

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 30 SEPTEMBER 2022**

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

## INDEPENDENT AUDITOR'S REPORT

To Board of Directors 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 September 30, 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 nine-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

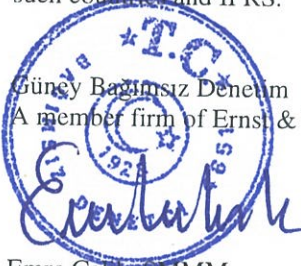
Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the unconsolidated financial position of PASHA Yatırım Bankası A.Ş. at September 30, 2022 and the results of its operations and its unconsolidated cash flows for the nine-month period then ended in all material aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

### **Report on other regulatory requirements arising from legislation**

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section 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 , there are 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"), including non application of IAS 29 Financial Reporting in Hyperinflation Economies. The effect of such differences 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.



Emre Çelik, SMMM  
Partner

October 25, 2022  
İstanbul, Turkey





**THE NINE MONTH UNCONSOLIDATED FINANCIAL REPORT OF  
PASHA YATIRIM BANKASI A.Ş. AS OF 30 SEPTEMBER 2022**

Address of the Bank's Headquarters

Sultan Selim Mahallesi Hümeyra Sokak  
PASHA Plaza No:2/7 34415 Kağıthane, İstanbul  
(0 212) 705 89 00  
(0 212) 345 07 12  
www.pashabank.com.tr  
info@pashabank.com.tr

Telephone of the Bank

Fax of the Bank

Web site of the Bank

E-mail for correspondence

The unconsolidated nine-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 Financial Planning & Control  
Telephone Number : (0212) 705 89 18  
Fax Number : (0212) 345 07 12

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

<b>I.</b>	Bank's foundation date, start-up statute, history about the changes in this mentioned statute.....	1
<b>II.</b>	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
<b>III.</b>	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
<b>IV.</b>	Explanation on shareholders having control shares .....	3
<b>V.</b>	Information on the Bank's service type and field of operations .....	3
<b>VI.</b>	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**

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

**SECTION THREE  
EXPLANATIONS ON ACCOUNTING POLICIES**

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

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

<b>I.</b>	Information about shareholders' equity items .....	24
<b>II.</b>	Explanations on currency risk .....	28
<b>III.</b>	Explanations on interest rate risk .....	30
<b>IV.</b>	Explanations on equity position risk .....	33
<b>V.</b>	Explanations on liquidity risk and liquidity coverage ratio .....	33
<b>VI.</b>	Explanations on leverage ratio .....	40
<b>VII.</b>	Explanations on the risk management .....	41
<b>VIII.</b>	Explanations on the presentation of financial assets and liabilities at their fair values .....	54
<b>IX.</b>	Explanations on the activities carried out on behalf of and account of other persons .....	56
<b>X.</b>	Explanations on operating segments .....	56

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

<b>I.</b>	Explanations and notes related to assets .....	57
<b>II.</b>	Explanations and notes related to liabilities .....	70
<b>III.</b>	Explanations and notes related to off-balance sheet accounts .....	75
<b>IV.</b>	Explanations and notes related to income statement .....	78
<b>V.</b>	Explanations and notes related to statement of changes in the shareholders' equity .....	82
<b>VI.</b>	Explanations and notes related to statement of cash flows .....	83
<b>VII.</b>	Explanations and notes related to Bank's risk group .....	84
<b>VIII.</b>	Explanations and notes related to the domestic, foreign, off-shore branches and foreign representatives of the bank .....	85

**SECTION SIX****OTHER EXPLANATIONS AND NOTES**

<b>I.</b>	Other explanations related to operations of the Bank .....	86
<b>II.</b>	Explanations and notes related to subsequent events .....	86

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

<b>I.</b>	Explanations on interim auditor's report .....	86
<b>II.</b>	Explanations and notes prepared by independent auditor .....	86

**SECTION EIGHT****INFORMATION ON INTERIM ACTIVITY REPORT**

<b>I.</b>	Interim period activity report included chairman of the board of directors and CEO's assessments for the interim activities .....	87
-----------	---	----

**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 30 SEPTEMBER 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 - 30 September 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	<a href="http://www.pashabank.com.tr">www.pashabank.com.tr</a>
E-mail	<a href="mailto:info@pashabank.com.tr">info@pashabank.com.tr</a>

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 30 SEPTEMBER 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 30 September 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%
<b>Total</b>	<b>500,000</b>	<b>100.00%</b>

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 30 September 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 30 September 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 <sup>(1)</sup>	Jalal Gasimov	Postgraduate	-
Deputy Chairman of the Board of Directors <sup>(1)</sup>	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 <sup>(2)</sup>	Özer Baran	Postgraduate	-
Deputy CEO	Benan Bilge Köksal	Graduate	-

<sup>(1)</sup> 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.

<sup>(2)</sup> Özer Baran, Deputy General Manager responsible for Credits and Information Technologies, resigned from his position at our Bank on August 5, 2022.

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 30 SEPTEMBER 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 30 September 2022, is stated below;

Name/Commercial title	Share Amounts (nominal)	Share percentage	Paid-in Capital (nominal)	Unpaid portion
Leyla Aliyeva	179,461	35.89%	179,461	-
Arzu Aliyeva	179,461	35.89%	179,461	-
Arif Pashayev	89,139	17.83%	89,139	-
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 30 September 2022 the Bank has 53 employees (31 December 2021 - 60).

The Bank has been operating through its Head Office in Istanbul only as of 30 September 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 30 SEPTEMBER 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 30/09/2022			Prior Period 31/12/2021		
			LC	FC	Total	LC	FC	Total
<b>I.</b>	<b>FINANCIAL ASSETS (Net)</b>		<b>166,379</b>	<b>1,102,380</b>	<b>1,268,759</b>	<b>77,046</b>	<b>501,397</b>	<b>578,443</b>
<b>1.1</b>	<b>Cash and cash equivalents</b>		<b>45,849</b>	<b>1,057,141</b>	<b>1,102,990</b>	<b>10,078</b>	<b>483,120</b>	<b>493,198</b>
1.1.1	Cash and balances at Central Bank	(5.1.1)	33,898	374,477	408,375	7,592	276,177	283,769
1.1.2	Banks	(5.1.3)	14,276	682,664	696,940	2,967	206,943	209,910
1.1.3	Receivables from money markets		-	-	-	-	-	-
1.1.4	Allowance for expected credit losses (-)		(2,325)	-	(2,325)	(481)	-	(481)
<b>1.2</b>	<b>Financial assets at fair value through profit or loss</b>	<b>(5.1.2)</b>	<b>3,609</b>	<b>34,183</b>	<b>37,792</b>	<b>2,679</b>	<b>18,277</b>	<b>20,956</b>
1.2.1	Public debt securities		-	-	-	-	-	-
1.2.2	Equity instruments		-	34,183	34,183	-	18,277	18,277
1.2.3	Other financial assets		3,609	-	3,609	2,679	-	2,679
<b>1.3</b>	<b>Financial assets at fair value through other comprehensive income</b>	<b>(5.1.4)</b>	<b>116,909</b>	<b>-</b>	<b>116,909</b>	<b>50,685</b>	<b>-</b>	<b>50,685</b>
1.3.1	Public debt securities		103,712	-	103,712	39,205	-	39,205
1.3.2	Equity instruments		7,659	-	7,659	7,659	-	7,659
1.3.3	Other financial assets		5,538	-	5,538	3,821	-	3,821
<b>1.4</b>	<b>Derivative financial assets</b>		<b>12</b>	<b>11,056</b>	<b>11,068</b>	<b>13,604</b>	<b>-</b>	<b>13,604</b>
1.4.1	Derivative financial assets at fair value through profit or loss	(5.1.2)	12	11,056	11,068	13,604	-	13,604
1.4.2	Derivative financial assets at fair value through other comprehensive income	(5.1.11)	-	-	-	-	-	-
<b>II.</b>	<b>FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		<b>1,146,398</b>	<b>2,899,068</b>	<b>4,045,466</b>	<b>677,541</b>	<b>2,030,857</b>	<b>2,708,398</b>
<b>2.1</b>	<b>Loans</b>	<b>(5.1.5)</b>	<b>1,089,771</b>	<b>2,180,726</b>	<b>3,270,497</b>	<b>663,192</b>	<b>1,553,258</b>	<b>2,216,450</b>
<b>2.2</b>	<b>Receivables from leasing transactions</b>	<b>(5.1.10)</b>	<b>142,285</b>	<b>175,062</b>	<b>317,347</b>	<b>88,824</b>	<b>117,178</b>	<b>206,002</b>
<b>2.3</b>	<b>Factoring receivables</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.4</b>	<b>Financial assets measured at amortised cost</b>	<b>(5.1.6)</b>	<b>-</b>	<b>543,280</b>	<b>543,280</b>	<b>-</b>	<b>361,103</b>	<b>361,103</b>
2.4.1	Public debt securities		-	319,919	319,919	-	189,860	189,860
2.4.2	Other financial assets		-	223,361	223,361	-	171,243	171,243
<b>2.5</b>	<b>Allowance for expected credit losses (-)</b>	<b>(5.1.5)</b>	<b>(85,658)</b>	<b>-</b>	<b>(85,658)</b>	<b>(74,475)</b>	<b>(682)</b>	<b>(75,157)</b>
<b>III.</b>	<b>NON-CURRENTS ASSETS OR DISPOSAL GROUPS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS (Net)</b>	<b>(5.1.16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3.1	Held for sale		-	-	-	-	-	-
3.2	Held from discontinued operations		-	-	-	-	-	-
<b>IV.</b>	<b>INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4.1</b>	<b>Investments in associates (Net)</b>	<b>(5.1.7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1	Associates accounted by using equity method		-	-	-	-	-	-
4.1.2	Non-consolidated associates		-	-	-	-	-	-
<b>4.2</b>	<b>Investments in subsidiaries (Net)</b>	<b>(5.1.8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.2.1	Non-consolidated financial subsidiaries		-	-	-	-	-	-
4.2.2	Non-consolidated non-financial subsidiaries		-	-	-	-	-	-
<b>4.3</b>	<b>Jointly Controlled Partnerships (Joint Ventures) (Net)</b>	<b>(5.1.9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1	Jointly controlled partnerships accounted by using equity method		-	-	-	-	-	-
4.3.2	Non-consolidated jointly controlled partnerships		-	-	-	-	-	-
<b>V.</b>	<b>TANGIBLE ASSETS (Net)</b>	<b>(5.1.12)</b>	<b>100,444</b>	<b>-</b>	<b>100,444</b>	<b>87,982</b>	<b>-</b>	<b>87,982</b>
<b>VI.</b>	<b>INTANGIBLE ASSETS AND GOODWILL (Net)</b>	<b>(5.1.13)</b>	<b>8,536</b>	<b>-</b>	<b>8,536</b>	<b>7,784</b>	<b>-</b>	<b>7,784</b>
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		8,536	-	8,536	7,784	-	7,784
<b>VII.</b>	<b>INVESTMENT PROPERTIES (Net)</b>	<b>(5.1.14)</b>	<b>170,502</b>	<b>-</b>	<b>170,502</b>	<b>143,910</b>	<b>-</b>	<b>143,910</b>
<b>VIII.</b>	<b>CURRENT TAX ASSETS</b>		<b>462</b>	<b>-</b>	<b>462</b>	<b>483</b>	<b>-</b>	<b>483</b>
<b>IX.</b>	<b>DEFERRED TAX ASSETS</b>	<b>(5.1.15)</b>	<b>13,522</b>	<b>-</b>	<b>13,522</b>	<b>13,020</b>	<b>-</b>	<b>13,020</b>
<b>X.</b>	<b>OTHER ASSETS (Net)</b>	<b>(5.1.17)</b>	<b>57,770</b>	<b>121</b>	<b>57,891</b>	<b>22,505</b>	<b>28</b>	<b>22,533</b>
	<b>TOTAL ASSETS</b>		<b>1,664,013</b>	<b>4,001,569</b>	<b>5,665,582</b>	<b>1,030,271</b>	<b>2,532,282</b>	<b>3,562,553</b>

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 30 SEPTEMBER 2022**

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

**I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**

		Note	Current Period 30/09/2022			Prior Period 31/12/2021		
			LC	FC	Total	LC	FC	Total
	<b>EQUITY AND LIABILITIES</b>							
<b>I.</b>	<b>DEPOSITS</b>	(5.2.1)	-	-	-	-	-	-
<b>II.</b>	<b>LOANS RECEIVED</b>	(5.2.3)	290,812	1,871,225	2,162,037	90,947	1,285,105	1,376,052
<b>III.</b>	<b>MONEY MARKET FUNDS</b>	(5.2.4)	393,278	221,122	614,400	141,143	64,380	205,523
<b>IV.</b>	<b>MARKETABLE SECURITIES ISSUED (Net)</b>	(5.2.5)	146,869	985,183	1,132,052	64,264	1,158,195	1,222,459
4.1	Bills		146,869	-	146,869	64,264	-	64,264
4.2	Asset backed securities		-	-	-	-	-	-
4.3	Bonds		-	985,183	985,183	-	1,158,195	1,158,195
<b>V.</b>	<b>FUNDS</b>		21,600	85,681	107,281	12,977	15,202	28,179
5.1	Borrower funds		21,505	82,975	104,480	12,903	15,177	28,080
5.2	Other		95	2,706	2,801	74	25	99
<b>VI.</b>	<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES</b>		-	517	517	-	114	114
7.1	Derivative financial liabilities at fair value through profit or loss	(5.2.2)	-	517	517	-	114	114
7.2	Derivative financial liabilities at fair value through other comprehensive income	(5.2.8)	-	-	-	-	-	-
<b>VIII.</b>	<b>FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>IX.</b>	<b>LEASE PAYABLES (Net)</b>	(5.2.7)	972	-	972	538	-	538
<b>X.</b>	<b>PROVISIONS</b>	(5.2.9)	25,647	-	25,647	15,969	-	15,969
10.1	Provision for restructuring		-	-	-	-	-	-
10.2	Reserves for employee benefits		2,122	-	2,122	1,349	-	1,349
10.3	Insurance technical reserves (Net)		-	-	-	-	-	-
10.4	Other provisions		23,525	-	23,525	14,620	-	14,620
<b>XI.</b>	<b>CURRENT TAX LIABILITIES</b>	(5.2.10)	25,300	-	25,300	8,526	-	8,526
<b>XII.</b>	<b>DEFERRED TAX LIABILITIES</b>	(5.2.11)	-	-	-	-	-	-
<b>XIII.</b>	<b>LIABILITIES RELATED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(5.2.12)	-	-	-	-	-	-
13.1	Held for sale		-	-	-	-	-	-
13.2	Related to discontinued operations		-	-	-	-	-	-
<b>XIV.</b>	<b>SUBORDINATED DEBT</b>	(5.2.13)	-	463,187	463,187	-	-	-
14.1	Loans		-	463,187	463,187	-	-	-
14.2	Other debt instruments		-	-	-	-	-	-
<b>XV.</b>	<b>OTHER LIABILITIES</b>	(5.2.6)	98,892	271,004	369,896	52,709	45,504	98,213
<b>XVI.</b>	<b>SHAREHOLDERS' EQUITY</b>	(5.2.14)	764,293	-	764,293	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		3,301	-	3,301	(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		151,101	-	151,101	47,125	-	47,125
16.6.1	Prior years' profits or losses		-	-	-	-	-	-
16.6.2	Current period net profit or loss		151,101	-	151,101	47,125	-	47,125
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,767,663</b>	<b>3,897,919</b>	<b>5,665,582</b>	<b>994,053</b>	<b>2,568,500</b>	<b>3,562,553</b>

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 30 SEPTEMBER 2022**

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

**II. OFF-BALANCE SHEET**

		Note	Current Period 30/09/2022			Prior Period 31/12/2021		
			LC	FC	Total	LC	FC	Total
	<b>OFF BALANCE SHEET COMMITMENTS</b>							
<b>A.</b>	<b>OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>263,521</b>	<b>1,339,557</b>	<b>1,603,078</b>	<b>231,574</b>	<b>795,011</b>	<b>1,026,585</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>(5.3.1)</b>	<b>247,814</b>	<b>547,208</b>	<b>795,022</b>	<b>151,668</b>	<b>580,821</b>	<b>732,489</b>
1.1.	Letters of Guarantee		245,314	195,336	440,650	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		245,314	195,336	440,650	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		-	41,307	41,307	-	109,673	109,673
1.3.1	Documentary Letters of Credit		-	-	-	-	-	-
1.3.2	Other Letters of Credit		-	41,307	41,307	-	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		2,500	310,565	313,065	-	317,729	317,729
1.9	Other Collaterals		-	-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>	<b>(5.3.1)</b>	<b>15,707</b>	<b>98,723</b>	<b>114,430</b>	<b>-</b>	<b>15,388</b>	<b>15,388</b>
2.1	Irrevocable Commitments		15,707	98,723	114,430	-	15,388	15,388
2.1.1	Asset Purchase and Sales Commitments		15,707	89,290	104,997	-	-	-
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		-	9,433	9,433	-	15,388	15,388
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(5.3.2)</b>	<b>-</b>	<b>693,626</b>	<b>693,626</b>	<b>79,906</b>	<b>198,802</b>	<b>278,708</b>
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		-	693,626	693,626	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		-	693,626	693,626	79,906	198,802	278,708
3.2.2.1	Foreign Currency Swap-Buy		-	352,603	352,603	-	145,999	145,999
3.2.2.2	Foreign Currency Swap-Sell		-	341,023	341,023	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>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>3,478,690</b>	<b>5,294,432</b>	<b>8,773,122</b>	<b>2,938,397</b>	<b>2,721,906</b>	<b>5,660,303</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>61,155</b>	<b>413,517</b>	<b>474,672</b>	<b>35,076</b>	<b>2,666</b>	<b>37,742</b>
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		53,716	413,517	467,233	33,824	2,666	36,490
4.3	Cheques Received for Collection		7,212	-	7,212	1,252	-	1,252
4.4	Commercial Notes Received for Collection		227	-	227	-	-	-
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		-	-	-	-	-	-
4.8	Custodians		-	-	-	-	-	-
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>3,414,609</b>	<b>4,715,374</b>	<b>8,129,983</b>	<b>2,787,894</b>	<b>2,602,645</b>	<b>5,390,539</b>
5.1	Marketable Securities		123,205	297,359	420,564	115,630	214,027	329,657
5.2	Guarantee Notes		477,089	510,113	987,202	321,118	251,471	572,589
5.3	Commodity		700,853	663,925	1,364,778	515,483	331,856	847,339
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1,319,051	1,176,502	2,495,553	965,051	869,248	1,834,299
5.6	Other Pledged Items		794,411	2,067,475	2,861,886	870,612	936,043	1,806,655
5.7	Pledged Items-Depository		-	-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>2,926</b>	<b>165,541</b>	<b>168,467</b>	<b>115,427</b>	<b>116,595</b>	<b>232,022</b>
	<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>3,742,211</b>	<b>6,633,989</b>	<b>10,376,200</b>	<b>3,169,971</b>	<b>3,516,917</b>	<b>6,686,888</b>

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 30 SEPTEMBER 2022**

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

**III. STATEMENT OF PROFIT OR LOSS**

	INCOME STATEMENT	Note	Current Period 01/01/2022- 30/09/2022	Prior Period 01/01/2021- 30/09/2021	Current Period 01/07/2022- 30/09/2022	Prior Period 01/07/2021- 30/06/2021
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(5.4.1)</b>	<b>310,570</b>	<b>145,231</b>	<b>138,605</b>	<b>53,006</b>
1.1	Interest on Loans		248,038	116,243	112,919	42,817
1.2	Interest Received From Reserve Deposits		657	1,320	-	584
1.3	Interest Received From Banks		1,727	617	1,220	279
1.4	Interest Received From Money Market Transactions		261	4,411	136	949
1.5	Interest Received From Marketable Securities Portfolio		37,943	10,499	14,365	3,640
1.5.1	Financial assets at fair value through profit or loss		-	-	-	-
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		9,424	2,237	2,798	725
1.5.3	Financial Assets Measured at Amortised Cost		28,519	8,262	11,567	2,915
1.6	Finance Lease Income		21,944	12,132	9,968	4,737
1.7	Other Interest Income		-	9	(3)	-
<b>II.</b>	<b>INTEREST EXPENSES (-)</b>	<b>(5.4.2)</b>	<b>160,563</b>	<b>70,168</b>	<b>68,137</b>	<b>26,238</b>
2.1	Interest on Deposits		-	-	-	-
2.2	Interest on Funds Borrowed		73,101	38,877	30,049	14,067
2.3	Interest on Money Market Transactions		26,705	3,343	13,921	1,588
2.4	Interest on Securities Issued		46,545	25,834	17,527	9,849
2.5	Finance Lease Expense		91	29	38	10
2.6	Other Interest Expenses	(5.4.12)	14,121	2,085	6,602	724
<b>III.</b>	<b>NET INTEREST INCOME/EXPENSE (I - II)</b>		<b>150,007</b>	<b>75,063</b>	<b>70,468</b>	<b>26,768</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSES</b>		<b>40,987</b>	<b>7,053</b>	<b>15,575</b>	<b>3,691</b>
4.1	Fees and Commissions Received		49,593	10,066	17,611	4,818
4.1.1	Non-cash loans		4,978	2,813	1,909	920
4.1.2	Other	(5.4.12)	44,615	7,253	15,702	3,898
4.2	Fees and Commissions Paid (-)		8,606	3,013	2,036	1,127
4.2.1	Non-Cash Loans		337	326	114	100
4.2.2	Other	(5.4.12)	8,269	2,687	1,922	1,027
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(5.4.3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VI.</b>	<b>TRADING PROFIT/LOSS (Net)</b>	<b>(5.4.4)</b>	<b>40,429</b>	<b>5,099</b>	<b>16,609</b>	<b>(1,885)</b>
6.1	Profit/Losses From Capital Market Transactions		7,716	3,170	1,537	(19)
6.2	Profit/Losses From Derivative Financial Transactions		40,658	8	20,477	(52)
6.3	Foreign Exchange Profit/Losses		(7,945)	1,921	(5,405)	(1,814)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(5.4.5)</b>	<b>57,135</b>	<b>10,548</b>	<b>10,801</b>	<b>936</b>
<b>VIII.</b>	<b>GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)</b>		<b>288,558</b>	<b>97,763</b>	<b>113,453</b>	<b>29,510</b>
<b>IX.</b>	<b>ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)</b>	<b>(5.4.6)</b>	<b>28,692</b>	<b>13,672</b>	<b>23,846</b>	<b>2,440</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	<b>(5.4.6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>37,743</b>	<b>19,016</b>	<b>18,558</b>	<b>6,536</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(5.4.7)</b>	<b>27,484</b>	<b>16,314</b>	<b>10,553</b>	<b>5,708</b>
<b>XIII.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>194,639</b>	<b>48,761</b>	<b>60,496</b>	<b>14,826</b>
<b>XIV.</b>	<b>SURPLUS WRITTEN AS GAIN AFTER MERGER</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XV.</b>	<b>PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVI.</b>	<b>NET MONETARY POSITION GAIN/LOSS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII.</b>	<b>PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)</b>	<b>(5.4.8)</b>	<b>194,639</b>	<b>48,761</b>	<b>60,496</b>	<b>14,826</b>
<b>XVIII.</b>	<b>PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>(5.4.9)</b>	<b>43,538</b>	<b>12,170</b>	<b>13,671</b>	<b>4,254</b>
18.1	Current Tax Provision		45,868	10,360	21,528	4,333
18.2	Expense Effect Of Deferred Tax (+)		14,939	3,130	1,469	(533)
18.3	Income Effect Of Deferred Tax (-)		17,269	1,320	9,326	(454)
<b>XIX.</b>	<b>NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)</b>	<b>(5.4.10)</b>	<b>151,101</b>	<b>36,591</b>	<b>46,825</b>	<b>10,572</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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		-	-	-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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		-	-	-	-
<b>XXII.</b>	<b>PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)</b>	<b>(5.4.8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	<b>(5.4.9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
23.1	Current Tax Provision		-	-	-	-
23.2	Expense Effect Of Deferred Tax (+)		-	-	-	-
23.3	Income Effect Of Deferred Tax (-)		-	-	-	-
<b>XXIV.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>	<b>(5.4.10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXV.</b>	<b>NET PROFIT/LOSSES (XIX+XXIV)</b>	<b>(5.4.11)</b>	<b>151,101</b>	<b>36,591</b>	<b>46,825</b>	<b>10,572</b>
	Profit/Loss Per Share (Expressed in exact TL)		0.3022	0.0732	0.0937	0.0211

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 30 SEPTEMBER 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 01/01/2022- 30/09/2022	Prior Period 01/01/2021- 30/09/2021	Current Period 01/07/2022- 30/09/2022	Prior Period 01/07/2021- 30/09/2021
<b>I.</b>	<b>PROFIT (LOSS)</b>	<b>151,101</b>	<b>36,591</b>	<b>46,825</b>	<b>10,572</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>6,212</b>	<b>292</b>	<b>4,454</b>	<b>241</b>
<b>2.1</b>	<b>Other comprehensive income that will not be reclassified to profit or loss</b>	-	-	-	-
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	-	-	-	-
<b>2.2</b>	<b>Other Comprehensive Income That Will Be Reclassified to Profit or Loss</b>	<b>6,212</b>	<b>292</b>	<b>4,454</b>	<b>241</b>
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	8,040	365	5,938	303
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	(1,828)	(73)	(1,484)	(62)
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)</b>	<b>157,313</b>	<b>36,883</b>	<b>51,279</b>	<b>10,813</b>

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 30 SEPTEMBER 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
	Prior Period 01/01/2021 – 30/09/2021															
I.	Balance at the beginning of the period		500,000	-	-	-	-	-	-	-	(96)	-	31,390	-	31,376	562,670
II.	Adjustment in accordance with TMS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (I+II)		500,000	-	-	-	-	-	-	-	(96)	-	31,390	-	31,376	562,670
IV.	Total comprehensive income (loss)		-	-	-	-	-	-	-	-	292	-	-	-	36,591	36,883
V.	Capital increase in cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase through internal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	-	-	-	-	31,376	-	(31,376)	-
11.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to legal reserves		-	-	-	-	-	-	-	-	-	-	31,376	-	(31,376)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period-End Balance (III+IV+.....+X+XI)		500,000	-	-	-	-	-	-	-	196	-	62,766	-	36,591	599,553
	Current Period 01/01/2022 – 30/09/2022															
I.	Balance at the beginning of the period		500,000	-	-	-	-	-	-	-	(2,911)	-	62,766	-	47,125	606,980
II.	Adjustment in accordance with TMS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (I+II)		500,000	-	-	-	-	-	-	-	(2,911)	-	62,766	-	47,125	606,980
IV.	Total comprehensive income (loss)		-	-	-	-	-	-	-	-	6,212	-	-	-	151,101	157,313
V.	Capital increase in cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase through internal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	-	-	-	-	47,125	-	(47,125)	-
11.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to legal reserves		-	-	-	-	-	-	-	-	-	-	47,125	-	(47,125)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period-End Balance (III+IV+.....+X+XI)		500,000	-	-	-	-	-	-	-	3,301	-	109,891	-	151,101	764,293

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 30 SEPTEMBER 2022**

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

**VI. STATEMENT OF CASH FLOW**

		Note	Current Period 30/09/2022	Prior Period 30/09/2021
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	<b>Operating Profit Before Changes in Operating Assets and Liabilities</b>		<b>160,333</b>	<b>34,761</b>
1.1.1	Interest Received		268,504	125,102
1.1.2	Interest Paid		(148,914)	(65,403)
1.1.3	Dividend Received		-	-
1.1.4	Fees and Commissions Received		49,579	5,849
1.1.5	Other Income		52,917	3,501
1.1.6	Collections from Previously Written-off Loans and Other Receivables		20,625	6,107
1.1.7	Payments to Personnel and Service Suppliers		(30,420)	(21,130)
1.1.8	Taxes Paid		(29,303)	(7,796)
1.1.9	Other	(5.6.2)	(22,655)	(11,469)
<b>1.2</b>	<b>Changes in Operating Assets and Liabilities</b>		<b>37,349</b>	<b>(14,587)</b>
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss		(8,804)	(2,338)
1.2.2	Net increase (decrease) in due from banks		(221,052)	(15,261)
1.2.3	Net increase (decrease) in loans		(685,453)	(208,313)
1.2.4	Net increase (decrease) in other assets	(5.6.2)	(266)	(347)
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		236,474	107,400
1.2.9	Net Increase/(Decrease) in matured Payables		-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities	(5.6.2)	716,450	104,272
<b>I.</b>	<b>Net Cash Provided from Banking Operations</b>		<b>197,682</b>	<b>20,174</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	<b>Net Cash Provided from / (Paid For) Investing Activities</b>		<b>(84,853)</b>	<b>(16,301)</b>
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		(3,461)	(2,345)
2.4	Cash obtained from the sale of tangible and intangible asset		31	-
2.5	Cash paid for the purchase of financial assets at fair value through other comprehensive income		(373,746)	(17,923)
2.6	Cash obtained from the sale of financial assets at fair value through other comprehensive income		315,443	20,065
2.7	Cash paid for the purchase of financial assets at amortised cost		(211,638)	(16,098)
2.8	Cash obtained from sale of financial assets at amortised cost		188,518	-
2.9	Other		-	-
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	<b>Net Cash Provided from Financing Activities</b>		<b>43,743</b>	<b>75,411</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued		1,257,955	266,442
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(1,213,929)	(190,952)
3.3	Equity instruments issued		-	-
3.4	Dividends Paid		-	-
3.5	Payments for Finance Lease Liabilities		(283)	(79)
3.6	Other		-	-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	(5.6.2)	<b>102,546</b>	<b>8,498</b>
<b>V.</b>	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>259,118</b>	<b>87,782</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at the Beginning of the Period</b>	(5.6.1)	<b>174,422</b>	<b>163,361</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the Period (V+VI)</b>	(5.6.1)	<b>433,540</b>	<b>251,143</b>

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 30 SEPTEMBER 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:**

According TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of an hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary and it recommends all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. In the announcement published by the Public Oversight Accounting and Auditing Standards Authority (POB) on January 20, 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of December 31, 2021. Nevertheless, the Authority has not published any announcement on whether the entities would restate their financial statements for the accounting period ending on 30 September 2022 in accordance with TAS 29. In this context, since there is no consensus on the application of inflation accounting in TFRS financial statements throughout the country, and it is expected that POB will delay the application of TAS 29, financial statements as of September 30, 2022 are not adjusted for inflation in accordance with TAS 29 in order to ensure comparability.

(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 30 SEPTEMBER 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, subordinated loan 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**

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 30 SEPTEMBER 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 30 SEPTEMBER 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 30 SEPTEMBER 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 30 SEPTEMBER 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 30 SEPTEMBER 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 reviewed once a year.

**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 showed under “Money Market Funds” in balance sheet 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 30 SEPTEMBER 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 30 September 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 30 SEPTEMBER 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 30 SEPTEMBER 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.

	<b>30 September 2022</b>	<b>31 December 2021</b>
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 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 is 25% for the corporate earnings.

(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 30 SEPTEMBER 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 30 SEPTEMBER 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 30 SEPTEMBER 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 30 SEPTEMBER 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 1,291,949 (31 December 2021 –TL 646,135) while its capital adequacy standard ratio is 22.05 % (31 December 2021 – 17.39%) as of 30 September 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
<b>Common Equity Tier 1 capital</b>		
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	3,301	971
Profit	151,101	47,125
Net current period profit	151,101	47,125
Prior period profit	-	-
Free shares from investments and associates, subsidiaries and joint ventures that is not recognised in profit	-	-
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>764,293</b>	<b>610,862</b>
<b>Common Equity Tier 1 capital: regulatory adjustments</b>		
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	-	3,374
Development cost of operating lease	-	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	8,536	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	-	-
<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>8,536</b>	<b>11,158</b>
<b>Common Equity Tier 1 capital (CET 1)</b>	<b>755,757</b>	<b>599,704</b>

(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 30 SEPTEMBER 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
<b>Additional Tier 1 capital: instruments</b>		
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	-	-
<b>Additional Tier 1 capital before regulatory adjustments</b>	-	-
<b>Additional Tier 1 capital: regulatory adjustments</b>		
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	-	-
<b>The process of transition will continue to reduce from Tier 1 Capital</b>		
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(-)	-	-
<b>Total regulatory adjustments to Additional Tier 1 capital</b>	-	-
<b>Additional Tier 1 capital (AT1)</b>	-	-
<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>755,757</b>	<b>599,704</b>
<b>Tier 2 capital: instruments and provisions</b>		
Directly issued qualifying Tier 2 instruments plus related stock surplus	462,968	-
Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-
Provisions	73,224	46,431
<b>Tier 2 capital before regulatory adjustments</b>	<b>536,192</b>	<b>46,431</b>
<b>Tier 2 capital: regulatory adjustments</b>		
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 (-)	-	-
<b>Total regulatory adjustments to Tier 2 capital</b>	-	-
<b>Tier 2 capital (T2)</b>	<b>536,192</b>	<b>46,431</b>
<b>Total capital (TC = T1 + T2)</b>	<b>1,291,949</b>	<b>646,135</b>
<b>Total risk weighted assets</b>	-	-
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	-	-
<b>The process of transition will continue to reduce from Common Equity Tier 1 capital and Additional Tier 1 capital</b>		
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 30 SEPTEMBER 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
<b>Shareholders' Equity</b>		
Total shareholders' equity	1,291,949	646,135
Total risk weighted items	5,857,915	3,714,502
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	12.90	16.14
Tier 1 Capital Adequacy Ratio (%)	12.90	16.14
Capital Adequacy Standard Ratio (%)	22.05	17.39
<b>BUFFERS</b>		
Total additional core capital requirement ratio (a+b+c)	2.503	2.505
a) Capital conservation buffer requirement (%)	2.500	2.500
b) Bank specific countercyclical buffer requirement (%)	0.003	0.005
c) Higher bank buffer requirement ratio (%)	-	-
Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) (%)	4.92	8.14
<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
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)	-	-
<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	83,207	58,143
Cap on inclusion of provisions in Tier 2 under standardised approach	73,224	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	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>		
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 30 September 2022, the Bank has not used this opportunity in its Capital Adequacy calculations.

(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 30 SEPTEMBER 2022**

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

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

Issuer	PASHA Holding LLC
Identifier(s) ( CUSIP, ISIN etc. )	-
Governing law(s) of the instrument	BRSA/ Turkish Law
<b>Regulatory Treatment</b>	
Subject to 10% deduction as of 1/1/2015	-
Eligible on unconsolidated and/or consolidated basis	Consolidated and unconsolidated
Instrument type	Loan
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	463
Nominal value of instrument (TL Million )	463
Accounting classification of the instrument	Subordinated Loans (347010 Accounting Number)
Issuance date of instrument	28.09.2022
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	28.09.2022
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	After 5th year
Subsequent call dates, if applicable	After 5th year
<b>Coupon/Dividend Payment</b>	
Fixed or floating coupon/dividend payments	Floating
Coupon rate and any related index	The interest rate applicable for initial 5 years period shall be annually 5.73%., second 5 years is based on consensual; if the parties can not be reach an agreement for coupon rate, the interest rate will be Yield Of Sovereign Debt +Spread for Bonds of Bank
Existence of any dividend payment restriction	-
Fully discretionary, partially discretionary or mandatory	Mandatory
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Non-cumulative
<b>Convertible or Non-convertible Into Equity Shares</b>	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, type of instrument convertible into	-
If convertible, issuer of instrument to be converted into	-
<b>Write-Down Feature</b>	
If bonds can be written-down, write-down trigger(s)	In case of a threat on revocation of the operation license pursuant to Article 71 of the Banking Law No:5411 or transfer to the Saving Deposit Insurance Fund due to losses suffered, the outstanding amount of the Facility can be wholly or partially written off by the Brower by settin off to the account of such losses based on the decision of the BRSA.
If bond can be written-down, full or partial	Partial or complete
If bond can be written-down, permanent or temporary	Permanent
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	Before the stock shares and primary subordinated debt and after all the other debts
In compliance with article number 7 and 8 of own fund regulation	Yes
Details of incompliance with article number 7 and 8 of own fund regulation	Accept those conditions mentioned article number 8 .2. (a) "issued by the Bank" and "registered by the Capital Markets Board", the instruments is in compliance with article number 8.The instrument is not compliant with article numbered 7.

**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 30 SEPTEMBER 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
<b>Foreign exchange rates as of 30 September 2022</b>	<b>18.5187</b>	<b>18.1395</b>
1. Bid rate	18.5038	17.9232
2. Bid rate	18.4862	17.6711
3. Bid rate	18.4509	17.7719
4. Bid rate	18.4266	17.7909
5. Bid rate	18.3702	17.9431
Arithmetic average – 30 days	18.2872	18.1391
<b>Foreign exchange rates as of 31 December 2021</b>	<b>13.3290</b>	<b>15.0867</b>

**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	(3,457)	(2,431)	(3,457)	(2,431)
USD	10% increase	3,457	2,431	3,457	2,431
EUR	10% decrease	(8,027)	(5,641)	(8,027)	(5,641)
EUR	10% increase	8,027	5,641	8,027	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 30 SEPTEMBER 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
<b>Assets</b>				
Cash and Cash Equivalents (Cash in vault, effectiveness, money in transfer and cheques purchased) and Balances with the Central Bank of Turkey	70	374,404	3	374,477
Due from Banks	64,239	618,098	327	682,664
Financial Assets at Fair Value Through Profit or Loss	34,183	-	-	34,183
Money Market Placements	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-
Loans <sup>(1)</sup>	1,282,033	1,096,421	-	2,378,454
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial assets at fair value through profit or loss	-	543,280	-	543,280
Derivative Financial Assets	-	-	-	-
Property and Equipment	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	-	121	-	121
<b>Total Assets</b>	<b>1,380,525</b>	<b>2,632,324</b>	<b>330</b>	<b>4,013,179</b>
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds From Interbank Money Market	159,559	61,563	-	221,122
Funds Borrowed From Other Financial Institutions	668,807	1,202,418	-	1,871,225
Marketable Securities Issued	58,173	927,010	-	985,183
Miscellaneous Payables <sup>(3)</sup>	19,609	251,336	-	270,945
Derivative Financial Liabilities <sup>(4)</sup>	-	-	-	-
Other Liabilities <sup>(2,5)</sup>	54,895	494,032	-	548,927
<b>Total Liabilities</b>	<b>961,043</b>	<b>2,936,359</b>	<b>-</b>	<b>3,897,402</b>
<b>Net On-balance Sheet Position</b>	<b>419,482</b>	<b>(304,035)</b>	<b>330</b>	<b>115,777</b>
<b>Net Off-balance Sheet Position</b>	<b>(339,209)</b>	<b>338,603</b>	<b>-</b>	<b>(606)</b>
Derivative Financial Assets	1,814	389,341	-	391,155
Derivative Financial Liabilities	341,023	50,738	-	391,761
Non-Cash Loans	306,024	241,184	-	547,208
<b>Prior Period</b>				
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	<b>109,209</b>	<b>(121,693)</b>	<b>112</b>	<b>(12,372)</b>
Net Off-balance Sheet Position	<b>(52,803)</b>	<b>145,999</b>	<b>-</b>	<b>93,196</b>
<b>Derivative Financial Assets</b>	-	145,999	-	145,999
<b>Derivative Financial Liabilities</b>	52,803	-	-	52,803
Non-Cash Loans	419,483	161,338	-	580,821

(1) Foreign currency indexed loans amounting to TL 22,666 (31 December 2021 – TL 23,732), receivables from leasing transaction amounting to TL 175,062 (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 85,681 (31 December 2021 – TL 15,202) are included.

(3) Presented in other liabilities at financial statements.

(4) Excludes net derivative financial assets amounting to TL 10,539 TL (31 December 2021 – TL 114 of net derivative financial liabilities).

(5) Includes subordinated loan.

(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 30 SEPTEMBER 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 <sup>(1)</sup>	Total
<b>Assets</b>							
Cash and Cash Equivalents (Cash in vault, effectiveness, money in transfer and cheques purchased) and Balances with the CB of Turkey	405,034	-	-	-	-	2,450	407,484
Due from Banks	550,869	-	-	-	-	144,637	695,506
Financial Assets at Fair Value Through Profit/Loss <sup>(7)</sup>	5,672	5,395	-	-	-	37,793	48,860
Money Market Placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	13,252	1,372	5,340	23,877	65,409	7,659	116,909
Loans <sup>(2)</sup>	388,589	278,405	1,765,726	1,116,323	38,801	(74,869)	3,512,975
Financial assets measured at amortised cost	58,998	37,528	42,671	385,562	18,521	(10,789)	532,491
Other Assets	-	-	-	-	-	351,357	351,357
<b>Total Assets</b>	<b>1,422,414</b>	<b>322,700</b>	<b>1,813,737</b>	<b>1,525,762</b>	<b>122,731</b>	<b>458,238</b>	<b>5,665,582</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	582,100	4,974	27,326	-	-	-	614,400
Miscellaneous Payables <sup>(5)</sup>	59,109	566	6,488	-	-	237,682	303,845
Marketable Securities Issued	69,936	541,102	58,046	462,968	-	-	1,132,052
Funds Borrowed From Other Financial Institutions	531,330	456,143	1,155,607	-	-	18,957	2,162,037
Other Liabilities <sup>(3),(4)</sup>	21,280	785	-	463,187	-	967,996	1,453,248
<b>Total Liabilities</b>	<b>1,263,755</b>	<b>1,003,570</b>	<b>1,247,467</b>	<b>926,155</b>	<b>-</b>	<b>1,224,635</b>	<b>5,665,582</b>
Balance Sheet Long Position	158,659	-	566,270	599,607	122,731	-	1,447,267
Balance Sheet Short Position	-	(680,870)	-	-	-	(766,397)	1,447,267
Off-balance Sheet Long Position <sup>(6)</sup>	5,358	6,131	-	-	-	-	11,489
Off-balance Sheet Short Position <sup>(6)</sup>	-	-	-	-	-	-	-
<b>Total Position</b>	<b>164,017</b>	<b>(674,739)</b>	<b>566,270</b>	<b>599,607</b>	<b>122,731</b>	<b>(766,397)</b>	<b>11,489</b>

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

<sup>(2)</sup> Finance lease receivables are included.

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

<sup>(4)</sup> Borrowers' funds and subordinated loans are presented in the other liabilities.

<sup>(5)</sup> Presented in other liabilities at financial statements.

<sup>(6)</sup> Includes asset purchase and sale commitments

<sup>(7)</sup> 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 30 SEPTEMBER 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 <sup>(1)</sup>	Total
<b>Assets</b>							
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 <sup>(7)</sup>	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 <sup>(2)</sup>	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
<b>Total Assets</b>	<b>977,149</b>	<b>393,294</b>	<b>767,532</b>	<b>1,042,182</b>	<b>9,340</b>	<b>373,056</b>	<b>3,562,553</b>
<b>Liabilities</b>							
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 <sup>(3),(4)</sup>	11,361	-	-	-	-	672,921	684,282
<b>Total Liabilities</b>	<b>553,354</b>	<b>274,082</b>	<b>959,775</b>	<b>1,052,200</b>	<b>-</b>	<b>723,142</b>	<b>3,562,553</b>
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 <sup>(6)</sup>	145,999	-	-	-	-	-	145,999
Off-balance Sheet Short Position <sup>(6)</sup>	(132,709)	-	-	-	-	-	(132,709)
<b>Total Position</b>	<b>437,085</b>	<b>119,212</b>	<b>(192,243)</b>	<b>(10,018)</b>	<b>9,340</b>	<b>(350,086)</b>	<b>13,290</b>

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

<sup>(2)</sup> Finance lease receivables are included.

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

<sup>(4)</sup> Borrowers' funds is presented in the other liabilities.

<sup>(5)</sup> Presented in other liabilities at financial statements.

<sup>(6)</sup> Includes asset purchase and sale commitments

<sup>(7)</sup> Includes derivatives financial assets

**b. Average interest rates for monetary financial instruments**

Current Period	EUR %	USD %	JPY %	TRY %
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-	3.95
Due From Banks	1.45	1.18	-	20.48
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	14.79
Financial assets at fair value through other comprehensive income	-	-	-	19.82
Loans	4.60	6.51	-	25.74
Financial assets measured at amortised cost	-	7.23	-	-
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds From Interbank Money Market	1.47	2.53	-	17.45
Miscellaneous Payables <sup>(1)</sup>	2.49	3.16	-	18.46
Marketable Securities Issued	1.75	3.70	-	23.28
Funds Borrowed From Other Financial Institutions	1.80	3.76	-	18.82

<sup>(1)</sup> Includes borrowers' funds and subordinated loans.

(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 30 SEPTEMBER 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 %
<b>Prior Period</b>				
<b>Assets</b>				
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	-	-
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds From Interbank Money Market	1.21	2.50	-	17.25
Miscellaneous Payables <sup>(1)</sup>	-	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

<sup>(1)</sup> 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	(41,788)	(3.23)
TRY	(-) 400 basis point	39,711	3.07
USD	(+) 200 basis point	(31,125)	(2.41)
USD	(-) 200 basis point	34,481	2.67
EUR	(+) 200 basis point	(19,659)	(1.52)
EUR	(-) 200 basis point	20,412	1.58
<b>TOTAL (for negative shocks)</b>		<b>94,604</b>	<b>7.32</b>
<b>TOTAL (for positive shocks)</b>		<b>(92,572)</b>	<b>(7.16)</b>

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	-	-
<b>TOTAL (for negative shocks)</b>		<b>19,487</b>	<b>3.02</b>
<b>TOTAL (for positive shocks)</b>		<b>(21,185)</b>	<b>(3.27)</b>

(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 30 SEPTEMBER 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 30 September 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 Financial Planning & Control 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 30 SEPTEMBER 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, subordinated loans, 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 30 SEPTEMBER 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, 65% of the high quality liquid assets of LCR subject bank accounts with the Central Bank, and 32% 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, 57% of the Bank's fund resources, excluding equity, consists of loans received and debts to money markets, 23% consists of securities issued and 9% consists of subordinated loans. 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 <sup>(2)</sup>	Total amount which is not applied consideration rate		Total amount which is applied consideration rate	
	LC+FC	FC	LC+FC	FC
<b>High-quality Liquidity Assets (HLA)</b>				
1 High-quality Liquidity Assets			635,327	556,691
<b>Cash Outflows</b>				
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	980,640	383,194	980,640	383,194
6 Operational assets	-	-	-	-
7 Non-operating assets	-	-	-	-
8 Other Junior debt	980,640	383,194	980,640	383,194
9 Secured Debts			-	-
10 Other Cash Outflows	273,319	163,779	131,462	88,497
11 Derivative liabilities and margin liabilities	84	-	84	-
12 Debts from Structured financial instruments	-	-	-	-
13 Payment commitments for debts to financial markets and other off-balance sheet liabilities	273,235	163,779	131,378	88,497
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	-	-	-	-
<b>16 TOTAL CASH OUTFLOWS</b>			<b>1,112,102</b>	<b>471,691</b>
<b>CASH INFLOWS</b>				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	960,031	677,031	743,604	598,679
19 Other cash inflows	7,451	5,830	7,451	5,830
<b>20 TOTAL CASH INFLOWS</b>	<b>967,482</b>	<b>682,861</b>	<b>751,055</b>	<b>604,509</b>
<b>21 TOTAL HLA STOCK</b>			<b>Upper limit applied amount</b>	
			<b>635,327</b>	<b>556,691</b>
<b>22 TOTAL NET CASH OUTFLOWS <sup>(1)</sup></b>			<b>361,047</b>	<b>117,923</b>
<b>23 LIQUIDITY COVERAGE RATION (%)</b>			<b>175.97</b>	<b>472.08</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 30 SEPTEMBER 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 <sup>(2)</sup>	Total amount which is not applied consideration rate		Total amount which is applied consideration rate	
	LC+FC	FC	LC+FC	FC
<b>High-quality Liquidity Assets (HLA)</b>				
1 High-quality Liquidity Assets			385,660	339,257
<b>Cash Outflows</b>				
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	-	-	-	-
<b>16 TOTAL CASH OUTFLOWS</b>			<b>619,326</b>	<b>332,144</b>
<b>CASH INFLOWS</b>				
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
<b>20 TOTAL CASH INFLOWS</b>	<b>628,550</b>	<b>418,532</b>	<b>441,189</b>	<b>346,531</b>
<b>21 TOTAL HLA STOCK</b>			Upper limit applied amount	
			<b>385,660</b>	<b>339,257</b>
<b>22 TOTAL NET CASH OUTFLOWS <sup>(1)</sup></b>			<b>178,137</b>	<b>83,036</b>
<b>23 LIQUIDITY COVERAGE RATION (%)</b>			<b>216.50</b>	<b>408.57</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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	614.21	01.08.2022	212.74	26.09.2022	472.08
LC+FC	256.00	25.07.2022	87.35	26.09.2022	175.97
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 (%)	423	198	224	140
Maximum (%)	1,221	282	405	211
Minimum (%)	176	142	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 30 SEPTEMBER 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**

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 month</b>	<b>1-3 Month</b>	<b>3-12 Month</b>	<b>1-5 Year</b>	<b>5 Year and Over</b>	<b>Unclassified<sup>1</sup></b>	<b>Total</b>
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	37,227	371,148	-	-	-	-	(891)	407,484
Due From Banks	446,664	250,276	-	-	-	-	(1,434)	695,506
Financial Assets at Fair Value Through Profit/Loss <sup>(7)</sup>	-	5,672	5,395	-	3,609	34,184	-	48,860
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	7,659	2,679	2,047	5,340	31,318	67,866	-	116,909
Loans <sup>(2)</sup>	-	325,328	247,206	1,684,954	1,243,329	87,027	(74,869)	3,512,975
Financial assets measured at amortized cost	-	58,998	37,528	42,671	385,562	18,521	(10,789)	532,491
Other Assets	-	54,502	1,843	1,595	383	-	293,034	351,357
<b>Total Assets</b>	<b>491,550</b>	<b>1,068,603</b>	<b>294,019</b>	<b>1,734,560</b>	<b>1,664,201</b>	<b>207,598</b>	<b>205,051</b>	<b>5,665,582</b>
<b>Liabilities</b>								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	18,957	531,330	456,143	1,155,607	-	-	-	2,162,037
Funds Borrowed From Money Markets	-	582,100	4,974	27,326	-	-	-	614,400
Marketable Securities Issued	-	69,936	541,102	58,046	462,968	-	-	1,132,052
Miscellaneous Payables <sup>(5)</sup>	236,876	59,915	566	6,488	-	-	-	303,845
Other Liabilities <sup>(3),(4)</sup>	85,733	81,699	25,349	14,241	7,470	463,066	775,690	1,453,248
<b>Total Liabilities</b>	<b>341,566</b>	<b>1,324,980</b>	<b>1,028,134</b>	<b>1,261,708</b>	<b>470,438</b>	<b>463,066</b>	<b>775,690</b>	<b>5,665,582</b>
<b>Liquidity Gap</b>	<b>149,984</b>	<b>(256,377)</b>	<b>(734,115)</b>	<b>472,852</b>	<b>1,193,763</b>	<b>(255,468)</b>	<b>(570,639)</b>	<b>-</b>
<b>Net Off-Balance Sheet Liquidity Gap</b>	<b>-</b>	<b>5,469</b>	<b>6,131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,600</b>
Financial Derivative Assets <sup>(6)</sup>	-	208,001	160,317	-	-	-	-	368,318
Financial Derivative Liabilities <sup>(6)</sup>	-	(202,532)	(154,186)	-	-	-	-	(356,718)
Non-cash Loans	186,255	72,722	126,093	186,177	223,775	-	-	795,022

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

<sup>(2)</sup> Finance lease receivables are included.

<sup>(3)</sup> Borrowers' funds and subordinated loans are presented in the other liabilities.

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

<sup>(5)</sup> Presented in other liabilities at financial statements.

<sup>(6)</sup> Includes asset purchase and sale commitments

<sup>(7)</sup> 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 30 SEPTEMBER 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 <sup>1</sup>	Total
<b>Assets</b>								
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 <sup>(7)</sup>	-	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 <sup>(2)</sup>	-	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
<b>Total Assets</b>	<b>158,975</b>	<b>886,481</b>	<b>348,315</b>	<b>656,388</b>	<b>1,249,659</b>	<b>85,662</b>	<b>177,073</b>	<b>3,562,553</b>
<b>Liabilities</b>								
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 <sup>(5)</sup>	46,650	26,986	601	-	-	-	-	74,237
Other Liabilities <sup>(3),(4)</sup>	16,932	36,447	10,694	1,328	3,510	122	615,249	684,282
<b>Total Liabilities</b>	<b>63,818</b>	<b>581,775</b>	<b>284,776</b>	<b>961,103</b>	<b>1,055,710</b>	<b>122</b>	<b>615,249</b>	<b>3,562,553</b>
<b>Liquidity Gap</b>	<b>95,157</b>	<b>304,706</b>	<b>63,539</b>	<b>(304,715)</b>	<b>193,949</b>	<b>85,540</b>	<b>(438,176)</b>	<b>-</b>
<b>Net Off-Balance Sheet Liquidity Gap</b>	<b>-</b>	<b>13,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,290</b>
Financial Derivative Assets <sup>(6)</sup>	-	145,999	-	-	-	-	-	145,999
Financial Derivative Liabilities <sup>(6)</sup>	-	(132,709)	-	-	-	-	-	(132,709)
<b>Non-cash Loans</b>	<b>237,642</b>	<b>66,645</b>	<b>12,069</b>	<b>224,779</b>	<b>191,354</b>	<b>-</b>	<b>-</b>	<b>732,489</b>

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

<sup>(2)</sup> Finance lease receivables are included.

<sup>(3)</sup> Borrowers' funds is presented in the other liabilities.

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

<sup>(5)</sup> Presented in other liabilities at financial statements.

<sup>(6)</sup> Includes asset purchase and sale commitments

<sup>(7)</sup> 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 30 SEPTEMBER 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**

<b>Current Period</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Deposits	-	-	-	-	-	-
Funds borrowed from other financial inst.	551,725	467,359	1,191,574	107,660	597,597	2,915,915
Funds from interbank money market	582,953	5,005	27,915	-	-	615,873
Financial leasing payables	46	44	413	647	-	1,150
Marketable securities issued	70,190	551,401	68,439	466,347	-	1,156,377
Funds	106,608	787	-	-	-	107,395
Miscellaneous Payables	296,937	566	6,812	-	-	304,315
Subordinated Debt	-	6,632	20,191	107,660	597,597	732,080
<b>Total</b>	<b>1,608,459</b>	<b>1,031,794</b>	<b>1,315,344</b>	<b>682,314</b>	<b>1,195,194</b>	<b>5,833,105</b>

<b>Prior Period</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
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
Funds	28,338	-	-	-	-	28,338
Miscellaneous Payables	73,762	610	-	-	-	74,372
<b>Total</b>	<b>622,473</b>	<b>283,154</b>	<b>1,005,958</b>	<b>1,070,937</b>	<b>-</b>	<b>2,982,522</b>

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

<b>Current Period</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Forward Transactions-Buy	15,715	-	-	-	-	15,715
Forward Transactions-Sell	(15,695)	-	-	-	-	(15,695)
Swap Transactions-Buy	192,286	160,317	-	-	-	352,603
Swap Transactions-Sell	(186,837)	(154,186)	-	-	-	(341,023)
Futures Transactions-Buy	-	-	-	-	-	-
Futures Transactions-Sell	-	-	-	-	-	-
Options-Buy	-	-	-	-	-	-
Options-Sell	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total</b>	<b>5,469</b>	<b>6,131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,600</b>

<b>Prior Period</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
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	-	-	-	-	-	-
<b>Total</b>	<b>13,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,290</b>

(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 30 SEPTEMBER 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 11.6% (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%.

	<b>Current Period <sup>(1)</sup></b>	<b>Prior Period <sup>(1)</sup></b>
<b>Asset On The Balance Sheet</b>		
Assets on the balance sheet (excluding derivative financial instruments and loan derivatives, including collaterals)	5,446,419	3,319,383
(Assets deducted from core capital)	(8,728)	(6,925)
<b>Total risk amount for assets on the balance sheet</b>	<b>5,437,691</b>	<b>3,312,458</b>
<b>Derivative Financial Instruments and Loan Derivatives</b>		
Renewal cost of derivative financial instruments and loan derivatives	-	-
Potential credit risk amount of derivative financial instruments and loan derivatives	8,793	9,952
<b>Total risk amount of derivative financial instruments and loan derivatives</b>	<b>8,793</b>	<b>9,952</b>
<b>Financing Transactions With Securities Or Goods Warranties</b>		
Risk amount of financial transactions with securities or goods warranties (excluding those in the balance sheet)	109,639	28,255
Risk amount arising from intermediated transactions	-	-
<b>Total risk amount of financing transactions with securities or goods warranties</b>	<b>109,639</b>	<b>28,255</b>
<b>Off-the-Balance Sheet Transactions</b>		
Gross nominal amount of the off-the-balance sheet transactions	819,837	699,957
Adjustment amount arising from multiplying by the credit conversion rate	-	-
<b>Total risk amount for off-the-balance sheet transactions</b>	<b>819,837</b>	<b>699,957</b>
<b>Capital and Total Risk</b>		
Core capital	739,241	601,044
Total risk amount	6,375,960	4,050,622
<b>Leverage Ratio</b>		
<b>Leverage ratio</b>	<b>11.6%</b>	<b>14.8%</b>

<sup>(1)</sup> 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 30 SEPTEMBER 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 30 SEPTEMBER 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)	5,366,532	3,418,692	429,323
Of which standardised approach (SA)	5,366,532	3,418,692	429,323
Of which internal rating-based (IRB) approach	-	-	-
Counterparty credit risk	121,897	36,679	9,752
Of which standardised approach for counterparty credit risk (SA-CCR)	121,897	36,679	9,752
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	37,792	20,956	3,023
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	122,575	70,000	9,806
Of which standardised approach (SA)	122,575	70,000	9,806
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	-	-	-
<b>Total</b>	<b>5,857,915</b>	<b>3,714,502</b>	<b>468,634</b>

**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 30 SEPTEMBER 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	16,671	3,571,173	(74,869)	3,512,975
2	Debt securities	-	697,981	(13,473)	684,508
3	Off-balance sheet exposures	-	909,452	(9,175)	900,277
	<b>Total</b>	<b>16,671</b>	<b>5,178,606</b>	<b>(97,517)</b>	<b>5,097,760</b>

	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
	<b>Total</b>	<b>45,824</b>	<b>3,557,249</b>	<b>(82,556)</b>	<b>3,520,517</b>

(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 30 SEPTEMBER 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**

		<b>Current period</b>	<b>Prior Period</b>
<b>1</b>	<b>Beginning Balance</b>	<b>45,824</b>	<b>36,077</b>
<b>2</b>	<b>Additions</b>	<b>60</b>	<b>12,584</b>
<b>3</b>	<b>Receivables that are not re-default</b>	<b>-</b>	<b>-</b>
<b>4</b>	<b>Write-offs</b>	<b>-</b>	<b>-</b>
<b>5</b>	<b>Other changes<sup>1</sup></b>	<b>(29,213)</b>	<b>(2,837)</b>
	<b>Ending Balance(1+2-3-4±5)</b>	<b>16,671</b>	<b>45,824</b>

<sup>1)</sup> 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**

	<b>Current Period</b>			<b>Prior Period</b>		
	<b>NPL</b>	<b>Specific Provision</b>	<b>Write-offs</b>	<b>NPL</b>	<b>Specific Provision</b>	<b>Write-offs</b>
Domestic	16,671	16,635	-	45,824	24,894	-
European countries	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-
OECD countries	-	-	-	-	-	-
Off-shore banking regions	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total</b>	<b>16,671</b>	<b>16,635</b>	<b>-</b>	<b>45,824</b>	<b>24,894</b>	<b>-</b>

(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 30 SEPTEMBER 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
<b>Agriculture</b>	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-
Forestry	-	-	-	-	-	-
Fishery	-	-	-	-	-	-
<b>Manufacturing</b>	<b>2,817</b>	<b>2,782</b>	-	<b>3,130</b>	<b>3,021</b>	-
Mining and Quarrying	-	-	-	-	-	-
Production	2,817	2,782	-	3,130	3,021	-
Electricity, Gas and Water	-	-	-	-	-	-
<b>Construction</b>	<b>13,854</b>	<b>13,853</b>	-	<b>25,617</b>	<b>20,799</b>	-
<b>Services</b>	-	-	-	<b>17,077</b>	<b>1,074</b>	-
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	-	-	-	-	-	-
<b>Others</b>	-	-	-	-	-	-
<b>Total</b>	<b>16,671</b>	<b>16,635</b>	-	<b>45,824</b>	<b>24,894</b>	-

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

	Current Period	Prior Period
Up to 3 Months	1,741	661
3-12 Months	-	11,766
1-3 Years	-	34,058
3-5 Years	16,671	-
Over 5 Year	-	-
<b>Total</b>	<b>18,412</b>	<b>46,485</b>

**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	119,412	117,845
Non-performing loans that have been restructured or rescheduled	2,817	20,207
<b>Total</b>	<b>122,229</b>	<b>138,052</b>

(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 30 SEPTEMBER 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
	<b>Current Period</b>							
1	Loans and lease receivables	3,051,265	461,710	292,793	324,552	44,257	-	-
2	Debt securities	684,508	-	-	-	-	-	-
3	<b>Total</b>	<b>3,735,773</b>	<b>461,710</b>	<b>292,793</b>	<b>324,552</b>	<b>44,257</b>	-	-
4	Defaulted items	16,671	-	-	-	-	-	-

		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
	<b>Prior Period</b>							
1	Loans and lease receivables	2,024,500	327,019	183,250	135,740	41,398	-	-
2	Debt securities	427,941	-	-	-	-	-	-
3	<b>Total</b>	<b>2,452,441</b>	<b>327,019</b>	<b>183,250</b>	<b>135,740</b>	<b>41,398</b>	-	-
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 30 SEPTEMBER 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 <sup>1</sup>	RWA Density (%)
1	Receivables from Central Governments or Central Banks	845,504	-	845,504	-	319,919	37.84
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	1,058,005	250,022	1,058,005	178,393	1,117,956	90.42
7	Corporate receivables	3,255,491	553,337	3,213,150	495,264	3,395,715	91.57
8	Retail receivables	850	17	850	9	644	74.97
9	Collateralized by real estate mortgages receivables	26,605	1,079	26,605	125	9,355	35.00
10	Collateralized by trading mortgages receivables	292,004	-	292,004	-	185,950	63.68
11	Non-performing receivables	16,671	-	36	-	36	100.00
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	37,792	-	37,792	-	37,792	100.00
16	Other receivables	329,324	-	329,324	-	329,298	99.99
17	Equity security investments	7,659	-	7,659	-	7,659	100.00
	<b>Total</b>	<b>5,869,905</b>	<b>804,455</b>	<b>5,810,929</b>	<b>673,791</b>	<b>5,404,324</b>	<b>83.34</b>

	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(%)
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
	<b>Total</b>	<b>3,666,644</b>	<b>747,877</b>	<b>3,601,852</b>	<b>648,011</b>	<b>3,439,648</b>	<b>80.94</b>

(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 30 SEPTEMBER 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%	200%	250%	Others	Total credit risk amount (after CRM and CCF)
1	Receivables from Central Governments or Central Banks	525,585	-	-	-	-	-	-	319,919	-	-	-	-	845,504
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	-	-	99,239	-	-	79,752	-	1,057,407	-	-	-	-	1,236,398
7	Corporate receivables	-	-	150,298	-	-	294,560	-	3,186,842	-	76,714	-	-	3,708,414
8	Retail receivables	-	-	-	-	-	-	859	-	-	-	-	-	859
9	Collateralized by real estate mortgages receivables	-	-	-	-	26,730	-	-	-	-	-	-	-	26,730
10	Collateralized by trading mortgages receivables	-	-	-	-	-	212,108	-	79,896	-	-	-	-	292,004
11	Non-performing receivables	-	-	-	-	-	-	-	36	-	-	-	-	36
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	-	-	-	-	-	-	-	37,792	-	-	-	-	37,792
16	Equity security investments	-	-	-	-	-	-	-	7,659	-	-	-	-	7,659
17	Other receivables	25	-	-	-	-	-	-	329,299	-	-	-	-	329,324
	<b>Total</b>	<b>525,610</b>	<b>-</b>	<b>249,537</b>	<b>-</b>	<b>26,730</b>	<b>586,420</b>	<b>859</b>	<b>5,018,850</b>	<b>-</b>	<b>76,714</b>	<b>-</b>	<b>-</b>	<b>6,484,720</b>

	Prior Period	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	250%	Others	Total credit risk amount (after CRM and CCF)
1	Receivables from Central Governments or Central Banks	335,969	-	-	-	-	-	-	189,861	-	-	-	-	525,830
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	-	-	164,238	-	-	107,870	-	478,512	-	-	-	-	750,620
7	Corporate receivables	-	-	85,500	-	-	211,585	-	2,114,966	-	-	-	-	2,412,051
8	Retail receivables	-	-	-	-	-	-	190	-	-	-	-	-	190
9	Collateralized by real estate mortgages receivables	-	-	-	-	10,731	-	-	-	-	-	-	-	10,731
10	Collateralized by trading mortgages receivables	-	-	-	-	-	153,887	-	92,077	-	-	-	-	245,964
11	Non-performing receivables	-	-	-	-	-	4,273	-	654	16,003	-	-	-	20,930
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	-	-	-	-	-	-	-	20,956	-	-	-	-	20,956
16	Equity security investments	-	-	-	-	-	-	-	7,659	-	-	-	-	7,659
17	Other receivables	24	-	-	-	-	-	-	254,908	-	-	-	-	254,932
	<b>Total</b>	<b>335,993</b>	<b>-</b>	<b>249,738</b>	<b>-</b>	<b>10,731</b>	<b>477,615</b>	<b>190</b>	<b>3,159,593</b>	<b>16,003</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,249,863</b>

(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 30 SEPTEMBER 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)	11,068	1,286		1.40	17,295	3,459
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)					118,650	118,438
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					-	-
	<b>Total</b>						<b>121,897</b>

(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 30 SEPTEMBER 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					-	-
	<b>Total</b>						<b>36,679</b>

**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	17,295	66	15,063	76
	<b>Total subject to the CVA capital charge</b>	<b>17,295</b>	<b>66</b>	<b>15,063</b>	<b>76</b>

(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 30 SEPTEMBER 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 <sup>(1)</sup>
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	-	-	17,295	-	-	-	-	-	17,295
Corporate receivables	-	-	-	-	-	117,800	-	-	117,800
Retail receivables	-	-	-	-	850	-	-	-	850
Other assets <sup>(2)</sup>	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>17,295</b>	-	<b>850</b>	<b>117,800</b>	-	-	<b>135,945</b>

(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 <sup>(1)</sup>
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 <sup>(2)</sup>	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>16,395</b>	-	<b>181</b>	<b>33,264</b>	-	-	<b>49,840</b>

(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 30 SEPTEMBER 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	-	-	-	-	-	-
Government bond/bill – other	-	-	-	-	-	222,789
Public institutions bond/bill	-	-	-	-	-	3,494
Corporate bond/bill	-	-	-	-	-	151,070
Share equities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	<b>377,353</b>

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	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	<b>138,069</b>

**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
<b>Exposure to Qualified Central Counterparties (QCCPs) (total)</b>		-		-
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	-	-	-	-
<b>Exposures to non-QCCPs (total)</b>		-		-
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 30 SEPTEMBER 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.

		<b>Current Period RWA</b>	<b>Prior Period RWA</b>
	<b>Outright products</b>		
1	Interest rate risk (general and specific)	7,312	-
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	115,263	70,000
4	Commodity risk	-	-
	<b>Options</b>		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	<b>Securitisation</b>	-	-
	<b>Total</b>	<b>122,575</b>	<b>70,000</b>

**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.

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

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

(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 30 SEPTEMBER 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
<b>Financial Assets</b>	<b>5,402,208</b>	<b>3,362,479</b>	<b>5,347,445</b>	<b>3,349,675</b>
Interbank money market placements	-	-	-	-
Banks	696,940	209,910	696,940	209,910
Cash and balances at Central Bank	408,375	283,769	408,375	283,769
Derivative Financial assets	11,068	13,604	11,068	13,604
Financial assets at fair value through profit or loss	37,792	20,956	37,792	20,956
Financial assets at fair value through other comprehensive income	116,909	50,685	116,909	50,685
Financial assets measured at amortised cost	543,280	361,103	527,137	362,777
Loans	3,587,844	2,422,452	3,549,224	2,407,974
<b>Financial Liabilities</b>	<b>4,783,319</b>	<b>2,906,564</b>	<b>4,762,580</b>	<b>2,915,019</b>
Banks' deposits	-	-	-	-
Other deposits	-	-	-	-
Funds borrowed from other fin. Institutions	2,162,037	1,376,052	2,156,819	1,382,000
Securities issued	1,132,052	1,222,459	1,116,470	1,225,068
Miscellaneous payables	303,845	74,237	303,903	74,196
Payables to money market	614,400	205,523	614,400	205,465
Derivative financial liabilities	517	114	517	114
Borrowers' funds	107,281	28,179	107,284	28,176
Subordinated loans	463,187	-	463,187	-

(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 30 SEPTEMBER 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:

<b>Current Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative financial assets	-	11,068	-	11,068
Financial assets at fair value through profit or loss	3,609	34,183	-	37,792
Financial assets at fair value through other comprehensive income	109,250	7,659	-	116,909
<b>Total Assets</b>	<b>112,859</b>	<b>52,910</b>	<b>-</b>	<b>165,769</b>
Derivative financial liabilities	-	517	-	517
<b>Total liabilities</b>	<b>-</b>	<b>517</b>	<b>-</b>	<b>517</b>

<b>Prior Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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
<b>Total Assets</b>	<b>45,705</b>	<b>39,540</b>	<b>-</b>	<b>85,245</b>
Derivative financial liabilities	-	114	-	114
<b>Total liabilities</b>	<b>-</b>	<b>114</b>	<b>-</b>	<b>114</b>

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 30 SEPTEMBER 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**

<b>Current Period</b>	<b>Corporate Banking</b>	<b>Treasury and Asset Liability Management</b>	<b>Total</b>
<b>Total Assets</b>	<b>3,566,267</b>	<b>2,099,315</b>	<b>5,665,582</b>
<b>Total Liabilities</b>	<b>483,802</b>	<b>5,181,780</b>	<b>5,665,582</b>
Net Interest Income/(Loss)	255,861	(105,854)	150,007
Net Fee and Commission Income/(Loss)	42,685	(1,698)	40,987
Trading Gain/(Loss)	15,862	24,567	40,429
Other Operating Segments Gain/(Loss)	12,540	44,595	57,135
Provisions for Loan Losses and Other Receivables(-)	(18,179)	(10,513)	(28,692)
Other Operating Expense (-)	-	(65,227)	(65,227)
<b>Profit Before Tax</b>	<b>308,769</b>	<b>(114,130)</b>	<b>194,639</b>
Tax Provision	(69,067)	25,529	(43,538)
<b>Net Profit / Loss</b>	<b>239,702</b>	<b>(88,601)</b>	<b>151,101</b>

<b>Prior Period</b>	<b>Corporate Banking</b>	<b>Treasury and Asset Liability Management</b>	<b>Total</b>
<b>Total Assets</b>	<b>2,371,798</b>	<b>1,190,755</b>	<b>3,562,553</b>
<b>Total Liabilities</b>	<b>128,576</b>	<b>3,433,977</b>	<b>3,562,553</b>
Net Interest Income/(Loss)	126,290	(51,227)	75,063
Net Fee and Commission Income/(Loss)	2,487	4,566	7,053
Trading Gain/(Loss)	217	4,882	5,099
Other Operating Segments Gain/(Loss)	8,321	2,227	10,548
Provisions for Loan Losses and Other Receivables(-)	(13,528)	(144)	(13,672)
Other Operating Expense (-)	-	(35,330)	(35,330)
<b>Profit Before Tax</b>	<b>123,787</b>	<b>(75,026)</b>	<b>48,761</b>
Tax Provision	(30,895)	18,725	(12,170)
<b>Net Profit / Loss</b>	<b>92,892</b>	<b>(56,301)</b>	<b>36,591</b>

(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 30 SEPTEMBER 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	33,888	374,461	7,582	276,163
Other	-	-	-	-
<b>Total</b>	<b>33,898</b>	<b>374,477</b>	<b>7,592</b>	<b>276,177</b>

**b. Information on the account of the CBRT**

	Current Period		Prior Period	
	LC	FC	LC	FC
Demand Unrestricted Amount <sup>(1)</sup>	33,888	3,313	7,582	446
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount <sup>(2)</sup>	-	371,148	-	275,717
<b>Total</b>	<b>33,888</b>	<b>374,461</b>	<b>7,582</b>	<b>276,163</b>

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

<sup>(2)</sup> 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 requirement, which are applied to the liability side of the balance sheets, have started to be applied to the asset side of the balance sheets in order to strengthen the macro prudential policies. The reserve requirements may be kept as Turkish Lira, USD, Euro and standard gold.

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

- a.** As of 30 September 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 30 SEPTEMBER 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
<b>Debt Securities</b>	-	-
Quoted on Stock Exchange	-	-
Not Quoted	-	-
<b>Share Certificates / Investment Funds</b>	<b>37,792</b>	<b>20,956</b>
Quoted on Stock Exchange	-	-
Not Quoted	37,792	20,956
<b>Impairment Provision (-)</b>	-	-
<b>Total</b>	<b>37,792</b>	<b>20,956</b>

**c. Positive differences related to derivative financial assets**

	Current Period		Prior Period	
	LC	FC	LC	FC
Forward transactions	12	-	-	-
Swap transactions	-	11,056	13,604	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>12</b>	<b>11,056</b>	<b>13,604</b>	<b>-</b>

**3. Information on banks**

**a. Information on banks**

	Current Period		Prior Period	
	LC	FC	LC	FC
<b>Banks</b>	<b>14,276</b>	<b>682,664</b>	<b>2,967</b>	<b>206,943</b>
Domestic	4,764	548,785	2,967	80,032
Foreign	9,512	133,879	-	126,911
Branches and offices abroad	-	-	-	-
<b>Total</b>	<b>14,276</b>	<b>682,664</b>	<b>2,967</b>	<b>206,943</b>

**b. Information on foreign banks accounts**

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	118,542	18,900	-	-
USA, Canada	13,187	79,682	-	-
OECD Countries <sup>1</sup>	-	-	-	-
Off-shore Banking Regions	-	-	-	-
Other	11,662	28,329	-	-
<b>Total</b>	<b>143,391</b>	<b>126,911</b>	<b>-</b>	<b>-</b>

<sup>(1)</sup> 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 30 SEPTEMBER 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	8,691	-	8,262	-
Repurchase transaction	-	-	30,931	-
<b>Total</b>	<b>8,691</b>	<b>-</b>	<b>39,193</b>	<b>-</b>

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

	Current Period	Prior Period
<b>Debt Securities</b>	<b>109,915</b>	<b>45,807</b>
Quoted on Stock Exchange	109,915	45,807
Not Quoted	-	-
<b>Share Certificates</b>	<b>7,659</b>	<b>7,659</b>
Quoted on Stock Exchange	-	-
Not Quoted	7,659	7,659
<b>Impairment Provision (-)</b>	<b>(665)</b>	<b>(2,781)</b>
<b>Total</b>	<b>116,909</b>	<b>50,685</b>

**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
<b>Direct Loans Granted to Shareholders</b>	<b>157,073</b>	<b>158,516</b>	<b>25,071</b>	<b>187,981</b>
Legal Entities	157,073	158,516	25,071	187,981
Individuals	-	-	-	-
<b>Indirect Loans Granted to Shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loans Granted to Employees</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total<sup>(1)</sup></b>	<b>157,073</b>	<b>158,516</b>	<b>25,071</b>	<b>187,981</b>

<sup>(1)</sup> It includes TL 157,073 cash loan and TL 158,516 non-cash loan and that was granted as a counter-guarantee of Parent Bank ( 31 Aralık 2021 – TL 25,071 TL cash loan and TL 187,981 non-cash loan ).

(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 30 SEPTEMBER 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
<b>Non-specialized Loans</b>	<b>3,099,348</b>	<b>35,066</b>	<b>119,412</b>	<b>-</b>
Loans given to enterprises	339,537	12,254	-	-
Export Loans	638,817	-	-	-
Import Loans	-	-	-	-
Financial Sector Loans	589,753	-	-	-
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
Other	1,531,241	22,812	119,412	-
<b>Specialized Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3,099,348</b>	<b>35,066</b>	<b>119,412</b>	<b>-</b>

Prior Period	Standard Loans	Loans Under Close Monitoring		
		Not under the scope of restructuring	Restructured Loans	
Cash Loans			Modifications on agreement conditions	Refinancing
<b>Non-specialized Loans</b>	<b>2,008,688</b>	<b>44,093</b>	<b>117,845</b>	<b>-</b>
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	-
<b>Specialized Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,008,688</b>	<b>44,093</b>	<b>117,845</b>	<b>-</b>

Expected Credit Loss	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Months Expected Credit Loss	29,014	-	14,919	-
Significant Increase in Credit Risk	-	26,281	-	29,827
<b>Total</b>	<b>29,014</b>	<b>26,281</b>	<b>14,919</b>	<b>29,827</b>

(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 30 SEPTEMBER 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	-	-	-	117,845
Extended by 3,4 or 5 times	-	119,412	-	-
Extended by more than 5 times	-	-	-	-
<b>Total</b>	-	<b>119,412</b>	-	<b>117,845</b>

Extended period of time	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
0 - 6 Months	-	119,412	-	-
6 - 12 Months	-	-	-	-
1 - 2 Years	-	-	-	-
2 - 5 Years	-	-	-	117,845
5 Years and over	-	-	-	-
<b>Total</b>	-	<b>119,412</b>	-	<b>117,845</b>

**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	1,183,924	729	-
Medium and Long-Term Loans	1,915,424	34,337	119,412
<b>Total</b>	<b>3,099,348</b>	<b>35,066</b>	<b>119,412</b>

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
<b>Total</b>	<b>2,008,688</b>	<b>44,093</b>	<b>117,845</b>

**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 30 SEPTEMBER 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**

<b>Current Period</b>	<b>Short Term</b>	<b>Medium-Long Term</b>	<b>Total</b>
<b>Commercial installment loans-LC</b>	-	<b>11,875</b>	<b>11,875</b>
Business residential loans	-	-	-
Automobile loans	-	11,875	11,875
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment loans- Indexed to FC</b>	-	<b>22,666</b>	<b>22,666</b>
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	22,666	22,666
Other	-	-	-
<b>Commercial installment loans - FC</b>	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Corporate credit cards-LC</b>	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
<b>Corporate credit cards-FC</b>	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
<b>Overdraft accounts-LC (Commercial customer)</b>	-	-	-
<b>Overdraft accounts-FC (Commercial customer)</b>	-	-	-
<b>Total</b>	-	<b>34,541</b>	<b>34,541</b>

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

(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 30 SEPTEMBER 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**

	<b>Current Period</b>	<b>Prior Period</b>
Public	-	-
Private	3,270,497	2,216,450
<b>Total<sup>(1)</sup></b>	<b>3,270,497</b>	<b>2,216,450</b>

<sup>(1)</sup> TL 16,671 ( 31 December 2021 – TL 45,824 ) non-performing loans are included.

**g. Distribution of domestic and foreign loans**

	<b>Current Period</b>	<b>Prior Period</b>
Domestic Loans	2,741,939	1,727,230
Foreign Loans	528,558	489,220
<b>Total<sup>(1)</sup></b>	<b>3,270,497</b>	<b>2,216,450</b>

<sup>(1)</sup> TL 16,671 ( 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**

	<b>Current Period</b>	<b>Prior Period</b>
Loans with limited collectability	-	-
Loans with doubtful collectability	-	7,117
Uncollectible loans	16,635	17,777
<b>Total</b>	<b>16,635</b>	<b>24,894</b>

**j. Information on non-performing loans**

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with limited collectability</b>	<b>Loans with doubtful collectability</b>	<b>Uncollectible loans</b>
<b>Current Period</b>			
Gross amounts before specific reserves	-	-	<b>2,817</b>
Loans under restructuring	-	-	2,817
<b>Prior period</b>			
Gross amounts before specific reserves	-	-	<b>20,207</b>
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 30 SEPTEMBER 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**

<b>Current Period</b>	<b>III. Group Loans with limited collectability</b>	<b>IV. Group Loans with doubtful collectability</b>	<b>V. Group Uncollectible loans</b>
<b>Prior period end balance</b>	-	<b>11,766</b>	<b>34,058</b>
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 (-)	-	-	(20,625)
Deducted from the record (-)	-	-	-
Sold (-)	-	-	-
Commercial and corporate loans	-	-	-
Individual loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
<b>Current period end balance</b>	-	-	<b>16,671</b>
Provision (-)	-	-	(16,635)
<b>Net Balance on balance sheet</b>	-	-	<b>36</b>

<b>Prior Period</b>	<b>III. Group Loans with limited collectability</b>	<b>IV. Group Loans with doubtful collectability</b>	<b>V. Group Uncollectible loans</b>
<b>Prior period end balance</b>	-	-	<b>36,077</b>
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	-	-	-
<b>Current period end balance</b>	-	<b>11,766</b>	<b>34,058</b>
Provision (-)	-	(7,117)	(17,777)
<b>Net Balance on balance sheet</b>	-	<b>4,649</b>	<b>16,281</b>

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

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

(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 30 SEPTEMBER 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
<b>Current period (Net)</b>	-	-	<b>36</b>
Loans granted to real persons and legal entities (Gross)	-	-	16,671
Provision (-)	-	-	(16,635)
Loans granted to real persons and legal entities (Net)	-	-	36
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (Gross)	-	-	-
Provision (-)	-	-	-
Other loans (Net)	-	-	-
<b>Prior Period (Net)</b>	-	<b>4,649</b>	<b>16,281</b>
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
<b>Current period (Net)</b>	-	-	<b>3</b>
Interest accruals and rediscounts and valuation differences	-	-	1,157
Provision (-)	-	-	(1,154)
<b>Prior Period (Net)</b>	-	<b>842</b>	<b>146</b>
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 30 SEPTEMBER 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	-	37,022	-	67,479
Repurchase transaction	-	392,739	-	105,169
<b>Total</b>	-	<b>429,761</b>	-	<b>172,648</b>

**b. Information on government debt securities measured at amortized cost**

	Current Period	Prior Period
Government bonds	319,919	189,860
Treasury bills	-	-
Other public sector debt securities	-	-
<b>Total</b>	<b>319,919</b>	<b>189,860</b>

**c. Information on financial assets measured at amortized cost**

	Current Period	Prior Period
<b>Debt Securities</b>	<b>543,280</b>	<b>361,103</b>
Quoted in a stock exchange	543,280	361,103
Not quoted	-	-
Impairment provisions (-) <sup>(1)</sup>	-	-
<b>Total</b>	<b>543,280</b>	<b>361,103</b>

<sup>(1)</sup> TL 10,789 (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
<b>Beginning balance</b>	<b>361,103</b>	<b>116,776</b>
Foreign currency differences on monetary assets <sup>(1)</sup>	159,057	124,452
Purchases during year	211,638	119,875
Disposals through sales and redemptions	(188,518)	-
Impairment provisions (-)	-	-
<b>Total</b>	<b>543,280</b>	<b>361,103</b>

<sup>(1)</sup> TL 794 (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 30 SEPTEMBER 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**

	<b>Current Period</b>	<b>Prior Period</b>
Financial lease receivables, Gross	369,798	253,003
Unearned income	(52,451)	(47,001)
<b>Financial lease receivables, Net</b>	<b>317,347</b>	<b>206,002</b>

<sup>(1)</sup> TL 2,939 (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**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Up to 1 Year	202,562	168,385	77,841	58,659
1 – 5 Years	167,236	148,962	175,162	147,343
Over 5 Years	-	-	-	-
<b>Total</b>	<b>369,798</b>	<b>317,347</b>	<b>253,003</b>	<b>206,002</b>

**11. Information on hedging derivative financial assets**

None (31 December 2021 - None).

**12. Information on property and equipment**

	<b>Immovable / Land</b>	<b>Vehicles</b>	<b>Right of use assets</b>	<b>Other Tangible Fixed Assets</b>	<b>Total</b>
<b>Prior Period</b>					
Cost	97,907	1,628	665	8,810	109,010
Accumulated Depreciation(-)	(16,192)	(848)	(165)	(3,823)	(21,028)
<b>Net Book Value 31 December 2021</b>	<b>81,715</b>	<b>780</b>	<b>500</b>	<b>4,987</b>	<b>87,982</b>
<b>Current Period</b>					
<b>Net Book Value : 31 December 2021</b>	<b>81,715</b>	<b>780</b>	<b>500</b>	<b>4,987</b>	<b>87,982</b>
Additions	-	-	626	178	804
Transfers	-	-	-	-	-
Disposals(-), cost	-	-	-	(84)	(84)
Disposals(+), accumulated depreciation	-	-	-	56	56
Depreciation (-)	(884)	(243)	(221)	(1,118)	(2,466)
Impairment Reversal	14,152	-	-	-	14,152
<b>Net Book Value: 30 September 2022</b>	<b>94,983</b>	<b>537</b>	<b>905</b>	<b>4,019</b>	<b>100,444</b>
Cost at Period End	97,907	1,628	1,291	8,904	109,730
Accumulated Depreciation at Period End (-)	(2,924)	(1,091)	(386)	(4,885)	(9,286)
<b>Net Book Value: 30 September 2022</b>	<b>94,983</b>	<b>537</b>	<b>905</b>	<b>4,019</b>	<b>100,444</b>

(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 30 SEPTEMBER 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
<b>Prior Period</b>					
Cost	97,768	1,628	345	8,360	108,101
Accumulated Depreciation(-)	(15,496)	(523)	(184)	(3,020)	(19,223)
<b>Net Book Value 31 December 2020</b>	<b>82,272</b>	<b>1,105</b>	<b>161</b>	<b>5,340</b>	<b>88,878</b>
<b>Current Period</b>					
<b>Net Book Value : 31 December 2020</b>	<b>82,272</b>	<b>1,105</b>	<b>161</b>	<b>5,340</b>	<b>88,878</b>
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	-	-	-	-	-
<b>Net Book Value: 31 December 2021</b>	<b>81,715</b>	<b>780</b>	<b>500</b>	<b>4,987</b>	<b>87,982</b>
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)
<b>Net Book Value: 31 December 2021</b>	<b>81,715</b>	<b>780</b>	<b>500</b>	<b>4,987</b>	<b>87,982</b>

**13. Information on intangible assets**

	Current Period	Prior Period
<b>Net Book Value at the beginning of the Period</b>	7,784	6,849
Additions	3,283	3,625
Disposals(-), net	-	-
Depreciation (-)	(2,531)	(2,690)
<b>Closing Net Book Value</b>	<b>8,536</b>	<b>7,784</b>

**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
<b>Beginning balance, Net</b>	<b>143,910</b>	<b>144,862</b>
Additions (+)	-	-
Disposals (-), net	-	-
Cancellation of Provision for Impairment	28,020	-
Depreciation (-)	(1,428)	(952)
Transfers	-	-
<b>Current period end balance, Net<sup>(1)</sup></b>	<b>170,502</b>	<b>143,910</b>

<sup>(1)</sup> As of 30 June 2022, the fair value of the investment property owned by the Bank is TL 279,177.

(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 30 SEPTEMBER 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 30 September 2022, the Bank calculated deferred tax asset amounting TL 13,522 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	2,122	531	1,349	270
Expected credit losses	80,523	20,131	57,564	11,513
Other provisions	3,100	775	3,149	781
Tangible and intangible assets	-	-	19,829	3,966
Derivatives	517	129	114	23
Other	10,799	2,700	7,098	1,420
<b>Deferred Tax Asset</b>	<b>97,061</b>	<b>24,266</b>	<b>89,103</b>	<b>17,973</b>
	(23,744)	(5,936)	-	-
Derivatives	(11,068)	(2,768)	(13,604)	(2,721)
Marketable Securities	(6,024)	(1,506)	(11,101)	(2,220)
Other	(2,137)	(534)	(60)	(12)
<b>Deferred Tax Liability</b>	<b>(42,973)</b>	<b>(10,744)</b>	<b>(24,765)</b>	<b>(4,953)</b>
<b>Deferred Tax Asset/ (Liability), net</b>	<b>54,088</b>	<b>13,522</b>	<b>64,338</b>	<b>13,020</b>

**16. Information on assets held for resale and discontinued operations**

None (31 December 2021 - None).

**17. Information on other assets**

As of 30 September 2022, other assets amount to TL 57,891 (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 30 SEPTEMBER 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	-	-	-	-
Swap transactions	-	517	-	114
Futures transactions	-	-	-	-
Options transactions	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>517</b>	<b>-</b>	<b>114</b>

**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	91,203	90,748	40,053	98,068
From foreign banks, institutions and funds	199,609	1,780,477	50,894	1,187,037
<b>Total</b>	<b>290,812</b>	<b>1,871,225</b>	<b>90,947</b>	<b>1,285,105</b>

**b. Information on maturity structure of borrowings**

	Current Period		Prior Period	
	LC	FC	LC	FC
Short-term	290,812	823,875	90,947	535,169
Medium and long-term	-	1,047,350	-	749,936
<b>Total</b>	<b>290,812</b>	<b>1,871,225</b>	<b>90,947</b>	<b>1,285,105</b>

**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, subordinated loans 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 30 September 2022, the Bank have money market borrowings amounting to TL 270,018 through repo transaction and TL 344,382 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	149,377	983,981	64,651	1,154,584
Cost	141,060	983,981	61,900	1,154,584
<b>Book Value</b>	<b>146,869</b>	<b>985,183</b>	<b>64,264</b>	<b>1,158,195</b>

The Bank netted TL 32,437 (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 30 SEPTEMBER 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 30 September 2022, other liabilities amount to TL 369,896 (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	503	387	286	208
1 – 5 Years	647	585	382	330
Over 5 Years	-	-	-	-
<b>Total</b>	<b>1,150</b>	<b>972</b>	<b>668</b>	<b>538</b>

**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 30 September 2022, the Bank has no specific provision (31 December 2021 – None) and TL 9,175 (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	8,408	5,968
Significant Increase in Credit Risk	767	852
<b>Total</b>	<b>9,175</b>	<b>6,820</b>

**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 14,350 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 30 SEPTEMBER 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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the Beginning of the Period</b>	<b>255</b>	<b>226</b>
Provisions Recognised During the Period	221	29
<b>Balance at the end of the period</b>	<b>476</b>	<b>255</b>

In addition, as of 30 September 2022, the Bank have unused vacation provision of TL 1,646 (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 21,529 as current tax liability as of 30 September 2022 (31 December 2021 - TL 5,275).

**ii. Information on taxes payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Tax Payable	21,529	5,275
Taxation on Marketable Securities	314	187
Property Tax	1	1
Banking Insurance Transaction Tax	1,373	1,767
Foreign Exchange Transaction Tax	28	22
Value Added Tax Payable	211	329
Other	1,192	571
<b>Total</b>	<b>24,648</b>	<b>8,152</b>

(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 30 SEPTEMBER 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**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums – Employee	275	159
Social Security Premiums – Employer	320	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	19	11
Unemployment Insurance – Employer	38	22
Other	-	-
<b>Total</b>	<b>652</b>	<b>374</b>

**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 subordinated loan**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>LC</b>	<b>FC</b>	<b>LC</b>	<b>FC</b>
<b>To be included in the calculation of additional capital borrowing instruments</b>	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
<b>Debt instruments to be included in contribution capital calculation</b>	-	<b>463,187</b>	-	-
Subordinated loans	-	463,187	-	-
Subordinated debt instruments	-	-	-	-
<b>Total</b>	-	<b>463,187</b>	-	-

**14. Information on shareholders' equity**

**a. Presentation of paid-in capital**

	<b>Current Period</b>	<b>Prior Period</b>
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.

(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 30 SEPTEMBER 2022**

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

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

**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).

**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	3,301	-	(2,911)	-
Foreign exchange difference	-	-	-	-
<b>Total</b>	<b>3,301</b>	<b>-</b>	<b>(2,911)</b>	<b>-</b>

(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 30 SEPTEMBER 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**

	<b>Current Period</b>	<b>Prior Period</b>
Forward asset purchase and sale commitments	104,997	-
Forward deposit purchase and sale commitments	-	-
Tax and fond liabilities from export commitment	-	-
Other irrevocable commitments	9,433	15,388
<b>Total</b>	<b>114,430</b>	<b>15,388</b>

**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 30 September 2022, the Bank has no specific provision (31 December 2021 – None) and TL 9,175 (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**

	<b>Current Period</b>	<b>Prior Period</b>
Letters of guarantee	440,650	305,087
Letters of credit	41,307	109,673
Bank acceptances	-	-
Other guarantees	313,065	317,729
<b>Total</b>	<b>795,022</b>	<b>732,489</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Final letters of guarantee	166,535	118,851
Provisional letters of guarantee	617	-
Letters of guarantee for advances	-	-
Letters of guarantee given to customs offices	90,347	77,882
Letter of guarantees given against cash loans	183,151	108,354
Other letter of guarantees	-	-
<b>Total</b>	<b>440,650</b>	<b>305,087</b>

**c. Total amount of non-cash loans**

	<b>Current Period</b>	<b>Prior Period</b>
Non-cash Loans Given against Cash Loans	496,216	426,083
With Original Maturity of 1 Year or Less Than 1 Year	170,769	82,395
With Original Maturity of More Than 1 Year	325,447	343,688
Other Non-cash Loans	298,806	306,406
<b>Total</b>	<b>795,022</b>	<b>732,489</b>

(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 30 SEPTEMBER 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
<b>Non-Cash Loans</b>	<b>241,806</b>	<b>547,208</b>	<b>6,008</b>	<b>-</b>
Letters of Guarantee	239,306	195,336	6,008	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	41,307	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	2,500	310,565	-	-

Prior Period	I. Group		II. Group	
	LC	FC	LC	FC
<b>Non-Cash Loans</b>	<b>144,560</b>	<b>580,821</b>	<b>7,108</b>	<b>-</b>
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	(%)
<b>Agricultural</b>	-	-	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
<b>Manufacturing</b>	<b>2,590</b>	<b>1.04</b>	-	-	<b>2,848</b>	<b>1.88</b>	<b>13,329</b>	<b>2.29</b>
Mining	-	-	-	-	-	-	-	-
Production	1,817	0.73	-	-	1,817	1.20	13,329	2.29
Electric, Gas and Water	773	0.31	-	-	1,031	0.68	-	-
<b>Construction</b>	-	-	<b>273,120</b>	<b>49.91</b>	-	-	<b>251,084</b>	<b>43.23</b>
<b>Services</b>	<b>245,207</b>	<b>98.95</b>	<b>274,088</b>	<b>50.09</b>	<b>148,803</b>	<b>98.11</b>	<b>316,408</b>	<b>54.48</b>
Wholesale and Retail Trade	32,695	13.19	37,445	6.84	26,866	17.71	66,645	11.47
Hotel, Food and Beverage Services	530	0.21	-	-	1,368	0.90	-	-
Transportation and Telecommunication	4,000	1.61	38,131	6.97	4,000	2.64	31,506	5.42
Financial Institutions	207,982	83.94	161,107	29.44	116,064	76.53	188,084	32.40
Real Estate and Leasing Services	-	-	36,279	6.63	-	-	30,173	5.19
Self-Employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	1,126	0.21	505	0.33	-	-
<b>Other</b>	<b>17</b>	<b>0.01</b>	-	-	<b>17</b>	<b>0.01</b>	-	-
<b>Total</b>	<b>247,814</b>	<b>100.00</b>	<b>547,208</b>	<b>100.00</b>	<b>151,668</b>	<b>100.00</b>	<b>580,821</b>	<b>100.00</b>

(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 30 SEPTEMBER 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**

	<b>Current Period</b>	<b>Prior Period</b>
Trading Derivative Financial Instruments		
<b>Foreign Currency Transactions (I)</b>	<b>725,036</b>	<b>278,708</b>
Forward Foreign Currency Buy/Sell Transactions <sup>(1)</sup>	31,410	-
Foreign Currency Swap-Buy-Sell Transactions	693,626	278,708
Futures Transactions	-	-
Options-Buy-Sell Transactions	-	-
<b>Interest Rate Transactions (II)</b>	<b>-</b>	<b>-</b>
Forward interest rate Buy-Sell	-	-
Interest Rate Swap-Buy-Sell	-	-
Interest Rate Options-Buy-Sell	-	-
Interest Rate Futures But-Sell	-	-
<b>Other Trading Derivative Financial Instruments (III)</b>	<b>-</b>	<b>-</b>
<b>A. Total Trading Derivative Transactions (I+II+III)</b>	<b>725,036</b>	<b>278,708</b>
Hedging Derivative Financial Instruments		
Transactions for Fair Value Hedge	-	-
Transactions for Cash Flow Hedge	-	-
Transactions for Foreign Net Investment Hedge	-	-
<b>B. Total Hedging Derivative Financial Instruments</b>	<b>-</b>	<b>-</b>
<b>Total Derivatives (A+B)</b>	<b>725,036</b>	<b>278,708</b>

<sup>(1)</sup> 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 30 September 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 30 SEPTEMBER 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 <sup>(1)</sup>**

	Current Period		Prior Period	
	LC	FC	LC	FC
Short-term Loans	127,793	16,390	57,892	9,627
Medium/Long-term Loans	34,029	67,835	14,723	32,215
Interest on Loans Under Follow-up	1,936	55	1,358	428
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>163,758</b>	<b>84,280</b>	<b>73,973</b>	<b>42,270</b>

<sup>(1)</sup> 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 <sup>(1)</sup>	657	-	1,320	-
From Domestic Banks	407	1,066	482	47
From Foreign Banks	217	37	65	23
Branches and Offices Abroad	-	-	-	-
<b>Total</b>	<b>1,281</b>	<b>1,103</b>	<b>1,867</b>	<b>70</b>

<sup>(1)</sup> 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	9,424	-	2,237	-
Financial assets measured at amortized cost	-	28,519	-	8,262
<b>Total</b>	<b>9,424</b>	<b>28,519</b>	<b>2,237</b>	<b>8,262</b>

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

None (30 September 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 30 SEPTEMBER 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<sup>(1)</sup>**

	Current Period		Prior Period	
	LC	FC	LC	FC
<b>Banks</b>	<b>37,122</b>	<b>35,760</b>	<b>18,667</b>	<b>16,370</b>
The Central Bank of Turkey	-	-	-	-
Domestic Banks	8,872	118	855	130
Foreign Banks	28,250	35,642	17,812	16,240
Branches and offices abroad	-	-	-	-
<b>Other Institutions<sup>(2)</sup></b>	<b>-</b>	<b>219</b>	<b>3,840</b>	<b>-</b>
<b>Total</b>	<b>37,122</b>	<b>35,979</b>	<b>22,507</b>	<b>16,370</b>

<sup>(1)</sup> Commission expense for borrowings are also included.

<sup>(2)</sup> Includes subordinated loans expense.

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

None (30 September 2021 - None).

**c. Interest expense on issued marketable securities**

	Current Period		Prior Period	
	LC	FC	LC	FC
Interest expense on securities issued	16,437	30,108	7,164	18,670

**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 (30 September 2021 - None).

**4. Information on trading income/loss (Net)**

	Current Period	Prior Period
<b>Income</b>	<b>1,176,974</b>	<b>587,580</b>
Profit on trading account securities	7,716	3,170
Profit on derivative financial transactions <sup>(1)</sup>	61,925	5,666
Foreign exchange gains	1,107,333	578,744
<b>Loss (-)</b>	<b>(1,136,545)</b>	<b>(582,481)</b>
Losses on trading account securities	-	-
Losses on derivative financial transactions <sup>(1)</sup>	(21,267)	(5,658)
Foreign exchange losses	(1,115,278)	(576,823)
<b>Net Trading Income/Loss</b>	<b>40,429</b>	<b>5,099</b>

<sup>(1)</sup> 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 30 SEPTEMBER 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**

Other operating income includes TL 12,512 prior year specific and expected loss provision and TL 42,173 income from building impairment reversals, and there is no income regarding extraordinary accounts ( 30 September 2021 – TL 8,548 special provision and expected loss provision reversal ).

**6. Provision expenses related to loans and other receivables**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Expected Credit Loss<sup>(1)</sup></b>	<b>28,692</b>	<b>13,672</b>
12 Month Expected Credit Loss (Stage 1)	28,692	5,391
Significant increase in credit risk (Stage 2)	-	1,885
Non-Performing Loans (Stage 3)	-	6,396
<b>Marketable Securities Impairment Provision</b>	<b>-</b>	<b>-</b>
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	-	-
<b>Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease</b>	<b>-</b>	<b>-</b>
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
<b>Other</b>	<b>-</b>	<b>-</b>
<b>Total<sup>(2)</sup></b>	<b>28,692</b>	<b>13,672</b>

<sup>(1)</sup> Includes expected credit losses for the non-cash loans.

<sup>(2)</sup> While considering the provision reversals included in other operating income, net provision expense is TL 16,180 (30 September 2021 – TL 5,124 net provision expense).

**7. Information related to other operating expenses:**

	<b>Current Period</b>	<b>Prior Period</b>
Reserve for employee termination benefits <sup>(1)</sup>	773	152
Bank social aid fund deficit provision	-	-
Fixed assets impairment expense	-	-
Depreciation expenses of fixed assets	3,896	2,555
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortization expenses of intangible assets	2,531	2,010
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	15,231	7,986
Leasing expenses related to TFRS 16 exemptions	13	94
Maintenance expenses	3,702	1,760
Advertisement expenses	592	344
Other expenses	10,924	5,788
Loss on sales of assets	8	-
Other	5,818	3,763
<b>Total</b>	<b>28,257</b>	<b>16,466</b>

<sup>(1)</sup> 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 30 SEPTEMBER 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 150,007 , net commission fee income amounting to TL 40,987, trading gain/loss amounting to TL 40,429, other operating income amounting to TL 57,135, provision for loan losses and other receivables amounting to TL 28,692 and other operating expenses including personnel expenses amounting to TL 65,227.

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

As of 30 September 2022 the Bank has current tax expense TL 45,868 (30 September 2021 - TL 10,360) and the Bank has deferred tax expense amounting to TL 14,939 and deferred tax income amounting to TL 17,269 (30 September 2021 - TL 1,320 deferred tax income and TL 3,130 deferred tax expense).

As of 30 September 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 151,101 (30 September 2021 - TL 36,591 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 (30 September 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**

	<b>Current Period</b>	<b>Prior Period</b>
Other	-	9
<b>Other Interest Income</b>	<b>-</b>	<b>9</b>
Interest on funds borrowed / funds and cash collateral	(14,119)	(2,085)
Other	(2)	-
<b>Other Interest Expenses</b>	<b>(14,121)</b>	<b>(2,085)</b>
Money transfer commissions	33,023	475
From asset backed securities funds	6,630	3,146
Other	4,962	3,632
<b>Other Commission Income</b>	<b>44,615</b>	<b>7,253</b>
Given to correspondent banks	(3,176)	(748)
Asset backed securities funds services	(4,640)	(1,574)
Other	(453)	(365)
<b>Other Commission Expenses</b>	<b>(8,269)</b>	<b>(2,687)</b>

(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 30 SEPTEMBER 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 30 September 2022, The Bank has booked TL 3,301 gain (30 September 2021 – TL 196 gain) 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 30 SEPTEMBER 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**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>408,375</b>	<b>194,017</b>
Cash and Foreign Currency Cash	26	14
Turkish Central Bank	408,349	194,003
Other	-	-
<b>Cash Equivalents</b>	<b>696,940</b>	<b>234,569</b>
Banks	696,940	234,569
Interbank Money Market Placements	-	-
<b>Total Cash and Cash Equivalents</b>	<b>1,105,315</b>	<b>428,586</b>
Blocked amounts on cash and cash equivalents	(300,593)	(2,615)
Interest income rediscounts on cash and cash equivalents	(34)	(585)
Cash equivalents with a maturity longer than three months	-	-
Restricted reserve deposits	(371,148)	(174,243)
<b>Cash Flow Statements Cash and Cash Equivalents</b>	<b>433,540</b>	<b>251,143</b>

**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 22,655 (30 September 2021 - TL 7,796) 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 266 (30 September 2021 - TL 347) 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 716,450 (30 September 2021 - TL 104,272) 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 102,546 (30 September 2021 - TL 8,498 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 30 SEPTEMBER 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 <sup>(1)</sup>						
Beginning of the Period	-	-	25,071	187,981	464,149	268
End of the Period	-	-	157,073	158,516	371,485	4,550
Interest and Commission Income Received	-	-	3,486	786	18,286	4

<sup>(1)</sup> It includes TL 157,073 cash loan and TL 158,516 non-cash loan and that was granted as a counter-guarantee of Parent Bank ( 31 Aralık 2021 – TL 25,071 TL cash loan and TL 187,981 non-cash loan ).

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	-	-	-	488	11,496	5

**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	-	-	-	-	-	1,335
Total Income/Loss	-	-	97	58	461	(484)
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 9,776 (30 September 2021 - TL 9,619).

(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 30 SEPTEMBER 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	1,953	696,940	0.3	276	209,910	0.1
Cash loans and receivables from leasing transactions	528,558	3,587,844	14.7	489,220	2,422,452	20.2
Marketable Securities	20,598	697,981	3.0	833	432,744	0.2
Loans received	40,359	2,162,037	1.9	14,010	1,376,052	1.0
Money market funds	167,515	614,400	27.3	10,835	205,523	5.3
Marketable securities issued	750,593	1,132,052	66.3	982,820	1,222,459	80.4
Funds / Other Liabilities	12,123	477,177	2.5	3,782	126,392	3.0
Subordinated Loans	463,187	463,187	100.0	-	-	-
Non-Cash loans	163,066	795,022	20.5	188,249	732,489	25.7
Derivatives <sup>(1)</sup>	-	798,623	0.0	-	278,708	0.0

<sup>(1)</sup> 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 1,964 (30 September 2021 - TL 1,710) due to the investment property that the Bank has leased to its risk group and the Bank's operating expense includes TL 1,614 (30 September 2021 - TL 782) 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	53			
			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 30 SEPTEMBER 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**

<b>JCR Eurasia Rating</b>	<b>September 2022</b>
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 (9.24) with CMB Corporate Governance Principles by revising it along with a (Stable) outlook on 8 June 2022.

**II. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS**

None.

**SECTION SEVEN**

**EXPLANATIONS ON INDEPENDENT AUDITOR’S INTERIM REPORT**

**I. EXPLANATIONS ON INDEPENDENT AUDITOR’S INTERIM REPORT**

The unconsolidated financial statements for the period ended 30 September 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 25 October 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 30 SEPTEMBER 2022**

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

---

**SECTION EIGHT**

**INTERIM ANNUAL REPORT**

**Chairman’s Message**

Esteemed Stakeholders,

It is a fact that the on-going Russian-Ukraine war has implications on the Turkish economy since the conflicting parts are trading partners of the country. But, it is not the only fact weighing on economic activity, the general picture is that the world is in a volatile period, economic, geopolitical, ecological changes all impact the current global economic stance and the outlook going forward. 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. Incoming macro and market data suggest that the country is able to manage economic implications of this external shock. In general, very proactive diplomatic efforts of the government is contributing positively in this regard. It is not a coincidence that the Turkish economy has performed 7.6% growth in the 1st H of this year. Despite the fact that early warning indicators show some sort of deceleration, the economy is expected to end the year in a positive growth zone. But, in addition to that, worsening global landscape, increasing concerns on possible recession scenario, rate hike cycle of main central banks are factors that in the end complicate the external environment feeding some downside risks.

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. According to latest data, the total assets of the system in the last 12 month has increased by 87% as opposed to prior year and reached TL 12,699 billion. The same trend applies to credit portfolio. Total credits of the industry reached TL 6,661 billion with 70% 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 59% to reach TL 5,666 million when compared to the prior year-end. Our gross cash loan and leasing receivables portfolio, comprising 63% of total assets, reached TL 3,588 million with a 48% 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. Regarding the latter, It has become more crucial how the Bank formulates its baseline scenario, and also how risk triggers are embedded into stress scenario framework, which ultimately end up with proper scenario formulation, advanced measurement and preparation of mitigation plan.

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. It is worth to mention that strategically it has become very important to leverage on synergy opportunities in the Group, since it is quite big and operations are going beyond countries and sectors, which in the end provides potential business opportunities.

---

(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 30 SEPTEMBER 2022**

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

---

**Message from the Chairman (continued)**

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. About the real estate initiative, the Bank already introduced mortgage product in the first quarter within the entire Group. Considering positive interest the team is working with relevant stakeholders to scale it up in the coming period. In addition to diversifying its funding side, the strategic document also covers main business enablers which are actually the main assets of bank in the way of execution of the strategy. 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. Of course, we totally understand that agility may require us to invest in operational systems which in the end provide system availability, from other hand accelerate transformation towards digitalization. It is the reason that the Bank has some strategic projects in this regard. Infrastructure enhancement for digitalization and new platforms, and advanced information security for digitalization are among them. 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 30 SEPTEMBER 2022**

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

---

**Message by the General Manager**

Esteemed Stakeholders,

In the third quarter of 2022, acceleration loss in global financial activities and geopolitical developments continued to be indicative in commodity prices. Natural gas prices in Europe reached to record level due to concerns regarding gas supply security. Increases led by oil and commodity prices continued to put pressure on inflation all over the world and in Türkiye. FED increased the policy interest rate to the 3.00-3.25% band by 75 basis points in July and by 75 basis points in September in parallel with the expectations. Until the end of the year, it is expected that FED will continue to increase interest rates and bring it to the level of 4.10-4.40%, within the scope of the fight against inflation. European Central Bank (ECB), at its July meeting, increased the policy rate by 50 basis points to 0.50% for the first time since 2011, above the expectations. In September, it increased the policy rate by 75 basis points to 1.25%. EUR/USD parity fell to the lowest level of the last 20 years with 0.96. The statements regarding the continuation of interest rate hikes in the upcoming period despite the recession concerns cause the volatility in global financial markets to continue. In this environment, while the US dollar continues to appreciate, global stock and bond markets remain under pressure. The CBRT, cut the policy rate to 10.5%, and announced new macro prudential measures. While the two-year benchmark bond yields declined to the level of 14%.

PASHA Bank ended the third quarter of 2022 with a profit of TL 151 million. Our asset size reached TL 5,666 million. While pre-provision total cash and noncash loan size including leasing receivables amounted TL 4,383 million, TL 3,588 million constituted cash loans and leasing receivables out of that amount.

The economy is expected to grow in the range of 4.50%-5.00% this year. Along with the effects of the developments regarding the Russia-Ukraine war, especially FED's interest rate policy will be closely monitored. I hope the last quarter of the year will be positive for the Turkish 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 30 SEPTEMBER 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 2nd QUARTER REVIEWS**

	30 September 2022	31 December 2021
Cash and cash equivalents	1,102,990	493,198
Financial assets at fair value through profit or loss	37,792	20,956
Financial assets at fair value through other comprehensive income	116,909	50,685
Derivative financial assets	11,068	13,604
Loans	3,270,497	2,216,450
Receivables from leasing transactions	317,347	206,002
Financial assets measured at amortized cost	543,280	361,103
Allowance for expected credit losses (-)	(85,658)	(75,157)
Tangible assets (Net)	100,444	87,982
Intangible assets and goodwill (Net)	8,536	7,784
Investment properties (Net)	170,502	143,910
Current tax assets	462	483
Deferred tax assets	13,522	13,020
Other assets	57,891	22,533
<b>TOTAL ASSETS</b>	<b>5,665,582</b>	<b>3,562,553</b>

	30 September 2022	31 December 2021
Loans received	2,162,037	1,376,052
Money market fundings	614,400	205,523
Marketable securities issued (Net)	1,132,052	1,222,459
Funds	107,281	28,179
Derivative financial liabilities	517	114
Lease payables (Net)	972	538
Provisions	25,647	15,969
Current tax liabilities	25,300	8,526
Other liabilities	369,896	98,213
Subordinated Loans	463,187	-
Shareholders' equity	764,293	606,980
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,665,582</b>	<b>3,562,553</b>

The Bank has completed first nine months of 2022 with a profit figure of TL 151,101 according to unconsolidated results. Total unconsolidated assets of the Bank is TL 5,665,582 with an 59% increase compared to 2021 year-end.

The gross loan and lease receivables are TL 3,587,844 increasing at a ratio of 48% compared to year end of 2021 and the share of loans and leasing receivables in total assets is 63%.

The unconsolidated capital adequacy ratio of the Bank is 22.05% as of 30 September 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 4.50%-5.00% in 2022.

(Authorised Signatory / Stamp)