period	Prior Period
Additional Tier 1 capital: instruments		
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards	-	-
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	-	-
Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1) of which: instruments issued by subsidiaries subject to phase out	-	-
Additional Tier 1 capital before regulatory adjustments	-	-
Additional Tier 1 capital: regulatory adjustments		
Investments in own Additional Tier 1 instruments	-	-
Reciprocal cross-holdings in Additional Tier 1 instruments	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
National specific regulatory adjustments	-	-
The process of transition will continue to reduce from Tier 1 Capital		
Goodwill or other intangibles and deferred tax liabilities of which the regulation concerning transitional Article 2 of subsection of core capital not reduced from (-)	-	-
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 (-)	-	-
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions(-)	-	-
Total regulatory adjustments to Additional Tier 1 capital	-	-
Additional Tier 1 capital (AT1)	-	-
Tier 1 capital (T1 = CET1 + AT1)	629,372	599,704
Tier 2 capital: instruments and provisions		
Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-
Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-
Provisions	50,638	46,431
Tier 2 capital before regulatory adjustments	50,638	46,431
Tier 2 capital: regulatory adjustments		
Investments in own Tier 2 instruments (-)	-	-
Reciprocal cross-holdings in Tier 2 instruments	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) (-)	-	-
Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
National specific regulatory adjustments (-)	-	-
Total regulatory adjustments to Tier 2 capital	-	-
Tier 2 capital (T2)	50,638	46,431
Total capital (TC = T1 + T2)	680,010	646,135
Total risk weighted assets	-	-
Loans extended being non-compliant with articles 50 and 51 of the Law	-	-
Portion of the sum of the banks' real estate net book values, which is in excess of fifty per cent of their own funds and net book values of those of merchandise and real estate which have to be acquired due to their receivables and disposed of pursuant to Article 57 of the Banking Law, which cannot be disposed of despite the lapse of a period of five years since the date of such acquisition(-)	-	-
National specific regulatory adjustments	-	-
The process of transition will continue to reduce from Common Equity Tier 1 capital and Additional Tier 1 capital		
of which: The sum of partnership share on banks and financial institutions (domestic and abroad), with shareholding of less than 10%	-	-
of which: Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above	-	-
of which: Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above	-	-

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

	Current Period	Prior Period
Shareholders' Equity		
Total shareholders' equity	680,010	646,135
Total risk weighted items	4,051,007	3,714,502
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	15.54	16.14
Tier 1 Capital Adequacy Ratio (%)	15.54	16.14
Capital Adequacy Standard Ratio (%)	16.79	17.39
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	2.505	2.505
a) Capital conservation buffer requirement (%)	2.500	2.500
b) Bank specific countercyclical buffer requirement (%)	0.005	0.005
c) Higher bank buffer requirement ratio (%)	-	-
Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) (%)	7.54	8.14
Amounts below the thresholds for deduction (before risk weighting)		
Non-significant investments in the capital of other financials	-	-
Significant investments in the common stock of financials	-	-
Mortgage servicing rights (net of related tax liability)	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Applicable caps on the inclusion of provisions in Tier 2		
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	59,094	58,143
Cap on inclusion of provisions in Tier 2 under standardised approach	50,638	46,431
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Current cap on common equity T1 capital instruments subject to phase out arrangements	-	-
Amount excluded from common equity T1 capital due to cap (excess over cap after redemptions and maturities)	-	-
Current cap on additional T1 capital instruments subject to phase out arrangements	-	-
Amount excluded from additional T1 capital due to cap (excess over cap after redemptions and maturities)	-	-

In the calculation of the amount subject to credit risk, in accordance with the Regulation on the Measurement and Evaluation of Capital Adequacy due to the fluctuations in the financial markets, based on the press release of the BRSA on 23 March 2020 and updated with its regulation on 17 June 2021 and 16 September 2021; It has been made possible to use the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days when calculating the amounts of monetary assets and non-monetary assets, other than items in foreign currency measured in terms of historical cost, in accordance with Turkish Accounting Standards and related special provisions. As of 31 December 2021, the Bank has not used this opportunity in its Capital Adequacy calculations.

b. Information about instruments that will be included in total capital calculation

None (31 December 2021 - None).

c. Explanations on reconciliation between amounts in the statement of information on equity items

The main difference between the amount of 'Equity' given in the statement of equity and the amount of 'Equity' in the unconsolidated balance sheet arises expected credit losses. The expected credit losses are considered as contribution capital in the calculation of the 'Equity' given in the equity table. In addition, operating lease development costs, intangible assets, and some other accounts determined by the Board are taken into account in calculating the 'Equity' amount in calculations as deductions.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

II. EXPLANATIONS ON CURRENCY RISK

The Bank's foreign currency position is managed within the limits set by legislation and the Bank. The basic principle in foreign currency risk management is not to be exposed to currency risk. Accordingly, the exchange-trading risk positions are not allocated to the limit, banking accounts as of the currency by creating a matched asset-liability structure is aimed to provide natural protection. The Bank uses derivative financial instruments such as forward foreign exchange contracts and currency swaps for hedging purposes in foreign currency denominated transactions.

Bank's methodology of digitising the foreign currency position includes the use of standard method when calculating the capital adequacy ratio and application of internal stress tests/ sensitivity analysis.

The Bank's publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five business days prior to that date:

(Full TL)	USD	EUR
Foreign exchange rates as of 31 March 2022	14.6371	16.2855
1. Bid rate	14.6458	16.3086
2. Bid rate	14.7933	16.3177
3. Bid rate	14.8221	16.2620
4. Bid rate	14.8068	16.3136
5. Bid rate	14.8234	16.2825
Arithmetic average – 31 days	14.6168	16.1061
Foreign exchange rates as of 31 December 2021	13.3290	15.0867

Foreign Exchange Sensitivity Analysis

The effects (excluding tax effects) of 10% change of TL against the foreign currencies below on the equity and profit or loss are presented below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Change in Currency Rate		Effect on Profit and Loss		Effect on Equity	
		Current Period	Prior Period	Current Period	Prior Period
USD	10% decrease	(1,262)	(2,431)	(1,262)	(2,431)
USD	10% increase	1,262	2,431	1,262	2,431
EUR	10% decrease	(7,495)	(5,641)	(7,495)	(5,641)
EUR	10% increase	7,495	5,641	7,495	5,641

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

Current Period	EURO	USD	Other FC	Total
Assets				
Cash and Cash Equivalents (Cash in vault, effectiveness, money in transfer and cheques purchased) and Balances with the Central Bank of Turkey	63	273,977	-	274,040
Due from Banks	3,906	167,336	80	171,322
Financial Assets at Fair Value Through Profit or Loss	25,478	-	-	25,478
Money Market Placements	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-
Loans ⁽¹⁾	1,057,795	847,552	-	1,905,347
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial assets at fair value through profit or loss	-	439,778	-	439,778
Derivative Financial Assets	-	-	-	-
Property and Equipment	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	-	16	-	16
Total Assets	1,087,242	1,728,659	80	2,815,981
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds From Interbank Money Market	43,872	24,011	-	67,883
Funds Borrowed From Other Financial Institutions	648,326	677,180	-	1,325,506
Marketable Securities Issued	52,226	1,218,581	-	1,270,807
Miscellaneous Payables ⁽³⁾	6,745	42,812	-	49,557
Derivative Financial Liabilities ⁽⁴⁾	-	-	-	-
Other Liabilities ⁽²⁾	553	8,886	-	9,439
Total Liabilities	751,722	1,971,470	-	2,723,192
Net On-balance Sheet Position	335,520	(242,811)	80	92,789
Net Off-balance Sheet Position	(260,568)	255,432	-	(5,136)
Derivative Financial Assets	-	258,345	-	258,345
Derivative Financial Liabilities	260,568	2,913	-	263,481
Non-Cash Loans	313,121	111,677	-	424,798
Prior Period				
Total Assets	901,481	1,654,421	112	2,556,014
Total Liabilities	792,272	1,776,114	-	2,568,386
Net On-balance Sheet Position	109,209	(121,693)	112	(12,372)
Net Off-balance Sheet Position	(52,803)	145,999	-	93,196
Derivative Financial Assets	-	145,999	-	145,999
Derivative Financial Liabilities	52,803	-	-	52,803
Non-Cash Loans	419,483	161,338	-	580,821

⁽¹⁾ Foreign currency indexed loans amounting to TL 23,890 (31 December 2021 – TL 23,732), receivables from leasing transaction amounting to TL 147,556 (31 December 2021 – 117,178 TL) and there is no foreign currency expected credit losses (31 December 2021 – 682 TL).

⁽²⁾ Borrowers' funds amounting to TL 9,439 (31 December 2021 – TL 15,202) are included.

⁽³⁾ Presented in other liabilities at financial statements.

⁽⁴⁾ Excludes derivative financial assets amounting to TL 2,954 TL (31 December 2021 – TL 114 of derivative financial liabilities).

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

III. EXPLANATIONS ON INTEREST RATE RISK

Interest rate risk is the risk that expresses the effects of fluctuations in the market interest rates on the value increase/decrease of the Bank's interest rate sensitive assets and liabilities.

The interest rate sensitivity of Assets, Liabilities and Off-balance sheet items is carefully followed up by the treasury department of the Bank. Assets and liabilities which are sensitive to interest are managed in such a way that minimizes the interest risk.

The interest rate risk of the banking items is measured legally in accordance with the "Regulation on Measurement and Assessment of Standard Shock Method on the interest rate risk arising from banking accounts", and this legal limit is monitored and reported monthly, based on this measurement.

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and over	Non- Interest Bearing ⁽¹⁾	Total
Assets							
Cash and Cash Equivalents (Cash in vault, effectiveness, money in transfer and cheques purchased) and Balances with the CB of Turkey	287,187	-	-	-	-	11,432	298,619
Due from Banks	134,835	-	-	-	-	39,563	174,398
Financial Assets at Fair Value Through Profit/Loss ⁽⁷⁾	3	-	-	-	-	29,151	29,154
Money Market Placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	9,239	111	10,491	32,262	-	7,659	59,762
Loans ⁽²⁾	577,013	226,707	1,087,767	854,400	9,385	(71,838)	2,683,434
Financial assets measured at amortised cost	2,788	12,811	220,950	203,229	-	(4,813)	434,965
Other Assets	-	-	-	-	-	279,091	279,091
Total Assets	1,011,065	239,629	1,319,208	1,089,891	9,385	290,245	3,959,423
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	181,022	44,762	6,014	-	-	-	231,798
Miscellaneous Payables ⁽⁵⁾	21,704	-	-	-	-	70,949	92,653
Marketable Securities Issued	368,210	118,628	487,502	365,928	-	-	1,340,268
Funds Borrowed From Other Financial Institutions	386,883	45,428	951,578	162,855	-	193	1,546,937
Other Liabilities ^{(3),(4)}	33,387	-	-	-	-	714,380	747,767
Total Liabilities	991,206	208,818	1,445,094	528,783	-	785,522	3,959,423
Balance Sheet Long Position	19,859	30,811	-	561,108	9,385	-	621,163
Balance Sheet Short Position	-	-	(125,886)	-	-	(495,277)	(621,163)
Off-balance Sheet Long Position ⁽⁶⁾	261,261	-	-	-	-	-	261,261
Off-balance Sheet Short Position ⁽⁶⁾	(264,130)	-	-	-	-	-	(264,130)
Total Position	16,990	30,811	(125,886)	561,108	9,385	(495,277)	(2,869)

(1) Allowances for the expected credit losses are included in the non-interest bearing column.

(2) Finance lease receivables are included.

(3) Shareholders' equity is presented under other liabilities in the non-interest bearing column.

(4) Borrowers' funds is presented in the other liabilities.

(5) Presented in other liabilities at financial statements.

(6) Includes asset purchase and sale commitments

(7) Includes derivatives financial assets

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and over	Non- Interest Bearing ⁽¹⁾	Total
Assets							
Cash and Cash Equivalents (Cash in vault, effectiveness, money in transfer and cheques purchased) and Balances with the CB of Turkey	282,666	-	-	-	-	744	283,410
Due from Banks	66,646	-	-	-	-	143,142	209,788
Financial Assets at Fair Value Through Profit/Loss ⁽⁷⁾	13,604	-	-	-	-	20,956	34,560
Money Market Placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	3,307	640	1,101	37,978	-	7,659	50,685
Loans ⁽²⁾	609,771	363,660	583,371	856,310	9,340	(70,933)	2,351,519
Financial assets measured at amortised cost	1,155	28,994	183,060	147,894	-	(4,224)	356,879
Other Assets	-	-	-	-	-	275,712	275,712
Total Assets	977,149	393,294	767,532	1,042,182	9,340	373,056	3,562,553
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	194,227	5,845	5,451	-	-	-	205,523
Miscellaneous Payables	23,651	601	-	-	-	49,985	74,237
Marketable Securities Issued	66,372	1,503	773,082	381,502	-	-	1,222,459
Funds Borrowed From Other Financial Institutions	257,743	266,133	181,242	670,698	-	236	1,376,052
Other Liabilities ^{(3),(4)}	11,361	-	-	-	-	672,921	684,282
Total Liabilities	553,354	274,082	959,775	1,052,200	-	723,142	3,562,553
Balance Sheet Long Position	423,795	119,212	-	-	9,340	-	552,347
Balance Sheet Short Position	-	-	(192,243)	(10,018)	-	(350,086)	(552,347)
Off-balance Sheet Long Position ⁽⁶⁾	145,999	-	-	-	-	-	145,999
Off-balance Sheet Short Position ⁽⁶⁾	(132,709)	-	-	-	-	-	(132,709)
Total Position	437,085	119,212	(192,243)	(10,018)	9,340	(350,086)	13,290

⁽¹⁾ Allowances for the expected credit losses are included in the non-interest bearing column.

⁽²⁾ Finance lease receivables are included.

⁽³⁾ Shareholders' equity is presented under other liabilities in the non-interest bearing column.

⁽⁴⁾ Borrowers' funds is presented in the other liabilities.

⁽⁵⁾ Presented in other liabilities at financial statements.

⁽⁶⁾ Includes asset purchase and sale commitments

⁽⁷⁾ Includes derivatives financial assets

b. Average interest rates for monetary financial instruments

Current Period	EUR %	USD %	JPY %	TRY %
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-	8.50
Due From Banks	-	0.19	-	14.56
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	14.30
Financial assets at fair value through other comprehensive income	-	-	-	19.15
Loans	4.30	5.92	-	22.87
Financial assets measured at amortised cost	-	7.20	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds From Interbank Money Market	1.09	1.98	-	15.94
Miscellaneous Payables ⁽¹⁾	-	0.40	-	18.27
Marketable Securities Issued	1.75	3.54	-	21.52
Funds Borrowed From Other Financial Institutions	1.58	3.88	-	18.10

⁽¹⁾ Includes borrowers' funds.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

	EUR %	USD %	JPY %	TRY %
Prior Period				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-	11.98
Due From Banks	0.03	0.13	-	19.45
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	18.20
Financial assets at fair value through other comprehensive income	-	-	-	16.82
Loans	4.64	5.53	-	20.83
Financial assets measured at amortised cost	-	7.58	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds From Interbank Money Market	1.21	2.50	-	17.25
Miscellaneous Payables ⁽¹⁾	-	0.23	-	16.88
Marketable Securities Issued	1.75	3.55	-	18.96
Funds Borrowed From Other Financial Institutions	1.48	3.85	-	18.05

⁽¹⁾ Includes borrowers' funds.

- c. **Economic value differences resulted from interest rate instabilities calculated according to regulation on measurement and evaluation of interest rate risk resulted from banking book as per standard shock method**

Current Period Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity(%)
TRY	(+) 500 basis point	(15,027)	(2.21)
TRY	(-) 400 basis point	13,251	1.95
USD	(+) 200 basis point	(5,910)	(0.87)
USD	(-) 200 basis point	7,345	1.08
EUR	(+) 200 basis point	(14,664)	(2.16)
EUR	(-) 200 basis point	103	0.02
TOTAL (for negative shocks)		20,699	3.05
TOTAL (for positive shocks)		(35,601)	(5.24)

Prior Period Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity(%)
TRY	(+) 500 basis point	(15,651)	(2.42)
TRY	(-) 400 basis point	13,890	2.15
USD	(+) 200 basis point	6,967	1.08
USD	(-) 200 basis point	5,597	0.87
EUR	(+) 200 basis point	(12,501)	(1.93)
EUR	(-) 200 basis point	-	-
TOTAL (for negative shocks)		19,487	3.02
TOTAL (for positive shocks)		(21,185)	(3.27)

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

IV. EXPLANATIONS ON EQUITY POSITION RISK

The Bank does not hold equity position as of 31 March 2022. (31 December 2021 - None).

V. EXPLANATIONS ON LIQUIDITY RISK and LIQUIDITY COVERAGE RATIO

a. Information on risk capacity, responsibilities and structure of liquidity risk management, reporting of liquidity risk at bank, liquidity risk management including how liquidity risk strategy, policy and implementations communicates with board of directors and business units

Liquidity risk is the risk occurring as a result of non-availability of sufficient cash on hand or cash inflow to meet cash outflows in a timely manner completely as a result of imbalance in cash flows. Treasury department manages the liquidity of the Bank daily and informs ALCO about the liquidity position of the Bank weekly. It is the Treasury Department's responsibility to plan the liquidity management for weekly, monthly and annual periods and to take the necessary precautions, in coordination with the Reporting Department and Risk Management. It is the Risk Management's responsibility to inform the senior management.

The Bank forms its assets and liabilities in balance not to create a negative gap on cumulative basis in maturity segments.

In accordance with the "Regulation on Measurement and Evaluation of Liquidity Adequacy of Banks" entered into force after published on Official Gazette dated November 1, 2006 and numbered 26333 by BRSA, starting from June 1, 2007, weekly simple average of total liquidity adequacy rates related to primary maturity segment and total liquidity adequacy rate related to secondary maturity segment cannot be less than 100% while weekly simple average of foreign currency liquidity ratio related to primary maturity segment and foreign currency adequacy rate related to secondary maturity segment cannot be less than 80%.

The Reporting Department is responsible for calculating the first maturity and second maturity liquidity ratios and reporting to the legal authorities.

The stress tests to be applied on the liquidity position and the liquidity coverage ratio are calculated by the Risk Management Unit.

Risk Management Department monitors related unit's activities and reports to the Senior Management monthly.

b. Information on centralization grade of liquidity management and funding strategy and its functionality among Bank and its affiliates

There is no structured liquidity management requiring centralization between bank and its affiliates.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

c. Information on funding strategy of the Bank including policies related to diversity of funding sources and periods

The main funding sources of the Bank are provided by domestic and foreign banks, repo transactions, money market transactions and issued marketable securities and diversification of aforementioned sources are made in order to minimize liquidity risk. Financial Institutions and Investor Relations Department carries out studies which are required to relate supplying of long term foreign source.

d. Information on liquidity management based on currencies forming at least 5% of total liabilities of the Bank

Almost all the liabilities of the Bank consists of TL, USD and EUR and most of the TL resources are from equities, borrowing from bank and money market funds.

TL liquidity of the Bank is managed through funds provided from domestic and foreign banks via repo transactions made in BIST using high quality (premium) securities.

TL and foreign currency cash flow of the Bank in scope of Balance sheet management is monitored separately. Risk Management Unit reports to ALCO weekly and Board of Directors on a monthly basis.

e. Information on liquidity risk reduction techniques

Liquidity limits are determined in order to keep the risk regarding liquidity risk in defined limits and to monitor liquidity position. The aforementioned limits have been determined in accordance with "Regulation on Measurement and Evaluation of Bank's Liquidity Adequacy" in Risk Appetite Statements and approved by Board of Directors.

f. Disclosure regarding use of stress test

Liquidity stress test regarding adverse effects in the Bank's liquidity due to fluctuations in capital markets is applied by Risk Management Department and reported to Risk Management Committee.

In the stress scenarios created, the problems to be experienced on the funding side and the inability to collect the receivables expected to be collected are analyzed. In the liquidity planning process of the bank, an assessment of the situation is made by evaluating the cumulative maturity mismatches according to the maturities under different severity scenarios.

g. Information related to emergency and unexpected situation plan for liquidity

"Emergency and unexpected situation plan for Liquidity" is approved by the Board of Directors and established in order to manage possible liquidity crisis and required actions for losses which can occur in extraordinary conditions are determined with preventing mechanisms and liquidity squeeze scenarios. The scope of the aforementioned plan is to pre-determine applicable scenarios, measurement of liquidity risk and the actions which shall be taken towards those risks.

Regarding the sectors affected by COVID-19, the analysis published by foreign rating agencies and shared with the public were used. The sectors that are expected to be affected the most are ranked from high risk to low risk, and all customers in our Bank were separated by risk groups, evaluated in monitoring activities, stress test analyzes, sectoral concentration analyzes and these evaluations will continue in the coming periods.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

h. Liquidity Coverage Ratio

The liquidity coverage ratio is calculated by proportioning the high quality liquid assets owned by the bank to net cash outflow in a one month maturity. Significant balance sheet items that determine the ratio can be listed as required reserves at the CBRT, securities that not subject to repo/collateral, foreign funds and receivables from banks. As of the balance sheet period, 57% of the high quality liquid assets of LCR subject bank accounts with the Central Bank, and 40% of the issued securities is composed by the Treasury of Republic of Turkey. The main funding sources of the Bank are loans received, debts due to money markets and securities issued. As of the balance sheet date, 54% of the Bank's fund resources, excluding equity, consists of loans received and debts to money markets, and 40% consists of securities issued. There may be fluctuations in the liquidity coverage ratio in the weeks when the share of funds originated from banks within fund sources increases or when medium/long term foreign funds, which are renewed when due, enter the one-month maturity.

Referring to the BRSA's decision dated 12 December 2016 numbered 7123; it is announced that development and investment banks' consolidated and unconsolidated liquidity coverage ratio will be applied as 0% unless otherwise stated according to paragraph 5 of article 4 of Regulations about Banks' Liquidity Coverage Ratio Measurement.

Current Period ⁽²⁾	Total amount which is not applied consideration rate		Total amount which is applied consideration rate	
	LC+FC	FC	LC+FC	FC
High-quality Liquidity Assets (HLA)				
1 High-quality Liquidity Assets			540,967	489,528
Cash Outflows				
2 Real person assets and retail assets	-	-	-	-
3 Stable assets	-	-	-	-
4 Lower Stable assets	-	-	-	-
5 Out of junior debts from real person assets and retail assets	680,862	339,563	680,862	339,563
6 Operational assets	-	-	-	-
7 Non-operating assets	-	-	-	-
8 Other Junior debt	680,862	339,563	680,862	339,563
9 Secured Debts			-	-
10 Other Cash Outflows	235,699	148,770	111,339	79,287
11 Derivative liabilities and margin liabilities	381	-	381	-
12 Debts from Structured financial instruments	-	-	-	-
13 Payment commitments for debts to financial markets and other off-balance sheet liabilities	235,318	148,770	110,958	79,287
14 Revocable off-balance sheet other liabilities and other contractual liabilities notwithstanding to any conditions	-	-	-	-
15 Other irrevocable or conditionally revocable off-balance sheet liabilities	-	-	-	-
16 TOTAL CASH OUTFLOWS			792,201	418,850
CASH INFLOWS				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	624,236	394,148	404,964	287,997
19 Other cash inflows	3,383	18,236	3,383	18,236
20 TOTAL CASH INFLOWS	627,619	412,384	408,347	306,233
21 TOTAL HLA STOCK			Upper limit applied amount	
			540,967	489,528
22 TOTAL NET CASH OUTFLOWS ⁽¹⁾			383,854	112,617
23 LIQUIDITY COVERAGE RATION (%)			140.93	434.68

⁽¹⁾ The part of total cash inflows which exceeds 75% of total cash outflows is not being taken into account during the calculation of related amounts.

⁽²⁾ Simple arithmetic mean of weekly unconsolidated liquidity ratios for the last three months including the reporting period are accounted in the table above.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

Prior Period ⁽²⁾	Total amount which is not applied consideration rate		Total amount which is applied consideration rate	
	LC+FC	FC	LC+FC	FC
High-quality Liquidity Assets (HLA)				
1 High-quality Liquidity Assets			385,660	339,257
Cash Outflows				
2 Real person assets and retail assets	-	-	-	-
3 Stable assets	-	-	-	-
4 Lower Stable assets	-	-	-	-
5 Out of junior debts from real person assets and retail assets	484,007	227,349	484,007	227,349
6 Operational assets	-	-	-	-
7 Non-operating assets	-	-	-	-
8 Other Junior debt	484,007	227,349	484,007	227,349
9 Secured Debts			-	-
10 Other Cash Outflows	300,468	218,261	135,319	104,795
11 Derivative liabilities and margin liabilities	28	-	28	-
12 Debts from Structured financial instruments	-	-	-	-
13 Payment commitments for debts to financial markets and other off-balance sheet liabilities	300,440	218,261	135,291	104,795
14 Revocable off-balance sheet other liabilities and other contractual liabilities notwithstanding to any conditions	-	-	-	-
15 Other irrevocable or conditionally revocable off-balance sheet liabilities	-	-	-	-
16 TOTAL CASH OUTFLOWS			619,326	332,144
CASH INFLOWS				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	622,291	387,838	434,930	315,837
19 Other cash inflows	6,259	30,694	6,259	30,694
20 TOTAL CASH INFLOWS	628,550	418,532	441,189	346,531
21 TOTAL HLA STOCK			Upper limit applied amount	
			385,660	339,257
22 TOTAL NET CASH OUTFLOWS ⁽¹⁾			178,137	83,036
23 LIQUIDITY COVERAGE RATION (%)			216.50	408.57

⁽¹⁾ The part of total cash inflows which exceeds 75% of total cash outflows is not being taken into account during the calculation of related amounts.

⁽²⁾ Simple arithmetic mean of weekly unconsolidated liquidity ratios for the last three months including the reporting period are accounted in the table above.

The maximum and minimum liquidity coverage ratio for the last three months of 2022 and 2021 are presented below.

Current Period	Maximum	Week	Minimum	Week	Average
FC	821.78	10.01.2022	107.51	21.03.2022	434.69
LC+FC	352.00	10.01.2022	76.64	21.03.2022	140.93
Prior Period	Maximum	Week	Minimum	Week	Average
FC	492.33	18.10.2021	354.18	13.12.2021	408.57
LC+FC	266.00	08.11.2021	151.45	13.12.2021	216.50

The liquidity ratios regarding first and second maturity tranches are presented below:

	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
Current Period	FC	FC+LC	FC	FC+LC
Average (%)	405	202	232	149
Maximum (%)	625	233	405	211
Minimum (%)	259	155	140	108
Prior Period	FC	FC+LC	FC	FC+LC
Average (%)	451	254	201	154
Maximum (%)	951	372	300	210
Minimum (%)	216	159	130	106

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

i. Breakdown of assets and liabilities according to their outstanding maturities

Current Period	Demand	Up to 1 month	1-3 Month	3-12 Month	1-5 Year	5 Year and Over	Unclassified ¹	Total
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	36,110	262,840	-	-	-	-	(331)	298,619
Due From Banks	86,793	87,823	-	-	-	-	(218)	174,398
Financial Assets at Fair Value Through Profit/Loss ⁽⁷⁾	-	3	-	-	3,673	25,478	-	29,154
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	7,659	1,951	1,060	10,491	36,091	2,510	-	59,762
Loans ⁽²⁾	-	547,512	191,207	888,180	1,065,623	62,750	(71,838)	2,683,434
Financial assets measured at amortized cost	-	2,788	12,811	220,950	203,229	-	(4,813)	434,965
Other Assets	-	22,331	1,542	1,814	203	-	253,201	279,091
Total Assets	130,562	925,248	206,620	1,121,435	1,308,819	90,738	176,001	3,959,423
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	193	386,883	45,428	951,578	162,855	-	-	1,546,937
Funds Borrowed From Money Markets	-	181,022	44,762	6,014	-	-	-	231,798
Marketable Securities Issued	-	368,210	118,628	487,502	365,928	-	-	1,340,268
Miscellaneous Payables ⁽⁵⁾	69,585	22,692	376	-	-	-	-	92,653
Other Liabilities ^{(3),(4)}	23,261	63,637	11,687	1,732	3,926	114	643,410	747,767
Total Liabilities	93,039	1,022,444	220,881	1,446,826	532,709	114	643,410	3,959,423
Liquidity Gap	37,523	(97,196)	(14,261)	(325,391)	776,110	90,624	(467,409)	-
Net Off-Balance Sheet Liquidity Gap	-	(2,869)	-	-	-	-	-	(2,869)
Financial Derivative Assets ⁽⁶⁾	-	261,260	-	-	-	-	-	261,260
Financial Derivative Liabilities ⁽⁶⁾	-	(264,129)	-	-	-	-	-	(264,129)
Non-cash Loans	131,409	27,738	24,500	237,757	190,535	-	-	611,939

⁽¹⁾ Allowances for the expected credit losses are included in the non-interest bearing column.

⁽²⁾ Finance lease receivables are included.

⁽³⁾ Borrowers' funds is presented in the other liabilities.

⁽⁴⁾ Shareholders' equity is presented under other liabilities in the unclassified column.

⁽⁵⁾ Presented in other liabilities at financial statements.

⁽⁶⁾ Includes asset purchase and sale commitments

⁽⁷⁾ Includes derivative financial assets

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

Prior Period	Demand	Up to 1 month	1-3 Month	3-12 Month	1-5 Year	5 Year and Over	Unclassified ¹	Total
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	8,052	275,717	-	-	-	-	(359)	283,410
Due From Banks	143,264	66,646	-	-	-	-	(122)	209,788
Financial Assets at Fair Value Through Profit/Loss ⁽⁷⁾	-	13,604	-	-	2,679	18,277	-	34,560
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	7,659	799	640	1,101	37,978	2,508	-	50,685
Loans ⁽²⁾	-	507,842	317,566	471,294	1,060,873	64,877	(70,933)	2,351,519
Financial assets measured at amortized cost	-	1,155	28,994	183,060	147,894	-	(4,224)	356,879
Other Assets	-	20,718	1,115	933	235	-	252,711	275,712
Total Assets	158,975	886,481	348,315	656,388	1,249,659	85,662	177,073	3,562,553
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	236	257,743	266,133	181,242	670,698	-	-	1,376,052
Funds Borrowed From Money Markets	-	194,227	5,845	5,451	-	-	-	205,523
Marketable Securities Issued	-	66,372	1,503	773,082	381,502	-	-	1,222,459
Miscellaneous Payables ⁽⁵⁾	46,650	26,986	601	-	-	-	-	74,237
Other Liabilities ^{(3),(4)}	16,932	36,447	10,694	1,328	3,510	122	615,249	684,282
Total Liabilities	63,818	581,775	284,776	961,103	1,055,710	122	615,249	3,562,553
Liquidity Gap	95,157	304,706	63,539	(304,715)	193,949	85,540	(438,176)	-
Net Off-Balance Sheet Liquidity Gap	-	13,290	-	-	-	-	-	13,290
Financial Derivative Assets ⁽⁶⁾	-	145,999	-	-	-	-	-	145,999
Financial Derivative Liabilities ⁽⁶⁾	-	(132,709)	-	-	-	-	-	(132,709)
Non-cash Loans	237,642	66,645	12,069	224,779	191,354	-	-	732,489

⁽¹⁾ Allowances for the expected credit losses are included in the non-interest bearing column.

⁽²⁾ Finance lease receivables are included.

⁽³⁾ Borrowers' funds is presented in the other liabilities.

⁽⁴⁾ Shareholders' equity is presented under other liabilities in the unclassified column.

⁽⁵⁾ Presented in other liabilities at financial statements.

⁽⁶⁾ Includes asset purchase and sale commitments

⁽⁷⁾ Includes derivative financial assets

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

j. Breakdown of contractual cash outflows of financial liabilities according to their remaining maturities

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-
Funds borrowed from other financial inst.	388,615	48,081	976,773	164,683	-	1,578,152
Funds from interbank money market	181,312	44,877	6,052	-	-	232,241
Financial leasing payables	24	49	199	323	-	595
Marketable securities issued	368,626	125,701	508,503	373,941	-	1,376,771
Current accounts of customers	53,812	-	-	-	-	53,812
Miscellaneous Payables	92,338	376	-	-	-	92,714
Total	1,084,727	219,084	1,491,527	538,947	-	3,334,285

Prior Period	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-
Funds borrowed from other financial inst.	258,689	269,066	203,507	679,112	-	1,410,374
Funds from interbank money market	194,552	5,879	5,492	-	-	205,923
Financial leasing payables	24	49	213	382	-	668
Marketable securities issued	67,108	7,550	796,746	391,443	-	1,262,847
Current accounts of customers	28,338	-	-	-	-	28,338
Miscellaneous Payables	73,762	610	-	-	-	74,372
Total	622,473	283,154	1,005,958	1,070,937	-	2,982,522

k. Breakdown of derivative instruments according to their remaining contractual maturities

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Forward Transactions-Buy	3,563	-	-	-	-	3,563
Forward Transactions-Sell	(3,562)	-	-	-	-	(3,562)
Swap Transactions-Buy	257,698	-	-	-	-	257,698
Swap Transactions-Sell	(260,568)	-	-	-	-	(260,568)
Futures Transactions-Buy	-	-	-	-	-	-
Futures Transactions-Sell	-	-	-	-	-	-
Options-Buy	-	-	-	-	-	-
Options-Sell	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	(2,869)	-	-	-	-	(2,869)

Prior Period	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Forward Transactions-Buy	-	-	-	-	-	-
Forward Transactions-Sell	-	-	-	-	-	-
Swap Transactions-Buy	145,999	-	-	-	-	145,999
Swap Transactions-Sell	(132,709)	-	-	-	-	(132,709)
Futures Transactions-Buy	-	-	-	-	-	-
Futures Transactions-Sell	-	-	-	-	-	-
Options-Buy	-	-	-	-	-	-
Options-Sell	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	13,290	-	-	-	-	13,290

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

VI. EXPLANATIONS ON LEVERAGE RATIO

Unconsolidated leverage ratio was realized as 13.9% (31 December 2021 - 14.8%). The increase occurred in the on-balance sheet assets and off-balance sheet transactions led to a change in leverage compared to the previous period. Regulation has been linked to the provision of the minimum leverage ratio of 3%.

	Current Period ⁽¹⁾	Prior Period ⁽¹⁾
Asset On The Balance Sheet		
Assets on the balance sheet (excluding derivative financial instruments and loan derivatives, including collaterals)	3,832,294	3,319,383
(Assets deducted from core capital)	(7,447)	(6,925)
Total risk amount for assets on the balance sheet	3,824,847	3,312,458
Derivative Financial Instruments and Loan Derivatives		
Renewal cost of derivative financial instruments and loan derivatives	-	-
Potential credit risk amount of derivative financial instruments and loan derivatives	3,098	9,952
Total risk amount of derivative financial instruments and loan derivatives	3,098	9,952
Financing Transactions With Securities Or Goods Warranties		
Risk amount of financial transactions with securities or goods warranties (excluding those in the balance sheet)	6,967	28,255
Risk amount arising from intermediated transactions	-	-
Total risk amount of financing transactions with securities or goods warranties	6,967	28,255
Off-the-Balance Sheet Transactions		
Gross nominal amount of the off-the-balance sheet transactions	613,959	699,957
Adjustment amount arising from multiplying by the credit conversion rate	-	-
Total risk amount for off-the-balance sheet transactions	613,959	699,957
Capital and Total Risk		
Core capital	620,064	601,044
Total risk amount	4,448,871	4,050,622
Leverage Ratio		
Leverage ratio	13.9%	14.8%

⁽¹⁾ Arithmetic average of last three months including reporting period.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

VII. EXPLANATIONS ON THE RISK MANAGEMENT

Notes and explanations in this section have been prepared in accordance with the “Communiqué on Disclosures about Risk Management to be Announced to Public by Banks” that have been published in official gazette no 29511 on 23 October 2015. Since Internal Rating-Based (IRB) approach is not applied, tables that have to be prepared within the scope of IRB, are not presented.

a. Bank’s risk management approach

Effective risk management constitutes one of the most important competitive strength of the Bank. Risk management system is assessed as a critical process which includes all units starting from the Board of Directors level.

General strategies regarding Bank’s risk management are given below:

- Effective risk management within the Bank’s risk profile based on materiality; implementing a centralized risk framework that includes all major risk areas.
- Managing existing and potential risks from the beginning through forward looking risk strategies, policies and procedures, models and parameters,
- Applying a risk-focused management approach in the strategic decision process,
- Complying with all national risk management requirements, where the Bank operates.

The Bank’s Board of Directors has the ultimate responsibility for setting-up and monitoring the efficiency of such a risk management system. The Board of Directors manages the risks through Risk Management Committee (RMC). RMC is responsible for the development of risk policies, measurement of risks and determination of methods to manage them, setting up of appropriate risk limits and their monitoring. All the risk policies of RMC are written and integrated with the Bank’s long term strategy.

The Board of Directors fulfils its monitoring responsibility through the Auditing Committee, the Executive Risk Committee, the Credit Committee and other related intermediary committees and by means of regular risk, control and audit reporting system.

The Board of Directors regularly reviews and approves Bank’s main risk approach, risk principles and policies which are initially discussed and decided by the Risk Management Committee. The Board of Directors also determines Bank’s risk appetite by risk limits taking market conditions and Bank’s risk taking capacity into consideration. Risk limits are made up of regulatory and internal limits on the basis of risk types.

Bank’s Senior Management is responsible to the Bank’s Board of Directors that daily activities are executed within the risk management procedures and risk limits determined by the Board of Directors and that risk management system operates in effective and efficient manner.

The Internal Audit, the Internal Control and Compliance Presidency and The Risk Management Departments operate in coordination with the business units of the Bank. In this scope, it is also Senior Management’s responsibility to take necessary measures in order to resolve identified weaknesses, deficiencies and errors stated in the reports of internal and external audits, internal control and risk management.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

Locally and internationally accepted risk models and parameters are used in the identification, measurement and monitoring of risks within the scope of risk management. The Bank strives continuously for development and improvement of internal methods and models. Forward looking risk reports prepared through regular and close monitoring of the market developments are made available for the Senior Management and the Board of Directors. In order to analyse the potential risks that the Bank may be exposed in extreme cases, various scenario analyses are performed and contingency plans are prepared. The Bank's internal capital adequacy assessment process ("ICAAP") has been established and the ICAAP has been performed parallel to the annual budget process on an annual basis. Moreover, various risk mitigation techniques are utilized to limit and provide protection against risks the Bank is exposed to. The effectiveness and efficiency of the risk mitigation techniques are regularly monitored.

b. General view to risk weighted amounts

	Risk weighted amounts		Minimum capital requirements
	Current Period	Prior Period	Current Period
Credit risk (excluding counterparty credit risk) (CCR)	3,724,564	3,418,692	297,965
Of which standardised approach (SA)	3,724,564	3,418,692	297,965
Of which internal rating-based (IRB) approach	-	-	-
Counterparty credit risk	523	36,679	42
Of which standardised approach for counterparty credit risk (SA-CCR)	523	36,679	42
Of which internal model method (IMM)	-	-	-
Equity positions in banking book under market-based approach	-	-	-
Equity investments in funds – look-through approach	-	-	-
Equity investments in funds – mandate-based approach	29,151	20,956	2,332
Equity investments in funds – fallback approach	-	-	-
Settlement risk	-	-	-
Securitisation exposures in banking book	-	-	-
Of which IRB ratings-based approach (RBA)	-	-	-
Of which IRB Supervisory Formula Approach (SFA)	-	-	-
Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
Market risk	87,650	70,000	7,012
Of which standardised approach (SA)	87,650	70,000	7,012
Of which internal model approaches (IMM)	-	-	-
Operational risk	209,119	168,175	16,730
Of which Basic Indicator Approach	209,119	168,175	16,730
Of which Standardised Approach	-	-	-
Of which Advanced Measurement Approach	-	-	-
Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
Floor adjustment	-	-	-
Total	4,051,007	3,714,502	324,081

c. Explanations on Credit Risk

Credit risk management includes the definition of credit risks, their measurement and management.

Risk limits are defined by Board of Directors in such a manner that covers all possible important risk components, in accordance with the Bank's operations and the size and complexity of products and services. The care is taken to ensure that the risk limits are in line with market expectations and reflect the Bank's risk appetite and Bank's strategies. The credit policies are established in consistence with risk limits.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

When determining Bank's credit risk profile, diversification methods are applied in order to prevent concentrations. The choice of customers are done in accordance with policies and risk limits. Besides, the capability of the customer to pay via its cash flows generated from its own activities are taken into consideration.

Risk rating models are utilised to discriminate borrowers in terms of their credibilities.

In the credit risk management process, Risk Management Unit conducts the activities of measurement of credit risk through models, monitoring and reporting. In addition to the risk limits regarding credit risk, several concentrations are analyzed in the credit portfolio.

The outputs of the risk rating models are an important part of credit allocation process as well as a tool to measure the probability of default of the customers and the portfolio.

The Bank utilises an effective risk management policy that truly classifies risks and customers in order to achieve its targets. Appropriate decision systems are in place for the correct evaluation of risks and the limit structure of the customers are determined.

To measure the credibility of the customers, analysis and intelligence studies are performed. The information from past, current and future financial and non-financial data are examined.

For a consistent evaluation, quantification and monitoring of risks; in order to make correct decisions during the processes of credit request by the customer, credit approval, collateralization, restructuring, monitoring and closing, all information and documents regarding the customer are collected in a shared database. Credit proposals are finalized by the evaluation of General Manager, Credit Committee or Board of Directors, depending on the limits. Credit risks are measured, monitored and reported by the Risk Management Unit.

c.1) CR1 – Credit quality of assets

	Current Period	Gross Carrying Amounts reported in Financial Statements in accordance with TAS		Allowances / amortization and impairment	Net Value
		Defaulted exposures	Non-defaulted exposures		
1	Loans and lease receivables	28,668	2,726,604	(71,838)	2,683,434
2	Debt securities	-	528,691	(5,495)	523,196
3	Off-balance sheet exposures	-	632,744	(5,255)	627,489
	Total	28,668	3,888,039	(82,588)	3,834,119

	Prior Period	Gross Carrying Amounts reported in Financial Statements in accordance with TAS		Allowances / amortization and impairment	Net Value
		Defaulted exposures	Non-defaulted exposures		
1	Loans and lease receivables	45,824	2,376,628	(70,933)	2,351,519
2	Debt securities	-	432,744	(4,803)	427,941
3	Off-balance sheet exposures	-	747,877	(6,820)	741,057
	Total	45,824	3,557,249	(82,556)	3,520,517

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

c.2) CR2 – Changes in stock of defaulted loans and debt securities

		Current period	Prior Period
1	Beginning Balance	45,824	36,077
2	Additions	60	12,584
3	Receivables that are not re-default	-	-
4	Write-offs	-	-
5	Other changes¹	(17,216)	(2,837)
	Ending Balance(1+2-3-4±5)	28,668	45,824

¹⁾ Includes collections from non-performing receivables, classifications to performing receivables and exchange differences.

c.3) CRB – Additional explanations on credit quality of assets

Bank details calculate expected loss provisions within the scope of TFRS'9, as explained in the account policies and disclosures related to impairment of Financial assets and expected credit loss calculation. The Bank evaluates whether there is a significant increase in the credit risk of the Financial instrument within the scope of impairment since it was first included in the Financial statements. In making this assessment, it uses the change the expected default risk of the Financial instrument.

Loans that have overdue above 90-day in delay in the relevant month are included in the follow-up accounts and are subject to specific provisions.

Refinancing or restructuring; One or more loans extended by the Bank due to financial difficulties that the customer or group is expected to be present for future, is subject to a new loan that will cover the principal or interest payment completely or partially, or the conditions in existing loans are changed to ensure that the debt can be paid.

Non-Performing loans and specific provision by geographic breakdown

	Current Period			Prior Period		
	NPL	Specific Provision	Write-offs	NPL	Specific Provision	Write-offs
Domestic	28,668	24,043	-	45,824	24,894	-
European countries	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-
OECD countries	-	-	-	-	-	-
Off-shore banking regions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	28,668	24,043	-	45,824	24,894	-

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

Non-Performing loans and specific provision by sectoral breakdown

	Current Period			Prior Period		
	NPL	Specific Provision	Write-offs	NPL	Specific Provision	Write-offs
Agriculture	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-
Forestry	-	-	-	-	-	-
Fishery	-	-	-	-	-	-
Manufacturing	2,991	2,882	-	3,130	3,021	-
Mining and Quarrying	-	-	-	-	-	-
Production	2,991	2,882	-	3,130	3,021	-
Electricity, Gas and Water	-	-	-	-	-	-
Construction	25,677	21,161	-	25,617	20,799	-
Services	-	-	-	17,077	1,074	-
Wholesale and Retail Trade	-	-	-	-	-	-
Accommodation and Dining	-	-	-	-	-	-
Transportation and Telecom	-	-	-	17,077	1,074	-
Financial Institutions	-	-	-	-	-	-
Real Estate and Rental Services	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	28,668	24,043	-	45,824	24,894	-

Aging analysis of performing loans with overdue and non-performing loans

	Current Period	Prior Period
Up to 3 Months	1,105	661
3-12 Months	-	11,766
1-3 Years	23,168	34,058
3-5 Years	5,500	-
Over 5 Year	-	-
Total	29,773	46,485

Information on loans that have been restructured or rescheduled

	Current Period	Prior Period
Standard Loans that have been restructured or rescheduled	-	-
Loans Under Close Monitoring that have been restructured or rescheduled	129,327	117,845
Non-performing loans that have been restructured or rescheduled	2,991	20,207
Total	132,318	138,052

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

c.4) Qualitative requirements to be disclosed regarding Credit risk mitigation techniques and CR3 – Explanations on Credit risk mitigation techniques

In order to ensure timely and complete fulfilment of all obligations arising from the loan, it is essential to obtain appropriate collaterals.

The main purpose of collateralization of any loan is to minimize the credit, foreign exchange and maturity risk. Within this scope, the minimum margin of guarantee is determined and the guarantees suitable for the loan types are obtained. There is collateral matching in the system for each loan. In addition, the appropriateness of the margin for each guarantee is also checked.

The Bank discounts the collaterals by using some fixed ratios and calculates the expected cash equivalent of the collaterals in case they are transformed into cash. The difference between the credit and the cash equivalent of the collateral is defined as the net risk. In calculation of the net risk, the coefficients in the facility rating model are taken into account.

		Exposures unsecured: carrying amount (According to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
	Current Period							
1	Loans and lease receivables	2,281,002	402,432	273,536	84,984	31,816	-	-
2	Debt securities	523,196	-	-	-	-	-	-
3	Total	2,804,198	402,432	273,536	84,984	31,816	-	-
4	Defaulted items	28,668	-	-	-	-	-	-

		Exposures unsecured: carrying amount (According to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
	Prior Period							
1	Loans and lease receivables	2,009,604	341,915	187,800	135,740	41,398	-	-
2	Debt securities	427,941	-	-	-	-	-	-
3	Total	2,437,545	341,915	187,800	135,740	41,398	-	-
4	Defaulted items	45,824	-	-	-	-	-	-

c.5) Qualitative explanations using the rating grades to calculate the banks' credit risk by standard approach

In determining the risk weights regarding risk classes defined in Article 6 of "Regulation on Measurement and Assessment of Capital Adequacy of Banks", country risk classification published by OECD (Organisation for Economic Cooperation and Development) is taken into account. According to capital adequacy regulations, the risk classification and risk weights of receivables from banks and intermediary institutions and receivables from corporates are determined in accordance with the regulations.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

CR4: Standardised approach – Credit risk exposure and credit risk mitigation effects

	Current Period	Exposures before credit risk mitigation and credit conversion factors		Exposures after credit risk mitigation and credit conversion factors		Risk weighted assets (RWA) amounts and RWA density	
		On balance sheet amount	Off balance sheet amount	On balance sheet amount	Off balance sheet amount	RWA ¹	RWA Density (%)
	Risk Classifications						
1	Receivables from Central Governments or Central Banks	623,317	-	623,317	-	266,023	42.68
2	Receivables from Regional Management or Local Governments	-	-	-	-	-	0.00
3	Receivables from Administrative Units or Non-commercial Ventures	-	-	-	-	-	0.00
4	Receivables from Multilateral Development Banks	-	-	-	-	-	0.00
5	Receivables from International Organizations	-	-	-	-	-	0.00
6	Receivables from Banks and Brokerage Corporation	569,553	169,495	569,553	113,350	611,523	89.55
7	Corporate receivables	2,187,736	455,283	2,158,058	402,006	2,373,102	92.70
8	Retail receivables	-	17	-	9	6	66.67
9	Collateralized by real estate mortgages receivables	32,187	824	32,187	412	11,410	35.00
10	Collateralized by trading mortgages receivables	308,565	-	308,565	-	198,061	64.19
11	Non-performing receivables	16,915	-	193	-	151	78.24
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	0.00
13	Collateralized securities	-	-	-	-	-	0.00
14	Short-term receivables and short-term corporate receivables from Banks and Brokerage corporations	-	-	-	-	-	0.00
15	Investments in nature of Collective Investment funds	29,151	-	29,151	-	29,151	100.00
16	Other receivables	256,878	-	256,878	-	256,629	99.90
17	Equity security investments	7,659	-	7,659	-	7,659	100.00
	Total	4,031,961	625,619	3,985,561	515,777	3,753,715	83.39

	Prior Period	Exposures before credit risk mitigation and credit conversion factors		Exposures after credit risk mitigation and credit conversion factors		Risk weighted assets (RWA) amounts and RWA density	
		On balance sheet amount	Off balance sheet amount	On balance sheet amount	Off balance sheet amount	RWA	RWA Density(%)
	Risk Classifications						
1	Receivables from Central Governments or Central Banks	525,830	-	525,830	-	189,861	36.11
2	Receivables from Regional Management or Local Governments	-	-	-	-	-	0.00
3	Receivables from Administrative Units or Non-commercial Ventures	-	-	-	-	-	0.00
4	Receivables from Multilateral Development Banks	-	-	-	-	-	0.00
5	Receivables from International Organizations	-	-	-	-	-	0.00
6	Receivables from Banks and Brokerage Corporation	547,309	253,036	547,309	203,311	565,370	75.32
7	Corporate receivables	2,007,670	494,000	1,967,772	444,279	2,201,179	91.26
8	Retail receivables	181	17	181	9	142	74.74
9	Collateralized by real estate mortgages receivables	10,319	824	10,319	412	3,756	35.00
10	Collateralized by trading mortgages receivables	245,964	-	245,964	-	169,021	68.72
11	Non-performing receivables	45,824	-	20,930	-	26,795	128.02
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	0.00
13	Securities collateralized by mortgages	-	-	-	-	-	0.00
14	Short-term receivables and short-term corporate receivables from Banks and Brokerage corporations	-	-	-	-	-	0.00
15	Investments in nature of Collective Investment funds	20,956	-	20,956	-	20,956	100.00
16	Other receivables	254,932	-	254,932	-	254,909	99.99
17	Equity security investments	7,659	-	7,659	-	7,659	100.00
	Total	3,666,644	747,877	3,601,852	648,011	3,439,648	80.94

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

CR5 – Standardised approach – exposures by risk classes and risk weights

	Current Period	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Others	Total credit risk amount (after CRM and CCF)
1	Receivables from Central Governments or Central Banks	357,294	-	-	-	-	-	-	266,023	-	-	-	623,317
2	Receivables from Regional Management or Local Governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Receivables from Administrative Units or Non-commercial Ventures	-	-	-	-	-	-	-	-	-	-	-	-
4	Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from International Organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from Banks and Brokerage Corporation	-	-	11,431	-	-	124,545	-	546,927	-	-	-	682,903
7	Corporate receivables	-	-	131,843	-	-	161,928	-	2,266,293	-	-	-	2,560,064
8	Retail receivables	-	-	-	-	-	-	9	-	-	-	-	9
9	Collateralized by real estate mortgages receivables	-	-	-	-	32,599	-	-	-	-	-	-	32,599
10	Collateralized by trading mortgages receivables	-	-	-	-	-	221,007	-	87,558	-	-	-	308,565
11	Non-performing receivables	-	-	-	-	-	83	-	110	-	-	-	193
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables and corporate receivables from Banks and Brokerage Corp.	-	-	-	-	-	-	-	-	-	-	-	-
15	Investments in nature of Collective Investment funds	-	-	-	-	-	-	-	29,151	-	-	-	29,151
16	Equity security investments	-	-	-	-	-	-	-	7,659	-	-	-	7,659
17	Other receivables	251	-	-	-	-	-	-	256,627	-	-	-	256,878
	Total	357,545	-	143,274	-	32,599	507,563	9	3,460,348	-	-	-	4,501,338

	Prior Period	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Others	Total credit risk amount (after CRM and CCF)
1	Receivables from Central Governments or Central Banks	169,756	-	-	-	-	-	-	45,092	-	-	-	214,848
2	Receivables from Regional Management or Local Governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Receivables from Administrative Units or Non-commercial Ventures	-	-	-	-	-	-	-	-	-	-	-	-
4	Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from International Organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from Banks and Brokerage Corporation	-	-	16,699	-	-	42,659	-	127,007	-	-	-	186,365
7	Corporate receivables	-	-	155,615	-	-	104,512	-	1,268,283	-	-	8,955	1,537,365
8	Retail receivables	-	-	-	-	-	-	4,755	-	-	-	18,061	22,816
9	Collateralized by real estate mortgages receivables	-	-	-	-	-	-	-	-	-	-	-	-
10	Collateralized by trading mortgages receivables	-	-	-	-	-	61,085	-	47,084	-	-	-	108,169
11	Non-performing receivables	-	-	-	-	-	95	-	-	16,151	-	-	16,246
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables and corporate receivables from Banks and Brokerage Corp.	-	-	2,520	-	-	13,777	-	111,252	-	-	-	127,549
15	Investments in nature of Collective Investment funds	-	-	-	-	-	-	-	25,366	-	-	-	25,366
16	Equity security investments	-	-	-	-	-	-	-	7,659	-	-	-	7,659
17	Other receivables	13,760	-	-	-	-	-	-	254,379	-	-	-	268,139
	Total	183,516	-	174,834	-	-	222,128	4,755	1,886,122	16,151	-	27,016	2,514,522

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

d. Issues related to counterparty credit risk (CCR)

The CCR strategy is determined by counterparty type and product categories. Counterparties are categorized as central counterparties, banks, corporate and commercial companies. The products are grouped as foreign exchange transactions (forward, futures, swap), interest swap transactions (interest swap, cross currency swap and futures and repo transactions).

The creditworthiness of the counterparty is analyzed prior to the transactions leading to the CCR and subsequently the creditworthiness of the counter parties is reviewed at regular intervals. The frequency of inspections is increased when necessary.

The scope and level of information providing the opportunity to assess the creditworthiness of the counterparty shall be differentiated depending on the volume of the transaction to be realized, the level of the CCR and / or the counterparty.

For counterparties except banks, the counterparty credit risk limits are determined based on credit allocation policies. In case of deterioration of market conditions or in case of deterioration of credit quality of some counterparties, limits are reviewed and necessary changes are made.

The related approvals identified for loan allocation process are applied for corporate and individual customers, excluding banks. In case of deterioration in market conditions and/or in the credit quality of the borrower company/group, the related company/group limits are reviewed and necessary actions are taken. For the loan allocation process approvals of Board of Directors or the relevant committee approvals authorized by the Board of Directors are applied. In case of significant changes in market conditions and/or structure or financials of the related company/group, the related company/group limits are reviewed and necessary actions are taken. Collateralization principles and procedures are applied for counterparties other than financial institutions within the framework of credit policies and application principles currently applied in the Bank.

The potential, current and maximum risk amounts of the transactions are calculated / determined in order to determine the CCR. The risks of transactions that are subject to the legally binding bilateral netting agreement and to which the netting transaction can be applied are followed together.

d.1) CCR1 – Analysis of counterparty credit risk (CCR) exposure by approach

	Current Period	Revaluation Cost	Potential credit risk exposure	EEPE	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
1	Standard approach-CCR (for derivatives)	3	2,613		1.40	2,616	523
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					-	-
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					-	-
5	VaR for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
	Total						523

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

	Prior Period	Revaluation Cost	Potential credit risk exposure	EEPE	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
1	Standard approach-CCR (for derivatives)	13,604	1,459		1.40	15,063	3,013
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					-	-
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					34,777	33,666
5	VaR for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
	Total						36,679

d.2) CCR2 – Credit valuation adjustment (CVA) capital charge

		Current Period		Prior Period	
		Risk amount (after credit risk mitigation techniques)	Risk weighted amounts	Risk amount (after credit risk mitigation techniques)	Risk weighted amounts
	Total portfolios subject to the Advanced CVA capital charge	-	-	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)		-		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-		-
3	All portfolios subject to the Standardised CVA capital charge	2,616	39	15,063	76
	Total subject to the CVA capital charge	2,616	39	15,063	76

(Authorised Signatory / Stamp)

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

**PASHA YATIRIM BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022**

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

d.3) CCR3 – Standardised approach – CCR exposures by regulatory portfolio and risk weights:

Current Period	Risk Weights								
Risk Classifications	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk ⁽¹⁾
Receivables from Central Governments or Central Banks	-	-	-	-	-	-	-	-	-
Receivables from Regional Management or Local Governments	-	-	-	-	-	-	-	-	-
Receivables from Administrative Units or Non-commercial Ventures	-	-	-	-	-	-	-	-	-
Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-	-
Receivables from International Organizations	-	-	-	-	-	-	-	-	-
Receivables from Banks and Brokerage Corporation	-	-	2,616	-	-	-	-	-	2,616
Corporate receivables	-	-	-	-	-	-	-	-	-
Retail receivables	-	-	-	-	-	-	-	-	-
Other assets ⁽²⁾	-	-	-	-	-	-	-	-	-
Total	-	-	2,616	-	-	-	-	-	2,616

(1) Total credit risk: The amount to be considered in the capital adequacy calculation after the CRM is applied

(2) Other receivables: Includes amounts not included in the counterparty credit risk reported in CCR8

Prior Period	Risk Weights								
Risk Classifications	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk ⁽¹⁾
Receivables from Central Governments or Central Banks	-	-	-	-	-	-	-	-	-
Receivables from Regional Management or Local Governments	-	-	-	-	-	-	-	-	-
Receivables from Administrative Units or Non-commercial Ventures	-	-	-	-	-	-	-	-	-
Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-	-
Receivables from International Organizations	-	-	-	-	-	-	-	-	-
Receivables from Banks and Brokerage Corporation	-	-	16,395	-	-	-	-	-	16,395
Corporate receivables	-	-	-	-	-	33,264	-	-	33,264
Retail receivables	-	-	-	-	181	-	-	-	181
Other assets ⁽²⁾	-	-	-	-	-	-	-	-	-
Total	-	-	16,395	-	181	33,264	-	-	49,840

(1) Total credit risk: The amount to be considered in the capital adequacy calculation after the CRM is applied

(2) Other receivables: Includes amounts not included in the counterparty credit risk reported in CCR8

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

d.4) CCR5 – Composition of collateral for CCR exposure

Current Period	Collaterals for Derivatives				Collaterals or Other Transactions	
	Collaterals Taken		Collaterals Given		Collaterals Taken	Collaterals Given
	Reserved	Not Reserved	Reserved	Not Reserved		
Cash- local currency	-	-	-	-	-	-
Cash- foreign currency	-	-	-	-	-	-
Government bond/bill – local	-	-	-	-	-	30,849
Government bond/bill – other	-	-	-	-	-	79,195
Public institutions bond/bill	-	-	-	-	-	24,289
Corporate bond/bill	-	-	-	-	-	72,822
Share equities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	207,155

Prior Period	Collaterals for Derivatives				Collaterals or Other Transactions	
	Collaterals Taken		Collaterals Given		Collaterals Taken	Collaterals Given
	Reserved	Not Reserved	Reserved	Not Reserved		
Cash- local currency	-	-	-	-	-	-
Cash- foreign currency	-	-	-	-	-	-
Government bond/bill – local	-	-	-	-	-	30,931
Government bond/bill – other	-	-	-	-	-	30,517
Public institutions bond/bill	-	-	-	-	-	21,420
Corporate bond/bill	-	-	-	-	-	55,201
Share equities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	138,069

d.5) CCR6 – Credit derivatives

The Bank does not have credit derivatives.

d.6) CCR8 – Exposures to central counterparties

	Current Period		Prior Period	
	Exposure at default (post-CRM)	RWA	Exposure at default (post-CRM)	RWA
Exposure to Qualified Central Counterparties (QCCPs) (total)		-		-
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
(i) OTC Derivatives	-	-	-	-
(ii) Exchange-traded Derivatives	-	-	-	-
(iii) Securities financing transactions	-	-	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-	-	-	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	-	-	-	-
Unfunded default fund contributions	-	-	-	-
Exposures to non-QCCPs (total)		-		-
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
(i) OTC Derivatives	-	-	-	-
(ii) Exchange-traded Derivatives	-	-	-	-
(iii) Securities financing transactions	-	-	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-	-	-	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	-	-	-	-
Unfunded default fund contributions	-	-	-	-

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

e. Issues to be announced to public related to securitisation positions

The Bank does not have transactions related with securitizations, the related table has not been prepared.

f. Explanations on market risk

The risk principles, policies and risk limits related to the management of market risk are approved by the Board of Directors and reviewed on a regular basis. The Bank's Senior Management performs day to day management of the market risk in accordance with the limits assigned by the Board of Directors. The Bank is exposed to market risk as a result of fluctuations in foreign exchange rates, interest rates, and market prices of stocks. Exchange rate risk and interest rate risk are evaluated as the two most important components of market risk. The Bank engages in derivative transactions for hedge purposes when found necessary. Market risk is calculated by the "standard method". For legal reporting, standard method is utilised.

The following table indicates the details of the market risk calculation, in accordance with the Market Risk Calculation principles pursuant to the Third Section of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette no. 29511 on 23 October 2015.

		Current Period	Prior Period
		RWA	RWA
	Outright products		
1	Interest rate risk (general and specific)	-	-
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	87,650	70,000
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
	Total	87,650	70,000

g. Explanations on operational risk

The "Basic Indicator Method" that is mentioned in "Regulation on Measurement and Assessment of Capital Adequacy of Banks" Communiqué is used in the operational risk calculation of the Bank and calculated on a yearly basis.

Current Period	2 Prior Period Amount	Period Amount	Current Period Amount	Total/ Positive GI year number	Ratio (%)	Total
Gross Revenue	97,898	88,998	147,695	111,530	15	16,730
Amount Subject to Operational Risk (Total*12,5)						209,119

Prior Period	2 Prior Period Amount	Period Amount	Current Period Amount	Total/ Positive GI year number	Ratio (%)	Total
Gross Revenue	82,185	97,898	88,998	89,694	15	13,454
Amount Subject to Operational Risk (Total*12,5)						168,175

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

**VIII. EXPLANATIONS ON THE PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT
THEIR FAIR VALUES**

Fair value calculations of financial assets and liabilities

The fair values of financial assets amortised at cost are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The fair value of marketable securities issued is calculated according to quoted market prices and if these are not available, amounts derived from discounted cash flow models.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the current market interest rates for the fixed loans with fixed interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	3,757,532	3,362,479	3,754,613	3,349,675
Interbank money market placements	-	-	-	-
Banks	174,616	209,910	174,616	209,910
Cash and balances at Central Bank	298,950	283,769	298,950	283,769
Derivative Financial assets	3	13,604	3	13,604
Financial assets at fair value through profit or loss	29,151	20,956	29,151	20,956
Financial assets at fair value through other comprehensive income	59,762	50,685	59,762	50,685
Financial assets measured at amortised cost	439,778	361,103	443,691	362,777
Loans	2,755,272	2,422,452	2,748,440	2,407,974
Financial Liabilities	3,268,304	2,906,564	3,258,775	2,915,019
Banks' deposits	-	-	-	-
Other deposits	-	-	-	-
Funds borrowed from other fin. Institutions	1,546,937	1,376,052	1,546,302	1,382,000
Securities issued	1,340,268	1,222,459	1,331,425	1,225,068
Miscellaneous Payables	92,653	74,237	92,638	74,196
Payables to money market	231,798	205,523	231,763	205,465
Derivative financial liabilities	2,956	114	2,956	114
Borrowers' Funds	53,692	28,179	53,691	28,176

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

Fair value hierarchy:

TFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows:

- Identical assets and quoted market prices (non-adjusted) (1st level);
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level);
- Data not based on observable market data regarding assets or liabilities (3rd level).

Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles is given in the table below:

Current Period	Level 1	Level 2	Level 3	Total
Derivative financial assets	-	3	-	3
Financial assets at fair value through profit or loss	3,673	25,478	-	29,151
Financial assets at fair value through other comprehensive income	52,103	7,659	-	59,762
Total Assets	55,776	33,140	-	88,916
Derivative financial liabilities	-	2,956	-	2,956
Total liabilities	-	2,956	-	2,956

Prior Period	Level 1	Level 2	Level 3	Total
Derivative financial assets	-	13,604	-	13,604
Financial assets at fair value through profit or loss	2,679	18,277	-	20,956
Financial assets at fair value through other comprehensive income	43,026	7,659	-	50,685
Total Assets	45,705	39,540	-	85,245
Derivative financial liabilities	-	114	-	114
Total liabilities	-	114	-	114

There are no transfers between the levels.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**INFORMATION RELATED TO UNCONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT (Continued)**

**IX. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF
OTHER PERSONS**

The Bank, has been authorized to provide trading brokerage activity, portfolio brokerage activity, best-effort copy public offering brokerage activity and limited custody services. The Bank does not deal with fiduciary transactions.

X. EXPLANATIONS ON OPERATING SEGMENTS

Current Period	Corporate Banking	Treasury and Asset Liability Management	Total
Total Assets	2,704,842	1,254,581	3,959,423
Total Liabilities	173,366	3,786,057	3,959,423
Net Interest Income/(Loss)	65,640	(28,040)	37,600
Net Fee and Commission Income/(Loss)	9,243	(965)	8,278
Trading Gain/(Loss)	133	8,356	8,489
Other Operating Segments Gain/(Loss)	2,606	1,056	3,662
Provisions for Loan Losses and Other Receivables(-)	(2,009)	(788)	(2,797)
Other Operating Expense (-)	-	(15,851)	(15,851)
Profit Before Tax	75,613	(36,232)	39,381
Tax Provision	(17,895)	8,575	(9,320)
Net Profit / Loss	57,718	(27,657)	30,061

Prior Period	Corporate Banking	Treasury and Asset Liability Management	Total
Total Assets	2,371,798	1,190,755	3,562,553
Total Liabilities	128,576	3,433,977	3,562,553
Net Interest Income/(Loss)	36,343	(13,580)	22,763
Net Fee and Commission Income/(Loss)	1,005	656	1,661
Trading Gain/(Loss)	138	6,203	6,341
Other Operating Segments Gain/(Loss)	7,215	1,193	8,408
Provisions for Loan Losses and Other Receivables(-)	(10,745)	(477)	(11,222)
Other Operating Expense (-)	-	(10,663)	(10,663)
Profit Before Tax	33,956	(16,668)	17,288
Tax Provision	(6,924)	3,399	(3,525)
Net Profit / Loss	27,032	(13,269)	13,763

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

SECTION FIVE

**EXPLANATIONS AND NOTES RELATED TO
UNCONSOLIDATED FINANCIAL STATEMENTS**

I. EXPLANATIONS AND NOTES Related to Assets

1. Information related to cash and the account of The Central Bank of the Republic of Turkey (the "CBRT"):

a. Information on cash and the account of the CBRT

	Current Period		Prior Period	
	LC	FC	LC	FC
Cash/Foreign currency	10	16	10	14
CBRT	24,900	274,024	7,582	276,163
Other	-	-	-	-
Total	24,910	274,040	7,592	276,177

b. Information on the account of the CBRT

	Current Period		Prior Period	
	LC	FC	LC	FC
Demand Unrestricted Amount ⁽¹⁾	24,900	11,184	7,582	446
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount ⁽²⁾	-	262,840	-	275,717
Total	24,900	274,024	7,582	276,163

⁽¹⁾ Local currency reserve requirements is presented demand unrestricted amount accordingly BRSA letter dated 3 January 2018.

⁽²⁾ The blocked reserve requirement at Central Bank.

According to CBRT's "Required Reserves Announcement" numbered 2013/15, the Bank has to provide reserve requirement amounts in CBRT for Turkish currency and foreign currency denominated liabilities. The reserve requirements may be kept as Turkish Lira, USD, Euro and standard gold.

The reserve rates for TL liabilities vary between 3% and 8% according to their maturities as of 31 March 2022 (31 December 2021 - between 3% and 8%). The reserve rates for foreign currency liabilities vary between 5% and 25% according to their maturities as of 31 March 2022 (31 December 2021 - between 5% and 25%).

2. Information on financial assets at fair value through profit or loss

- a.** As of 31 March 2022, the Bank has no financial assets at fair value through profit or loss subject to repo transactions and given as collateral/blocked (31 December 2021 - None).

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

b. Financial assets at fair value through profit or loss

	Current Period	Prior Period
Debt Securities	-	-
Quoted on Stock Exchange	-	-
Not Quoted	-	-
Share Certificates / Investment Funds	29,151	20,956
Quoted on Stock Exchange	-	-
Not Quoted	29,151	20,956
Impairment Provision (-)	-	-
Total	29,151	20,956

c. Positive differences related to derivative financial assets

	Current Period		Prior Period	
	LC	FC	LC	FC
Forward transactions	3	-	-	-
Swap transactions	-	-	13,604	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	3	-	13,604	-

3. Information on banks

a. Information on banks

	Current Period		Prior Period	
	LC	FC	LC	FC
Banks	3,294	171,322	2,967	206,943
Domestic	3,294	132,628	2,967	80,032
Foreign	-	38,694	-	126,911
Branches and offices abroad	-	-	-	-
Total	3,294	171,322	2,967	206,943

b. Information on foreign banks accounts

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	35,696	18,900	-	-
USA, Canada	2,006	79,682	-	-
OECD Countries ¹	-	-	-	-
Off-shore Banking Regions	-	-	-	-
Other	992	28,329	-	-
Total	38,694	126,911	-	-

⁽¹⁾ OECD Countries other than EU countries, USA and Canada.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

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

a. Information financial assets subject to repurchase agreements and given as collateral/blocked

	Current Period		Prior Period	
	LC	FC	LC	FC
Collateral / Blocked	8,131	-	8,262	-
Repurchase transaction	30,849	-	30,931	-
Total	38,980	-	39,193	-

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

	Current Period	Prior Period
Debt Securities	54,961	45,807
Quoted on Stock Exchange	54,961	45,807
Not Quoted	-	-
Share Certificates	7,659	7,659
Quoted on Stock Exchange	-	-
Not Quoted	7,659	7,659
Impairment Provision (-)	(2,858)	(2,781)
Total	59,762	50,685

5. 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	138,585	91,549	25,071	187,981
Legal Entities	138,585	91,549	25,071	187,981
Individuals	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	-	-	-	-
Total⁽¹⁾	138,585	91,549	25,071	187,981

⁽¹⁾ The bank has TL 138,585 cash loan was granted as a counter-guarantee of Parent Bank (31 December 2021 – TL 25,071).

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

b. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled

Current Period	Standard Loans	Loans Under Close Monitoring		
		Not under the scope of restructuring	Restructured Loans	
Cash Loans			Modifications on agreement conditions	Refinancing
Non-specialized Loans	2,324,776	42,194	129,327	-
Loans given to enterprises	411,473	18,157	8,070	-
Export Loans	199,701	-	-	-
Import Loans	-	-	-	-
Financial Sector Loans	363,427	-	-	-
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
Other	1,350,175	24,037	121,257	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	2,324,776	42,194	129,327	-

Prior Period	Standard Loans	Loans Under Close Monitoring		
		Not under the scope of restructuring	Restructured Loans	
Cash Loans			Modifications on agreement conditions	Refinancing
Non-specialized Loans	2,008,688	44,093	117,845	-
Loans given to enterprises	512,260	20,239	-	-
Export Loans	-	-	-	-
Import Loans	-	-	-	-
Financial Sector Loans	338,125	-	-	-
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
Other	1,158,303	23,854	117,845	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	2,008,688	44,093	117,845	-

Expected Credit Loss	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Months Expected Credit Loss	16,767	-	14,919	-
Significant Increase in Credit Risk	-	29,574	-	29,827
Total	16,767	29,574	14,919	29,827

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

Number of modifications made to extend payment plan	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
Extended by 1 or 2 times	-	129,327	-	117,845
Extended by 3,4 or 5 times	-	-	-	-
Extended by more than 5 times	-	-	-	-
Total	-	129,327	-	117,845

Extended period of time	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
0 - 6 Months	-	-	-	-
6 - 12 Months	-	-	-	-
1 - 2 Years	-	-	-	-
2 - 5 Years	-	129,327	-	117,845
5 Years and over	-	-	-	-
Total	-	129,327	-	117,845

c. Breakdown of loans according to their maturities

Current Period	Standard Loans	Loans Under Close Monitoring	
		Not under the scope of restructuring	Restructured Loans
Short-Term Loans	928,601	10,338	-
Medium and Long-Term Loans	1,396,175	31,856	129,327
Total	2,324,776	42,194	129,327

Prior Period	Standard Loans	Loans Under Close Monitoring	
		Not under the scope of restructuring	Restructured Loans
Short-Term Loans	845,782	9,198	-
Medium and Long-Term Loans	1,162,906	34,895	117,845
Total	2,008,688	44,093	117,845

d. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards

None (31 December 2021 - None).

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

e. Information on commercial instalment loans and corporate credit cards

Current Period	Short Term	Medium-Long Term	Total
Commercial installment loans-LC	-	12,392	12,392
Business residential loans	-	-	-
Automobile loans	-	12,392	12,392
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans- Indexed to FC	-	23,890	23,890
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	23,890	23,890
Other	-	-	-
Commercial installment loans - FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-LC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Corporate credit cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Overdraft accounts-LC (Commercial customer)	-	-	-
Overdraft accounts-FC (Commercial customer)	-	-	-
Total	-	36,282	36,282

Prior Period	Short Term	Medium-Long Term	Total
Commercial installment loans-LC	-	14,151	14,151
Business residential loans	-	-	-
Automobile loans	-	14,151	14,151
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans- Indexed to FC	-	23,732	23,732
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	23,732	23,732
Other	-	-	-
Commercial installment loans - FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-LC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Corporate credit cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Overdraft accounts-LC (Commercial customer)	-	-	-
Overdraft accounts-FC (Commercial customer)	-	-	-
Total	-	37,883	37,883

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

f. Loans according to types of borrowers

	Current Period	Prior Period
Public	-	-
Private	2,524,965	2,216,450
Total⁽¹⁾	2,524,965	2,216,450

⁽¹⁾ TL 28,668 (31 December 2021 – TL 45,824) non-performing loans are included.

g. Distribution of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	1,883,556	1,727,230
Foreign Loans	641,409	489,220
Total⁽¹⁾	2,524,965	2,216,450

⁽¹⁾ TL 28,668 (31 December 2021 – TL 45,824) non-performing loans are included.

h. Loans granted to investments in associates and subsidiaries

None (31 December 2021 - None).

i. Specific provisions accounted for loans

	Current Period	Prior Period
Loans with limited collectability	-	-
Loans with doubtful collectability	-	7,117
Uncollectible loans	24,043	17,777
Total	24,043	24,894

j. Information on non-performing loans

i. Information on non-performing loans restructured or rescheduled and other receivables

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period			
Gross amounts before specific reserves	-	-	2,991
Loans under restructuring	-	-	2,991
Prior period			
Gross amounts before specific reserves	-	-	20,207
Loans under restructuring	-	-	20,207

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

ii. Information on the movement of total non-performing loans

Current Period	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
Prior period end balance	-	11,766	34,058
Additions (+)	-	58	29
Transfers from other categories of loans under follow-up (+)	-	-	11,824
Transfers to other categories of loans under follow-up (-)	-	(11,824)	(8,615)
Collections (-)	-	-	(8,628)
Deducted from the record (-)	-	-	-
Sold (-)	-	-	-
Commercial and corporate loans	-	-	-
Individual loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current period end balance	-	-	28,668
Provision (-)	-	-	(24,043)
Net Balance on balance sheet	-	-	4,625

Prior Period	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
Prior period end balance	-	-	36,077
Additions (+)	12,568	11	5,095
Transfers from other categories of loans under follow-up (+)	-	11,755	-
Transfers to other categories of loans under follow-up (-)	(11,755)	-	-
Collections (-)	(813)	-	(7,114)
Deducted from the record (-)	-	-	-
Sold (-)	-	-	-
Commercial and corporate loans	-	-	-
Individual loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current period end balance	-	11,766	34,058
Provision (-)	-	(7,117)	(17,777)
Net Balance on balance sheet	-	4,649	16,281

iii. Information on non-performing loans granted as foreign currency loans

	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
Current period			
Period end balance	-	-	-
Provision (-)	-	-	-
Net balance on balance sheet	-	-	-
Prior period			
Period end balance	-	-	10,854
Provision (-)	-	-	(682)
Net balance on balance sheet	-	-	10,172

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

iv. Information on non-performing loans based on types of borrowers

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current period (Net)	-	-	4,625
Loans granted to real persons and legal entities (Gross)	-	-	28,668
Provision (-)	-	-	(24,043)
Loans granted to real persons and legal entities (Net)	-	-	4,625
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (Gross)	-	-	-
Provision (-)	-	-	-
Other loans (Net)	-	-	-
Prior Period (Net)	-	4,649	16,281
Loans granted to real persons and legal entities (Gross)	-	11,766	34,058
Provision (-)	-	(7,117)	(17,777)
Loans granted to real persons and legal entities (Net)	-	4,649	16,281
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (Gross)	-	-	-
Provision (-)	-	-	-
Other loans (Net)	-	-	-

v. Information on interest accruals, rediscounts, valuation differences and their provisions calculated for non-performing loans in accordance with TFRS 9

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current period (Net)	-	-	579
Interest accruals and rediscounts and valuation differences	-	-	3,456
Provision (-)	-	-	(2,877)
Prior Period (Net)	-	842	146
Interest accruals and rediscounts and valuation differences	-	1,968	1,594
Provision (-)	-	(1,126)	(1,448)

vi. Information on the collection policy of non-performing loans and other receivables and information on the write-off policy of the Bank

Loans and other receivables in the nature of loss are collected through legal proceedings and the conversion of guarantees into cash through the court or the collections received based on the payment protocol made with the debtors. If there is still a remaining balance after the collection made through legal proceedings for the loans that have turned into losses, there is a policy of write-off from the Bank's assets after the approval of the Bank's Board of Directors on a transaction basis, by attaching it to a certificate of insolvency or a lack of pledge document. In addition, if the Bank's receivables are insignificant amounts compared to the legal follow-up expenditures to be made for the supply of the aforementioned documents, the write-off from the assets can only be made with the decision of the Board of Directors.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

6. Information on financial assets measured at amortized cost

a. Information financial assets subject to repurchase agreements and given as collateral/blocked

	Current Period		Prior Period	
	LC	FC	LC	FC
Collateral / Blocked	-	72,963	-	67,479
Repurchase transaction	-	173,512	-	105,169
Total	-	246,475	-	172,648

b. Information on government debt securities measured at amortized cost

	Current Period	Prior Period
Government bonds	266,022	189,860
Treasury bills	-	-
Other public sector debt securities	-	-
Total	266,022	189,860

c. Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt Securities	439,778	361,103
Quoted in a stock exchange	439,778	361,103
Not quoted	-	-
Impairment provisions (-) ⁽¹⁾	-	-
Total	439,778	361,103

⁽¹⁾ TL 4,813 (31 December 2021 – TL 4,224) expected credit losses included at line for expected credit losses on financial statements.

d. The movement of financial assets measured at amortized cost during the year

	Current Period	Prior Period
Beginning balance	116,776	116,776
Foreign currency differences on monetary assets ⁽¹⁾	124,452	124,452
Purchases during year	119,875	119,875
Disposals through sales and redemptions	-	-
Impairment provisions (-)	-	-
Total	361,103	361,103

⁽¹⁾ TL 2,446 (31 December 2021 – TL 3,741) of differences arising from the rediscounts and accruals are shown in the " Foreign currency differences on monetary assets line.

7. Information on investments in associates (Net)

a. Information on unconsolidated investments in associates

None (31 December 2021 - None).

b. Information on consolidated investments in associates

None (31 December 2021 - None).

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

8. Information on subsidiaries (Net)

None (31 December 2021 - None).

9. Information on joint ventures

None (31 December 2021 - None).

10. Information on lease receivables (Net)

a. Information on lease receivables

	Current Period	Prior Period
Financial lease receivables, Gross	253,003	253,003
Unearned income	(47,001)	(47,001)
Financial lease receivables, Net	206,002	206,002

⁽¹⁾ TL 1,454 (31 December 2021 – TL 1,293) expected credit losses included at line for expected credit losses on financial statements.

b. Remaining maturities of financial lease investments

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 Year	103,805	84,199	77,841	58,659
1 – 5 Years	170,410	146,108	175,162	147,343
Over 5 Years	-	-	-	-
Total	274,215	230,307	253,003	206,002

11. Information on hedging derivative financial assets

None (31 December 2021 - None).

12. Information on property and equipment

	Immovable / Land	Vehicles	Right of use assets	Other Tangible Fixed Assets	Total
Prior Period					
Cost	97,907	1,628	665	8,810	109,010
Accumulated Depreciation(-)	(16,192)	(848)	(165)	(3,823)	(21,028)
Net Book Value 31 December 2021	81,715	780	500	4,987	87,982
Current Period					
Net Book Value : 31 December 2021	81,715	780	500	4,987	87,982
Additions	-	-	-	-	-
Transfers	-	-	-	-	-
Disposals(-), cost	-	-	-	(48)	(48)
Disposals(+), accumulated depreciation	-	-	-	40	40
Depreciation (-)	(172)	(80)	(55)	(367)	(674)
Impairment	-	-	-	-	-
Net Book Value: 31 March 2022	81,543	700	445	4,612	87,300
Cost at Period End	97,907	1,628	665	8,762	108,962
Accumulated Depreciation at Period End (-)	(16,364)	(928)	(220)	(4,150)	(21,662)
Net Book Value: 31 March 2022	81,543	700	445	4,612	87,300

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

	Immovable / Land	Vehicles	Right of use assets	Other Tangible Fixed Assets	Total
Prior Period					
Cost	97,768	1,628	345	8,360	108,101
Accumulated Depreciation(-)	(15,496)	(523)	(184)	(3,020)	(19,223)
Net Book Value 31 December 2020	82,272	1,105	161	5,340	88,878
Current Period					
Net Book Value : 31 December 2020	82,272	1,105	161	5,340	88,878
Additions	139	-	458	1,063	1,660
Transfers	-	-	-	-	-
Disposals(-), cost	-	-	(138)	(613)	(751)
Disposals(+), accumulated depreciation	-	-	138	579	717
Depreciation (-)	(696)	(325)	(119)	(1,382)	(2,522)
Impairment	-	-	-	-	-
Net Book Value: 31 December 2021	81,715	780	500	4,987	87,982
Cost at Period End	97,907	1,628	665	8,810	109,010
Accumulated Depreciation at Period End (-)	(16,192)	(848)	(165)	(3,823)	(21,028)
Net Book Value: 31 December 2021	81,715	780	500	4,987	87,982

13. Information on intangible assets

	Current Period	Prior Period
Net Book Value at the beginning of the Period	7,784	6,849
Additions	275	3,625
Disposals(-), net	-	-
Depreciation (-)	(784)	(2,690)
Closing Net Book Value	7,275	7,784

14. Information on investment property:

The Bank has purchased a real estate classified as investment property as of balance sheet date with the deed transfer process has completed as of 18 June 2018. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value in accordance with TAS 40 "Investment Property".

	Current Period	Prior Period
Beginning balance, Net	143,910	144,862
Additions (+)	-	-
Disposals (-), net	-	-
Impairment (-)	-	-
Depreciation (-)	(234)	(952)
Transfers	-	-
Current period end balance, Net⁽¹⁾	143,676	143,910

⁽¹⁾ As of 31 December 2021, the fair value of investment property is TL 161 million.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

15. Information on deferred tax asset

The Bank calculates deferred tax asset or liability on the differences between the applied accounting policies and valuation bases and tax legislation that comes from timing differences and reflects the amount on the financial statements.

As of 31 March 2022, the Bank calculated deferred tax asset amounting TL 14,920 and reflected this amount to the financial statements (31 December 2021 – TL 13,020 deferred tax asset).

In the situation that the difference between the book value and value subject to tax of the assets that are subject to deferred tax is related to equity accounts, deferred tax asset or liability is netted with the relevant accounts in this group.

	Current Period		Prior Period	
	Temporary Differences of Deferred Tax Base	Deferred Tax Amount	Temporary Differences of Deferred Tax Base	Deferred Tax Amount
Provision for employee benefits	1,408	282	1,349	270
Expected credit losses	58,412	11,682	57,564	11,513
Other provisions	1,573	360	3,149	781
Tangible and intangible assets	19,102	3,820	19,829	3,966
Derivatives	2,957	591	114	23
Other	7,136	1,427	7,098	1,420
Deferred Tax Asset	90,588	18,162	89,103	17,973
Derivatives	(3)	(1)	(13,604)	(2,721)
Marketable Securities	(15,242)	(3,048)	(11,101)	(2,220)
Other	(855)	(193)	(60)	(12)
Deferred Tax Liability	(16,100)	(3,242)	(24,765)	(4,953)
Deferred Tax Asset/ (Liability), net	74,488	14,920	64,338	13,020

16. Information on assets held for resale and discontinued operations

None (31 December 2021 - None).

17. Information on other assets

As of 31 March 2022, other assets amount to TL 25,401 (31 December 2021- TL 22,533) and do not exceed 10% of total balance sheet except off balance sheet commitments.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

1. Information on deposits

The Bank has no deposits due to its nature as an investment bank.

2. Negative differences related to derivative financial liabilities

	Current Period		Prior Period	
	LC	FC	LC	FC
Forward transactions	2	-	-	-
Swap transactions	-	2,954	-	114
Futures transactions	-	-	-	-
Options transactions	-	-	-	-
Other	-	-	-	-
Total	2	2,954	-	114

3. Information on borrowings

a. Information on banks and other financial institutions

	Current Period		Prior Period	
	LC	FC	LC	FC
Borrowings from the CBRT	-	-	-	-
From domestic banks and institutions	60,029	65,143	40,053	98,068
From foreign banks, institutions and funds	161,402	1,260,363	50,894	1,187,037
Total	221,431	1,325,506	90,947	1,285,105

b. Information on maturity structure of borrowings

	Current Period		Prior Period	
	LC	FC	LC	FC
Short-term	221,431	505,952	90,947	535,169
Medium and long-term	-	819,554	-	749,936
Total	221,431	1,325,506	90,947	1,285,105

c. Additional explanation related to the concentrations of the Bank's major liabilities on the basis of concentrations, fund providing customers, sector groups and other criteria where risk concentration is observed

The Bank funds its foreign currency assets mainly with medium and long term funds borrowed and debt securities issued. The Bank funds its local currency assets mainly with its capital, funds borrowed and debt securities issued. The Bank aims to have consistency on interest and maturities among assets and funding.

4. Money Market Funds

As of 31 March 2022, the Bank have money market borrowings amounting to TL 156,765 through repo transaction and TL 75,033 through Takasbank transaction (31 December 2021 – TL 105,023 through repo transaction and TL 100,500 through Takasbank transaction)

5. Securities Issued

	Current Period		Prior Period	
	LC	FC	LC	FC
Nominal	72,891	1,266,993	64,651	1,154,584
Cost	69,247	1,266,993	61,900	1,154,584
Book Value	69,461	1,270,807	64,264	1,158,195

The Bank netted TL 28,738 (31 December 2021 – TL 36,858) nominal amount of debt securities that bought backed on its financial statements.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

6. Information on other liabilities

As of 31 March 2022, other liabilities amount to TL 116,848 (31 December 2021 - TL 98,213) and do not exceed 10% of total balance sheet.

7. Information on financial lease agreements

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 Year	272	203	286	208
1 – 5 Years	323	284	382	330
Over 5 Years	-	-	-	-
Total	595	487	668	538

8. Information on hedging derivative financial liabilities

None (31 December 2021 - None).

9. Information on provisions

a. Information on provisions related with foreign currency difference of foreign indexed loans

None (31 December 2021 - None).

b. Information on specific provisions for non-cash loans that are non-funded and non-transformed into cash

As of 31 March 2022, the Bank has no specific provision (31 December 2021 – None) and TL 5,255 (31 December 2021 – TL 6,820) provision for expected credit loss to the financial statements.

Expected Credit Loss for Non-Cash Loans	Current Period	Prior Period
12 Months Expected Credit Loss	4,720	5,968
Significant Increase in Credit Risk	535	852
Total	5,255	6,820

c. Information on other provisions

i. Information on provisions for possible risks

None (31 December 2021 - None).

ii. Other provisions are explained if they exceed 10% of the total provision balance

The Bank's total other provisions, excluding special provisions for non-compensated and non-cash loans and expected loss provisions for non-cash loans, is TL 9,673 and consists of bonus/premium and litigation provision (31 December 2021 – TL 7,800 lawsuit and bonus/premium provision).

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

iii. Obligations related to employee rights

In accordance with Turkish Labour Law, the reserve has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of its employees.

The movement of employee termination benefits is shown below

	Current Period	Prior Period
Balance at the Beginning of the Period	255	226
Provisions Recognised During the Period	38	29
Balance at the end of the period	293	255

In addition, as of 31 March 2022, the Bank have unused vacation provision of TL 1,115 (31 December 2021 - TL 1,094).

10. Information on taxes payable:

a. Information on current year tax liability

i. Information on tax provision

The Bank recognized TL 11,122 as current tax liability as of 31 March 2022 (31 December 2021 - TL 5,275).

ii. Information on taxes payable

	Current Period	Prior Period
Corporate Tax Payable	11,122	5,275
Taxation on Marketable Securities	252	187
Property Tax	1	1
Banking Insurance Transaction Tax	888	1,767
Foreign Exchange Transaction Tax	14	22
Value Added Tax Payable	230	329
Other	468	571
Total	12,975	8,152

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

iii. Information on premium payables

	Current Period	Prior Period
Social Security Premiums – Employee	203	159
Social Security Premiums – Employer	234	182
Bank Social Aid Pension Fund Premium- Employee	-	-
Bank Social Aid Pension Fund Premium – Employer	-	-
Pension Fund Membership Fees and Provisions - Employee	-	-
Pension Fund Membership Fees and Provisions - Employer	-	-
Unemployment Insurance – Employee	14	11
Unemployment Insurance – Employer	28	22
Other	-	-
Total	479	374

11. Information on deferred tax liability

Explanations on the taxation of the Bank are presented in Section Five in related explanations and notes.

12. Information on liabilities for assets held for sale and assets of discontinued operations

None (31 December 2021 - None).

13. Information on the quantity, maturity date, interest rate and supplier firm of the subordinated loans given to the bank and transactional option if there are any marketable securities

None (31 December 2021 - None).

14. Information on shareholders' equity

a. Presentation of paid-in capital

	Current Period	Prior Period
Common Stock	500,000	500,000
Preferred Stock	-	-

b. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling

The Bank does not apply the registered share capital system.

c. Information on share capital increases and their sources; other relevant information on increased share capital in current period

None.

d. Explanation on the transfers from capital reserve to paid-in capital in the current period

None.

e. Information on capital commitments, the general purpose and the estimated sources for these commitments until the end of the fiscal year and the subsequent periods

None (31 December 2021 - None).

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

f. Information on the Bank's income, profitability, prior period indicators on liquidity and uncertainty on these indicators and their potential effects on the Bank's capital

The Bank considers there is no uncertainty regarding the prior period income, profitability and liquidity indicators, therefore the Bank does not foresee an effect on capital.

g. Summary information about privileged shares representing the capital

None (31 December 2021 - None).

h. Information on marketable securities value increase fund

	Current Period		Prior Period	
	LC	FC	LC	FC
From investment and associates, subsidiaries and joint ventures (business partners)	-	-	-	-
Revaluation difference	(3,305)	-	(2,911)	-
Foreign exchange difference	-	-	-	-
Total	(3,305)	-	(2,911)	-

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

III. EXPLANATIONS AND NOTES RELATED TO OFF-BALANCE SHEET ACCOUNTS

1. Information on off-balance sheet commitments

a. The amount and type of irrevocable commitments

	Current Period	Prior Period
Forward asset purchase and sale commitments	7,125	-
Forward deposit purchase and sale commitments	-	-
Tax and fond liabilities from export commitment	-	-
Other irrevocable commitments	13,680	15,388
Total	20,805	15,388

b. Type and amount of probable losses and obligations arising from off-balance sheet items

The Bank, within the context of banking activities, undertakes certain commitments, consisting of letters of guarantee, acceptance credits, letters of credit and other guarantees.

As of 31 March 2022, the Bank has no specific provision (31 December 2021 – None) and TL 5,255 (31 December 2021 – TL 6,820) provision for expected credit loss to the financial statements.

i. Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letter of credits

	Current Period	Prior Period
Letters of guarantee	346,327	305,087
Letters of credit	-	109,673
Bank acceptances	-	-
Other guarantees	265,612	317,729
Total	611,939	732,489

ii. Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Final letters of guarantee	123,067	118,851
Provisional letters of guarantee	-	-
Letters of guarantee for advances	2,000	-
Letters of guarantee given to customs offices	90,345	77,882
Letter of guarantees given against cash loans	130,915	108,354
Other letter of guarantees	-	-
Total	346,327	305,087

c. Total amount of non-cash loans

	Current Period	Prior Period
Non-cash Loans Given against Cash Loans	396,527	426,083
With Original Maturity of 1 Year or Less Than 1 Year	86,387	82,395
With Original Maturity of More Than 1 Year	310,140	343,688
Other Non-cash Loans	215,412	306,406
Total	611,939	732,489

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

d. Information on the non-cash loans classified in Group I and Group II:

Current Period	I. Group		II. Group	
	LC	FC	LC	FC
Non-Cash Loans	181,133	424,798	6,008	-
Letters of Guarantee	181,133	159,186	6,008	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	-	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	265,612	-	-

Prior Period	I. Group		II. Group	
	LC	FC	LC	FC
Non-Cash Loans	144,560	580,821	7,108	-
Letters of Guarantee	144,560	153,419	7,108	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	109,673	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	317,729	-	-

e. Information on sectoral risk concentrations of non-cash loans:

	Current Period				Prior Period			
	LC	(%)	FC	(%)	LC	(%)	FC	(%)
Agricultural	-	-	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Manufacturing	4,848	2.59	-	-	2,848	1.88	13,329	2.29
Mining	-	-	-	-	-	-	-	-
Production	3,817	2.04	-	-	1,817	1.20	13,329	2.29
Electric, Gas and Water	1,031	0.55	-	-	1,031	0.68	-	-
Construction	-	-	265,612	62.53	-	-	251,084	43.23
Services	182,276	97.40	159,186	37.47	148,803	98.11	316,408	54.48
Wholesale and Retail Trade	26,866	14.36	-	-	26,866	17.71	66,645	11.47
Hotel, Food and Beverage Services	280	0.15	-	-	1,368	0.90	-	-
Transportation and Telecommunication	4,000	2.14	34,035	8.01	4,000	2.64	31,506	5.42
Financial Institutions	150,625	80.48	91,690	21.58	116,064	76.53	188,084	32.40
Real Estate and Leasing Services	-	-	32,571	7.67	-	-	30,173	5.19
Self-Employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	505	0.27	890	0.21	505	0.33	-	-
Other	17	0.01	-	-	17	0.01	-	-
Total	187,141	100.00	424,798	100.00	151,668	100.00	580,821	100.00

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2. Information on derivative transactions

	Current Period	Prior Period
Trading Derivative Financial Instruments		
Foreign Currency Transactions (I)	525,391	278,708
Forward Foreign Currency Buy/Sell Transactions ⁽¹⁾	7,125	-
Foreign Currency Swap-Buy-Sell Transactions	518,266	278,708
Futures Transactions	-	-
Options-Buy-Sell Transactions	-	-
Interest Rate Transactions (II)	-	-
Forward interest rate Buy-Sell	-	-
Interest Rate Swap-Buy-Sell	-	-
Interest Rate Options-Buy-Sell	-	-
Interest Rate Futures But-Sell	-	-
Other Trading Derivative Financial Instruments (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	525,391	278,708
Hedging Derivative Financial Instruments		
Transactions for Fair Value Hedge	-	-
Transactions for Cash Flow Hedge	-	-
Transactions for Foreign Net Investment Hedge	-	-
B. Total Hedging Derivative Financial Instruments	-	-
Total Derivatives (A+B)	525,391	278,708

⁽¹⁾ Includes asset purchase and sale commitments

3. Information on credit derivatives and related imposed risks

None (31 December 2021 - None).

4. Information on Contingent Assets and Liabilities

As of 31 March 2022, the Bank has booked the provision for its ongoing lawsuits amounting TL 100 to the financial statements (31 December 2021 - TL 100). The process regarding the law suits is still ongoing and decisions will be finalized after trial.

5. Information on services in the name of others' names and accounts

The Bank, has been authorized to provide limited custody services. The investment securities held in custody is recorded on off-balance sheet.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

1. Information on interest income

a. Information on interest income on loans ⁽¹⁾

	Current Period		Prior Period	
	LC	FC	LC	FC
Short-term Loans	29,716	4,778	15,469	2,240
Medium/Long-term Loans	9,644	17,652	4,073	10,974
Interest on Loans Under Follow-up	333	23	365	183
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	39,693	22,453	19,907	13,397

⁽¹⁾ Commission income from cash loans are also included.

b. Information on interest income on banks

	Current Period		Prior Period	
	LC	FC	LC	FC
From the CBRT ⁽¹⁾	551	-	248	-
From Domestic Banks	112	27	95	16
From Foreign Banks	-	17	-	19
Branches and Offices Abroad	-	-	-	-
Total	663	44	343	35

⁽¹⁾ The interest income from required reserves are also included.

c. Information on interest income on marketable securities

	Current Period		Prior Period	
	LC	FC	LC	FC
Financial assets at fair value through profit or loss	-	-	-	-
Financial assets at fair value through other comprehensive income	3,130	-	789	-
Financial assets measured at amortized cost	-	7,413	-	2,477
Total	3,130	7,413	789	2,477

d. Information on interest income received from investments in associates and subsidiaries

None (31 December 2021 - None).

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2. Information on interest expense

a. Information on interest expense⁽¹⁾

	Current Period		Prior Period	
	LC	FC	LC	FC
Banks	10,185	9,082	3,925	5,073
The Central Bank of Turkey	-	-	-	-
Domestic Banks	641	19	6	83
Foreign Banks	9,544	9,063	3,919	4,990
Branches and offices abroad	-	-	-	-
Other Institutions	-	-	1,755	-
Total	10,185	9,082	5,680	5,073

⁽¹⁾ Commission expense for borrowings are also included.

b. Information on interest expense given to investments in associates and subsidiaries

None (31 December 2021 - None).

c. Interest expense on issued marketable securities

	Current Period		Prior Period	
	LC	FC	LC	FC
Interest expense on securities issued	5,351	10,949	1,514	5,713

d. Maturity structure of the interest expense on deposits

The Bank has no deposits due to its nature as an investment bank.

3. Information on dividend income

None (31 December 2021 - None).

4. Information on trading income/loss (Net)

	Current Period	Prior Period
Income	380,459	255,772
Profit on trading account securities	4,081	3,209
Profit on derivative financial transactions ⁽¹⁾	22,870	2,855
Foreign exchange gains	353,508	249,708
Loss (-)	(371,970)	(249,431)
Losses on trading account securities	-	-
Losses on derivative financial transactions ⁽¹⁾	(18,900)	(1,101)
Foreign exchange losses	(353,070)	(248,330)
Net Trading Income/Loss	8,489	6,341

⁽¹⁾ Due to the short maturity of derivative financial instruments held by the Bank, the major part of gains and loss from derivative financial transactions are resulted from changes in exchange rates.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

5. Information on other operating income

TL 2,616 of reversal of prior year specific and expected credit loss provisions included on other operating income and there is no income regarding extraordinary accounts (31 March 2021 - TL 7,576).

6. Provision expenses related to loans and other receivables

	Current Period	Prior Period
Expected Credit Loss⁽¹⁾	2,797	11,222
12 Month Expected Credit Loss (Stage 1)	2,797	6,037
Significant increase in credit risk (Stage 2)	-	5,185
Non-Performing Loans (Stage 3)	-	-
Marketable Securities Impairment Provision	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	-	-
Total⁽²⁾	2,797	11,222

⁽¹⁾ Includes expected credit losses for the non-cash loans.

⁽²⁾ While considering the provision reversals included in other operating income, net provision expense is TL 181 (31 March 2021 – TL 3,646 net provision expense).

7. Information related to other operating expenses:

	Current Period	Prior Period
Reserve for employee termination benefits ⁽¹⁾	59	55
Bank social aid fund deficit provision	-	-
Fixed assets impairment expense	-	-
Depreciation expenses of fixed assets	908	833
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortization expenses of intangible assets	784	629
Shares (capital method applied) impairment expense	-	-
Impairment expense for investment securities that will be disposed	-	-
Amortization expenses of investment securities that will be disposed	-	-
Impairment expenses for property and equipment held for sale purpose and terminated operations	-	-
Other operating expenses	3,673	2,260
Leasing expenses related to TFRS 16 exemptions	13	40
Maintenance expenses	658	472
Advertisement expenses	149	75
Other expenses	2,853	1,673
Loss on sales of assets	8	-
Other	1,504	1,699
Total	6,936	5,476

⁽¹⁾ Provision expenses for unused vacation provision and employee termination benefits are presented in personnel expenses at profit and loss statement.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

8. Information on income/(loss) before tax from continuing or discontinued operations

Profit before tax consists of net interest income/expense amounting to TL 37,600 , net commission fee income amounting to TL 8,278, trading gain/loss amounting to TL 8,489, other operating income amounting to TL 3,662, provision for loan losses and other receivables amounting to TL 2,797 and other operating expenses including personnel expenses amounting to TL 15,851.

9. Information on provision for taxes from continuing or discontinued operations

As of 31 March 2022 the Bank has current tax expense TL 11,122 (31 March 2021 - TL 1,921) and the Bank has deferred tax expense amounting to TL 2,224 and deferred tax income amounting to TL 4,026 (31 March 2021 - TL 1,473 deferred tax income and TL 3,077 deferred tax expense).

As of 31 March 2022, the Bank doesn't have any discontinued operations.

10. Information on net income/(loss) from continuing or discontinued operations

The Bank doesn't have discontinued operations. The Bank's net profit from continuing operations amounting to TL 30,061 (31 March 2021 - TL 13,763 profit).

11. Information on net income/(loss) for the period

a. If the disclosure of ordinary banking transactions and the composition of income and expense items is necessary to understand the annual performance of Bank, the composition and amount of these items

None (31 March 2021 - None).

b. If an accounting estimate change significantly affects the profit/loss in the current period or has a probability to significantly affect the profit/loss in the subsequent periods, the overall effect is disclosed

There is no significant change in accounting estimates which would affect the current or the subsequent periods.

12. Disclosure of 20% of sub-accounts in the case of other line items exceed 10% of the income statement total

	Current Period	Prior Period
Other	-	9
Other Interest Income	-	9
Interest on funds borrowed and cash collateral	(2,341)	(602)
Other	(2)	-
Other Interest Expenses	(2,343)	(602)
Money transfer commissions	6,525	114
From asset backed securities funds	1,841	867
Other	1,319	568
Other Commission Income	9,685	1,549
Given to correspondent banks	(1,346)	(229)
Asset backed securities funds services	(1,289)	(558)
Other	(127)	(106)
Other Commission Expenses	(2,762)	(893)

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

**V. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CHANGES IN THE
SHAREHOLDERS' EQUITY**

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

"Unrealized gains and losses" arising from changes in the fair value of securities classified as financial assets at fair value through other comprehensive income are not recognized in current year income statements; they are recognized in the "Marketable securities value increase fund" account under equity, until the financial assets are sold, disposed or impaired.

As of 31 March 2022, The Bank has booked TL 3,305 loss (31 March 2021 – TL 153 loss) for marketable securities valuation difference related to financial assets at fair value through other comprehensive income.

2. Amounts transferred to legal reserves

According to decisions of General Assembly held on 18 March 2022, TL 47,125 prior year's income has been transferred to legal reserves.

3. Information on distribution of profit

No profit distribution has been made as of the balance sheet date, and no dividend has been declared after the balance sheet date.

4. Information on capital increase:

None.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

1. Information on cash and cash equivalents

Components of cash and cash equivalents and the accounting policy applied in their determination

The effect of any change in the accounting policy of current period and the balance sheet recorded amounts of the components that make up cash and cash equivalents (excluding rediscount balances, reserve requirements, placements with maturity longer than 3 months and blocked accounts) are considered as cash and cash equivalents.

a. Cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
Cash	298,950	220,432
Cash and Foreign Currency Cash	26	14
Turkish Central Bank	298,924	220,418
Other	-	-
Cash Equivalents	174,616	56,384
Banks	174,616	38,375
Interbank Money Market Placements	-	18,009
Total Cash and Cash Equivalents	473,566	276,816
Blocked amounts on cash and cash equivalents	(47,012)	(2,260)
Interest income rediscounts on cash and cash equivalents	(552)	(258)
Cash equivalents with a maturity longer than three months	-	-
Restricted reserve deposits	(262,840)	(155,419)
Cash Flow Statements Cash and Cash Equivalents	163,162	118,879

2. Explanation about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents

The "Other" items presented in "Net operating income before changes in operating assets and liabilities" amount to TL 6,778 (31 March 2021 - TL 4,445) mainly consists fees and commissions paid and other operating expenses excluding personnel expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 80 (31 March 2021 - TL 384) consists of mainly changes in prepaid expenses and other assets.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 69,649 (31 March 2021 - TL 6,993) consists of mainly changes in miscellaneous payables, borrower funds, other liabilities and taxes and other duties payable.

The effect of change in foreign exchange rate on cash and cash equivalents is approximately increase of TL 10,472 (31 March 2021 - TL 479 increase).

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

VII. EXPLANATIONS AND NOTES RELATED TO THE BANK'S RISK GROUP

1. The volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit and loss of the period:

a. Information on loans of the Bank's risk group:

Current Period	Investments in Associates, subsidiaries, and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Beginning of the Period	-	-	25,071	187,981	464,149	268
End of the Period	-	-	138,585	91,549	502,824	280
Interest and Commission Income Received	-	-	865	204	6,243	1

Prior Period	Investments in Associates, subsidiaries, and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Beginning of the Period	-	-	-	44,749	277,974	83
End of the Period	-	-	25,071	187,981	464,149	268
Interest and Commission Income Received	-	-	-	202	4,385	1

b. Information on deposits of the Bank's risk group:

The Bank doesn't have any deposits since it is an investment bank.

c. Information on forward and option agreements and other similar agreements made with the Bank's risk group

Bank's Risk Group	Investments in Associates, subsidiaries, and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets where Fair Value Through Profit or Loss						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	24	33	451	(229)
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

d. Information on key management compensation

As of Current Period, total benefits paid key management amounts to TL 1,943 (31 March 2021 - TL 6,948).

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2. Disclosures of transactions with the Bank's risk group

a. Relations with entities in the risk group of / or controlled by the Parent Bank regardless of the nature of relationship among the parties:

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

b. In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other matters:

	Current Period			Prior period		
	Risk Group	Total	% Share	Risk Group	Total	% Share
Banks	646	174,616	0.4	276	209,910	0.1
Cash loans and receivables from leasing transactions	641,409	2,755,272	23.3	489,220	2,422,452	20.2
Marketable Securities	5,659	528,691	1.1	833	432,744	0.2
Loans received	17,018	1,546,937	1.1	14,010	1,376,052	1.0
Money market funds	15,564	231,798	6.7	10,835	205,523	5.3
Marketable securities issued	1,079,150	1,340,268	80.5	982,820	1,222,459	80.4
Borrower funds	5,907	170,540	3.5	3,782	126,392	3.0
Non-Cash loans	91,829	611,939	15.0	188,249	732,489	25.7
Derivatives ⁽¹⁾	-	525,391	0.0	-	278,708	0.0

⁽¹⁾ Includes asset purchase and sale commitments and represent the total buy and sale transactions amounts

c. Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts:

The Bank's other income includes rental income amounting to TL 654 (31 March 2021 - TL 570) due to the investment property that the Bank has leased to its risk group and the Bank's operating expense includes TL 456 (31 March 2021 - TL 265) of other expenses regarding the building management expenses of the risk group.

VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE BANK

	Number	Number of employees			
Domestic Branch	1	61			
			Country of incorporation		
Foreign representation	-	-	-		
				Total assets	Statutory share capital
Foreign branch	-	-	-	-	-
Off-share banking region branches	-	-	-	-	-

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

SECTION SIX

OTHER EXPLANATIONS AND NOTES

I. OTHER EXPLANATIONS RELATED TO OPERATIONS OF THE BANK

a. Explanations on ratings of the Bank

FITCH	December 2021
National Long Term (tur)	A- Stable

b. Explanations on ratings of the Bank’s compliance score of Corporate Governance Principles

JCR Eurasia Rating has assigned PASHA Bank an overall compliance score of (9.23) with CMB Corporate Governance Principles by revising it upwards along with a (Stable) outlook on 8 June 2021.

II. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

According to Law No. 7394 on the “Corporate Tax Law” published in the Official Gazette dated 15 April 2022, the corporate tax rate will be applied as 25% for the corporate earnings for the taxation period of 2022 starting from 1 July 2022.

According to the press release of the CBRT dated April 23, 2022, commercial cash loans of banks and financing companies in Turkish Lira were subject to 10% reserve requirement.

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDITOR’S INTERIM REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR’S INTERIM REPORT

The unconsolidated financial statements for the year ended 31 March 2022 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst&Young Global Limited) and the independent auditor’s interim report dated 29 April 2022 has been presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

SECTION EIGHT

INTERIM ANNUAL REPORT

Chairman's Message

Esteemed Stakeholders,

After performing very strong two-digit economic growth in the end of the previous year, the Turkish economy confronts with another external shock materialized in the form of the Russian-Ukraine war. The fact is that those countries are from one hand neighboring countries and from other hand are among the main trading partners. Considering the different economic and financial relationships of Turkey with conflict parts the economy is expected to have negative consequences to some extent. But in general, it would depend on duration of the conflict and spillover effect on global economy. Nevertheless, deteriorating external environment is not only limiting export performance of the country, it is also returning as rising inflation due to price surge in commodities. Subsequent price increase in commodities and even historical high records at some are pushing up consumer and producer prices. But in its turn, efforts with respect to monetary policy normalization, strong export performance, stimulus agenda of the government is feeding the positive expectations going forward.

On the back of above mentioned economic landscape, the overall banking system succeeded to maintain risks within the acceptable levels, and profitability at two-digit territory. As of February 2022, the total assets of the system increased by 3% compared to the end of 2021 and reached TL 9,483 billion. The same trend applies to credit portfolio. Total credits of the industry reached TL 5,171 billion with 6% increase.

It is a tradition, therefore, we are proud to say that PASHA Bank as a dynamic market player keeps going on its healthy expansion. In general, continuous investment onto strengthening of internal capabilities, starting from building core competencies for managing business to increasing human capital potential of the Bank, has already demonstrated its strategic return in the form of capable navigation through the stressful times. As a result, total assets of the Bank increased by 63% to reach TL 3.563 million when compared to 2021 year-end. Our gross cash loan and leasing receivables portfolio, comprising 68% of total assets, reached TL 2.422 million with a 62,3% increase.

Due to effective risk management framework, and prudent credit policy pursued by the Bank we have been successful in preserving low level of NPL in our balance sheet. It is worth to underline that flexible revisiting of credit policy, adjusting tactics of credit and underwriting policy to the current realities of macroeconomic environment etc. are forming substance of the overall risk approach of the Bank. Moreover, it is worth to underline that quick revisit of the loan portfolio due to the on-going war, and run of the relevant stress-testing process have also expanded the ability of the bank managing credit risks in a proper way.

2022 is actually a second business year of the new, 2023 strategic period. In general, the 2023 strategy rises on the foundation of values like integrity, quality, collaboration, entrepreneurship and profitability, builds up with the vision to create new and enduring values in the business world and society, focuses as the mission to become a cross-border bank empowering its customers.

New strategic period in its essence is characterized with continuation of some business segments, also with full dedication to the new initiatives. Coming to the latter, it actually concentrates on to realization of potential niche markets. Financing investment into the real estate market in the countries of operations via the mortgage lending, investment into the venture capital in order to materialize technological return in the greater scale of the entire Group business etc. are examples in this regard. In addition to diversifying its funding side, the document also covers main business enablers which are actually the main assets of bank in the way of execution of the strategy.

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

Message from the Chairman (continued)

It is our privilege to state that, the proper strategy formulation is expected to yield higher financial performance that has basically been the case in the previous strategic periods. Both profit side indicators, and also expense ratios are forecasted to perform positive trend promising higher profitability for its shareholders, and stability for other stakeholders.

While executing the strategy, we would continue to make substantial investments to the information technologies, risk management, credit management, fund raising, talent acquisition etc. and development of our employees that are of foremost importance. In overall, agility and know-how regarding focus sectors are expected to be differentiating capabilities of the Bank. It is worth to mention that the operational agility of the Bank yields its return even in the core operations.

We will continue to make efforts to diversify the Bank's funding structure and expand our correspondent network and investor base. In this regard, it is important to emphasize competitive advantage of the Bank which goes beyond the country borders, and comes with the strength of the Group's presence across the region. It is really a privilege to us to witness expanding business opportunities on the back of increasing regional economic relationships after the great victory of Azerbaijan. Signing free trade agreement between Azerbaijan and Turkey, announcing foreign trade target by 2025, increasing FDI flows, active participation of Turkish firms in reconstruction process of liberated areas etc. are the examples for the above mentioned economic ties. In its turn, this expanding economic base is providing a feasible opportunity for the Bank to materialize promising business perspectives in this regard.

In addition to that, the Bank has opportunity to attract funding from both Azerbaijan and Georgia, in case it sees favorable interest rate developments there, and this potential is being materialized during the current strategic period. We will maintain our prudent approach to managing credit risks so that the asset quality of the Bank is not affected by the current environment characterized with increasing volatility in the market. We shall continue our efforts of offering products and services that are tailored to our customers' needs to make banking experience a gainful experience with PASHA Bank.

I am truly looking forward to share prosperous operating environment with all stakeholders which provides enormous benefit to all parts, and serves to build business relationships based on mutual interest.

I would like to take this opportunity to thank our valued employees and our management team for their dedicated professional work, our customers for their confidence in PASHA Bank and our shareholders and all business partners for their valuable support.

It is definitely their goodwill that renews our belief in ourselves and our potential to be more.

Sincerely Yours,

Jalal GASIMOV

Chairman of the Board of Directors

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

Message by the General Manager

Esteemed Stakeholders,

In the first quarter of 2022, while the worries about the pandemic were left behind, this time the geopolitical developments between Russia and Ukraine were the focus of global markets. After Russia launched a military operation against Ukraine in February, the tough sanctions announced against Russia were decisive in the course of the markets. Oil prices tested the highest level of the last 8 years on concerns that geopolitical developments will negatively affect global oil supply. Gold prices recorded the fastest monthly increase in the last 9 months in February due to the trend towards safe investment instruments. The rise in global commodity prices continued to put pressure on inflation all over the world and in Turkey. In its March meeting, FED increased the policy interest rate range by 25 basis points from 0-0.25% to 0.25-0.50% in line with market expectations, in order to take measures against high inflation in the country. By the end of the year, 6-7 more interest rate hikes are expected from the FED. While the Turkish Lira depreciated against the dollar in parallel with the volatility in the market, 2-year benchmark bond's yield rose to 27%.

Despite all these developments, PASHA Bank ended the first quarter of 2022 with a profit of TL 30.1 million. Our asset size reached TL 3,959 million. Total cash and noncash loan size including leasing receivables before provisions amounted to TL 3,367 million, out of that TL 2,755 million constituted cash loans and leasing receivables.

Turkish economy reached a growth rate of 11% in the whole 2021, in line with the expectations. In 2022, the economy is expected to grow in the range of 3.50%-4.00%. The effects of the developments regarding the Russia-Ukraine war on all world economies are closely monitored, and it is expected that the markets will determine the direction according to the developments. My hope for the rest of the year is for peace and the recovery of the global economy.

Sincerely Yours,

H. Cenk EYNEHAN
CEO and Board Member

(Authorised Signatory / Stamp)

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

PASHA YATIRIM BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2022

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

A. INTRODUCTION

1. Amendments made in Articles of Incorporation within the period

None.

2. Significant Events and Transactions within the Period

There is no significant change related to information except for the disclosures including numeric information in financial statements included in interim activity report prepared in accordance with Regulation on Procedures and Principals related to Preparation and Publication of Activity Report.

B. UNCONSOLIDATED FINANCIAL INFORMATION AND 1st QUARTER REVIEWS

	31 March 2022	31 December 2021
Cash and cash equivalents	473,017	493,198
Financial assets at fair value through profit or loss	29,151	20,956
Financial assets at fair value through other comprehensive income	59,762	50,685
Derivative financial assets	3	13,604
Loans	2,524,965	2,216,450
Receivables from leasing transactions	230,307	206,002
Financial assets measured at amortized cost	439,778	361,103
Allowance for expected credit losses (-)	(76,651)	(75,157)
Tangible assets (Net)	87,300	87,982
Intangible assets and goodwill (Net)	7,275	7,784
Investment properties (Net)	143,676	143,910
Current tax assets	519	483
Deferred tax assets	14,920	13,020
Other assets	25,401	22,533
TOTAL ASSETS	3,959,423	3,562,553

	31 March 2022	31 December 2021
Loans received	1,546,937	1,376,052
Money market fundings	231,798	205,523
Marketable securities issued (Net)	1,340,268	1,222,459
Funds	53,692	28,179
Derivative financial liabilities	2,956	114
Lease payables (Net)	487	538
Provisions	16,336	15,969
Current tax liabilities	13,454	8,526
Other liabilities	116,848	98,213
Shareholders' equity	636,647	606,980
TOTAL EQUITY AND LIABILITIES	3,959,423	3,562,553

The Bank has completed first three months of 2022 with a profit figure of TL 30,061 according to unconsolidated results. Total unconsolidated assets of the Bank is TL 3,959,423 with an 11% increase compared to 2021 year-end.

The gross loan and lease receivables are TL 2,755,272 increasing at a ratio of 14% compared to year end of 2021 and the share of loans and leasing receivables in total assets is 70%.

The unconsolidated capital adequacy ratio of the Bank is 16.79% as of 31 March 2022.

The bank has a strong financial structure thanks to its strong capital and asset quality.

C. EXPECTATIONS OF PASHA BANK REGARDING YEAR OF 2022

The Bank expects the Turkish economy to continue its growth by 3.50%-4.00% in 2022.

(Authorised Signatory / Stamp)