

**(Convenience Translation of Financial Statements and Related
Disclosures and Footnotes Originally Issued in Turkish)**

PASHA YATIRIM BANKASI A.Ş.

Unconsolidated Financial Statements
for the Year Ended 31 December 2024
with Auditors' Report Thereon



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INDEPENDENT AUDITOR'S REPORT

To the General Assembly of PASHA Yatırım Bank A.Ş.

A) Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the unconsolidated financial statements of PASHA Bank Anonim Şirketi ("the Bank") which comprise the unconsolidated statement of financial position as at 31 December 2024 and the unconsolidated statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity, cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of PASHA Bank Anonim Şirketi as at 31 December 2024, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the "Banking Regulation and Supervision Board Accounting and Reporting Legislation" which includes 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 Board and circulars and interpretations published by Banking Regulation and Supervision Agency ("BRSA") and requirements of Turkish Financial Reporting Standards ("TFRS") for the matters not regulated by the aforementioned legislations.

Basis For Opinion

We conducted our audit in accordance with the "Regulation on Independent Audit of the Banks" ("BRSA Auditing Regulation") published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We declare that we are independent of the Bank in accordance with the Code of Ethics for Auditors issued by POA (including Independence Standards) ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of unconsolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans measured at amortised cost

The details of accounting policies and significant estimates and assumptions for impairment of loans measured at amortised cost are presented in Section III, No: VII of the unconsolidated financial statements.

Key audit matter	How the matter is addressed in our audit
<p>As of 31 December 2024, loans measured at amortized cost comprise 45% of the Bank's total assets.</p> <p>The Bank recognizes its loans in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the "Regulation") published on the Official Gazette No. 29750 dated 22 June 2016 and TFRS 9 Financial Instruments standard ("Standard") become effective from 1 January 2018.</p> <p>The Bank applies the "expected credit loss model" in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Bank management annually.</p> <p>The significant assumptions and estimates of the Bank's management are as follows:</p> <ul style="list-style-type: none"> • significant increase in credit risk; • incorporating the forward-looking macroeconomic information in calculation of credit risk; • design and implementation of expected credit loss model. <p>The determination of the impairment of loans measured at amortized cost depends on the credit default status, the model based on the change in the credit risk at the first recognition date and the classification of the loans measured at amortized cost according to the model. Establishing an accurate classification is a significant process as the calculation of expected credit loss varies to the staging of the financial assets.</p> <p>The Bank calculates expected credit losses on both an individual and a collective basis. Individual provisions consider the estimated future performance of the business and the market value of the collateral provided for credit transactions.</p> <p>The collective basis expected credit loss calculation is based on complex processes which are modelled by using current and past data sets and expectations. The completeness and accuracy of data sets in the model are also considered and the forward-looking expectations</p>	<p>Our procedures for auditing the expected credit losses on loans include below:</p> <ul style="list-style-type: none"> • We tested the design and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists. • We evaluated the adequacy of the subjective and objective criteria that is defined in the Bank's impairment accounting policy compared with the Regulation and Standard. • We evaluated the Banks's business model and methodology and the evaluation of the calculations carried out with the control testing and detail analysis by the involvement of specialist. • We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and evaluation of their classification. • For the expected credit loss calculations of individually assessed loans, we evaluated the accuracy of the loss allowances by including prospective cash flow information and collateral values. • We tested the accuracy and completeness of the data in the calculation models for the loans which are assessed on collective basis. The expected credit loss calculation was tested through recalculation. The models used for the calculation of the risk parameters were examined and the risk parameters for the selected sample portfolios were recalculated. • We assessed the macroeconomic models and tested the effect of the risk parameters by recalculation method.

are reflected by macroeconomic models. Impairment on loans measured at amortised cost was considered to be a key audit matter, due to the significance of the estimates, assumptions and its complex structure as explained above.	<ul style="list-style-type: none"> • We evaluated the qualitative and quantitative assessments which are used in determining the significant increase in credit risk. • We evaluated the adequacy of the disclosures in the unconsolidated financial statements related to impairment provisions.
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Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the BRSA Accounting and Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January - 31 December 2024 are not in compliance with TCC and provisions of the Bank's articles of association in relation to financial reporting.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Dyygu Avcı, SMMM
Partner

17 February 2025

İstanbul, Turkey

**THE YEAR-END UNCONSOLIDATED FINANCIAL REPORT OF
PASHA YATIRIM BANKASI A.Ş. AS OF 31 DECEMBER 2024**

Address of the Bank's Headquarters

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

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The year-end unconsolidated 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 regulated 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. Independent Auditor's 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



Ayşe Hale YILDIRIM

Deputy CEO



Mustafa ŞAHİN

Finance Director

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

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CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

PASHA YATIRIM BANK A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2024

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

SECTION ONE

GENERAL INFORMATION

I. History of the Bank including its incorporation date, initial legal status, amendments to legal status

Bank's commercial title	PASHA Yatırım Bankası A.Ş.
Reporting Period	1 January - 31 December 2024
Address of the Bank's Headquarters	Sultan Selim Mahallesi Hümeysra Sokak PASHA Plaza No:2/7 34415 Kağıthane, İstanbul
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Website	www.pashabank.com.tr
E-mail	info@pashabank.com.tr

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

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

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

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 18 December 2015 and numbered 6583 and 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%.

As of 29 December 2023, the paid-in capital of PASHA Investment Bank A.Ş. is TL 500 million, and PASHA Holding LLC is the majority shareholder of the Bank. Within the framework of the approval granted by the Banking Regulation and Supervision Agency (BRSA) with its decision dated 26 December 2023, and numbered 10761, a share transfer took place between PASHA Bank OJSC and PASHA Holding LLC, resulting in changes to the Bank's capital and ownership structure.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

PASHA YATIRIM BANK A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2024

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

GENERAL INFORMATION (continued)

I. History of the Bank including its incorporation date, initial legal status, amendments to legal status (continued)

As of 29 December 2023, PASHA Holding LLC's share is TL 358,748,764.00, with a shareholding ratio of 71.7498%, and PASHA Bank OJSC's share is TL 141,046,357.00, with a shareholding ratio of 28.2093%, as recorded in the shareholder register.

The Bank's Articles of Association had been amended by the resolution of the Extraordinary General Assembly, dated 15 March 2024 and registered by the Trade Registry Directorate of Istanbul on the date of 29 March 2024 and had been announced in the 11054th issue of the Trade Registry Gazette of Türkiye, dated 29 March 2024.

II. Bank's shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the year and information on its risk group

There were no changes in the Bank's share capital, Articles of Association and ownership structure during the period and the shareholding structure of the Bank as of 31 December 2024, is stated below:

Name Surname/Commercial Title	Capital	%
PASHA Holding LLC	358,748	71.75%
PASHA Bank OJSC	141,046	28.21%
Other	205	0.04%
Total	500,000	100.00%

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

As of 31 December 2024, 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.

As of 31 December 2024, 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.

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

PASHA YATIRIM BANK A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2024

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

GENERAL INFORMATION (continued)

III. Information on Bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their responsibilities and shareholdings in the Bank

Title ⁽³⁾	Name	Education	Responsibilities
Chairman of the Board of Directors ⁽¹⁾	Jalal Gasimov	Postgraduate	Chairman of the Board of Directors
Deputy Chairman of the Board of Directors ⁽¹⁾	Rovshan Allahverdiyev	Graduate	Deputy Chairman of the Board of Directors
Board Member	Shahin Mammadov	PhD	Board Member
Board Member	Javid Guliyev	Postgraduate	Board Member
Board Member / Audit Committee Member	Kamala Nuriyeva	Postgraduate	Board Member and Audit Committee Member
Independent Board Member / Audit Committee Chairperson	Furkan Evranos	PhD	Independent Board Member and Audit Committee Chairperson
Independent Board Member	Nuri Tuncali	Graduate	Independent Board Member
Board Member and CEO	Hikmet Cenk Eynahan	Postgraduate	Board Member and CEO
Deputy CEO (Acting CEO)	Ayşe Hale Yıldırım	Postgraduate	Corporate and Commercial Banking, Operations, Project Management, Legal, Corporate Communications, and Administrative Affairs

⁽¹⁾ Upon allocation of duties among the members of the Board of Directors, as per Article 13 of the Articles of Association of the Bank, and by the Board resolution dated 15 March 2024 and numbered 32, it has been decided to have Jalal Gasimov continue to serve as the Chairman of the Board of Directors, and Rovshan Allahverdiyev as the Deputy Chairman of the Board of Directors, replacing Farid Mammadov.

⁽²⁾ Ebru Oğan Knottnerus Independent Board Member resigned from her position at our Bank on 15 March 2024.

⁽³⁾ Farid Mammadov Deputy Chairman/Member of the Board of Directors resigned from his position at our Bank on 18 March 2024.

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.

IV. Information on Bank's qualified shareholders

Explanation on shareholders having control shares of the Bank as of 31 December 2024, is stated below;

Name/Commercial title	Share Amounts (nominal)	Share percentage	Paid-in Capital (nominal)	Unpaid portion
Leyla Aliyeva	181,785	36.41%	181,785	-
Arzu Aliyeva	181,785	36.41%	181,785	-
Arif Pashayev	84,769	16.95%	84,769	-
Mir Jamal Pashayev	50,950	10.19%	50,950	-

V. Summary information on the Bank's activities and services

The Bank operates as an investment bank and, as of 31 December 2024 the Bank has 68 employees (31 December 2023 - 54). The Bank has been operating through its Head Office in Istanbul only as of 31 December 2024 and the Bank has no branches.

The Bank was set up to engage in all sorts of domestic and foreign investment and development banking activities, subject to receiving the required official permissions, including but in no way limited to the fields of activity indicated below. These activities are mainly:

- Extending cash and non-cash credits of any sort and manner,
- Cash and on-account payment and fund transfer operations, all sorts of payment and collection operations, including correspondent banking or use of checking accounts,
- Operations for drawing up checks and other bills of exchange,
- Safekeeping services,
- Operations for issuing payment instruments such as credit cards, debit cards, and traveler's checks and for carrying the activities relating thereto,
- Foreign exchange transactions, including cash; purchase and sale of money market instruments; transactions for purchase, sale of precious metals and stones or escrow transactions for them,

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PASHA YATIRIM BANK A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2024

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

GENERAL INFORMATION *(continued)*

V. Summary information on the Bank's activities and services *(continued)*

- Purchase, sale, and brokerage transactions for futures contracts, options contracts, financial instruments of simple or complex structure involving multiple derivative instruments that are based on economic and financial indicators, capital market instruments, commodities, precious metals, and foreign exchange;
- Transactions for purchase/sale of capital market instruments and for commitments to repurchase or resale,
- Brokerage operations for sale of capital market instruments through issuance or public offering,
- Operations for carrying out, for brokerage purposes, purchase and sale of capital market instruments that have been issued previously,
- Guarantee transactions such as undertaking collateral, guarantee, and other obligations in favor of others,
- Investment consultancy transactions,
- Portfolio operations and management,
- Market making concerning purchase and sale transactions within the framework of the obligations undertaken under a contract concluded before the Under secretariat of Treasury and/or the Central Bank, and enterprise unions,
- Factoring and forfeiting transactions,
- Brokering transactions for purchase and sale of money on the interbank market,
- Financial leasing transactions,
- Brokerage for insurance agency and individual retirement services.

Additionally, in accordance with the Capital Markets Board's authorization certificate dated 30/12/2015 and numbered BNK-019 (081), the Bank has been authorized to provide trading brokerage activity, portfolio brokerage activity, best-effort copy public offering brokerage activity and limited custody services.

VI. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between the Bank and its subsidiaries

None.

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

PASHA YATIRIM BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AS OF 31 DECEMBER 2024

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

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

	ASSETS	Note	Current Period 31/12/2024			Prior Period 31/12/2023		
			LC	FC	Total	LC	FC	Total
I.	FINANCIAL ASSETS (Net)		305,551	3,245,421	3,550,972	596,557	2,178,084	2,774,641
1.1	Cash and cash equivalents		61,605	3,142,722	3,204,327	465,828	2,075,044	2,540,872
1.1.1	Cash and balances at Central Bank	(5.1.1)	28,738	1,768,964	1,797,702	10,700	1,621,972	1,632,672
1.1.2	Banks	(5.1.3)	32,921	1,376,292	1,409,213	4,373	456,766	461,139
1.1.3	Money market placements		-	-	-	451,585	-	451,585
1.1.4	Expected credit losses (-)	(54)	(54)	(2,534)	(2,588)	(830)	(3,694)	(4,524)
1.2	Financial assets at fair value through profit or loss	(5.1.2)	12,378	83,713	96,091	5,005	85,598	90,603
1.2.1	Government debt securities		-	-	-	-	-	-
1.2.2	Equity instruments		-	83,713	83,713	-	85,598	85,598
1.2.3	Other financial assets		12,378	-	12,378	5,005	-	5,005
1.3	Financial assets at fair value through other comprehensive income	(5.1.4)	231,568	18,986	250,554	125,685	16,243	141,928
1.3.1	Government debt securities		182,210	-	182,210	96,271	-	96,271
1.3.2	Equity instruments		7,659	-	7,659	7,659	-	7,659
1.3.3	Other financial assets		41,699	18,986	60,685	21,755	16,243	37,998
1.4	Derivative financial assets		-	-	-	39	1,199	1,238
1.4.1	Derivative financial assets at fair value through profit or loss	(5.1.2)	-	-	-	39	1,199	1,238
1.4.2	Derivative financial assets at fair value through other comprehensive income	(5.1.11)	-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		3,968,722	4,558,420	8,527,142	1,296,142	5,218,937	6,515,079
2.1	Loans	(5.1.5)	3,186,899	2,620,456	5,807,355	913,805	3,604,362	4,518,167
2.2	Receivables from leasing transactions	(5.1.10)	498,701	722,328	1,221,029	416,375	707,500	1,123,875
2.3	Factoring receivables		-	-	-	-	-	-
2.4	Financial assets measured at amortised cost	(5.1.6)	316,839	1,230,190	1,547,029	-	948,264	948,264
2.4.1	Government debt securities		316,839	571,353	888,192	-	515,967	515,967
2.4.2	Other financial assets		-	658,837	658,837	-	432,297	432,297
2.5	Expected credit losses (-)	(5.1.5)	(33,717)	(14,554)	(48,271)	(34,038)	(41,189)	(75,227)
III.	ASSETS HELD FOR SALE AND ASSETS FROM DISCONTINUED OPERATIONS (Net)	(5.1.16)	-	-	-	-	-	-
3.1	Assets held for sale		-	-	-	-	-	-
3.2	Assets from discontinued operations		-	-	-	-	-	-
IV.	INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		-	-	-	-	-	-
4.1	Investments in associates (Net)	(5.1.7)	-	-	-	-	-	-
4.1.1	Associates accounted by using equity method		-	-	-	-	-	-
4.1.2	Non-consolidated associates		-	-	-	-	-	-
4.2	Investments in subsidiaries (Net)	(5.1.8)	-	-	-	-	-	-
4.2.1	Non-consolidated financial subsidiaries		-	-	-	-	-	-
4.2.2	Non-consolidated non-financial subsidiaries		-	-	-	-	-	-
4.3	Jointly Controlled Partnerships (Joint Ventures) (Net)	(5.1.9)	-	-	-	-	-	-
4.3.1	Jointly controlled partnerships accounted by using equity method		-	-	-	-	-	-
4.3.2	Non-consolidated jointly controlled partnerships		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)	(5.1.12)	72,654	-	72,654	81,455	-	81,455
VI.	INTANGIBLE ASSETS AND GOODWILL (Net)	(5.1.13)	21,294	-	21,294	19,762	-	19,762
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		21,294	-	21,294	19,762	-	19,762
VII.	INVESTMENT PROPERTIES (Net)	(5.1.14)	208,487	-	208,487	201,660	-	201,660
VIII.	CURRENT TAX ASSETS		-	-	-	4,441	-	4,441
IX.	DEFERRED TAX ASSETS	(5.1.15)	398,884	-	398,884	292,532	-	292,532
X.	OTHER ASSETS (Net)	(5.1.17)	133,876	-	133,876	20,602	-	20,602
	TOTAL ASSETS		5,109,468	7,803,841	12,913,309	2,513,151	7,397,021	9,910,172

The accompanying notes are an integral part of these financial statements

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

PASHA YATIRIM BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AS OF 31 DECEMBER 2024

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

		Note	Current Period 31/12/2024			Prior Period 31/12/2023		
	LIABILITIES		LC	FC	Total	LC	FC	Total
I.	DEPOSITS	(5.2.1)	-	-	-	-	-	-
II.	FUNDS BORROWED	(5.2.3)	1,915,338	3,562,212	5,477,550	710,650	4,003,174	4,713,824
III.	MONEY MARKET PAYABLES	(5.2.4)	806,946	612,426	1,419,372	535,997	539,125	1,075,122
IV.	SECURITIES ISSUED (Net)	(5.2.5)	261,580	886,722	1,148,302	150,849	737,105	887,954
4.1	Bills		261,580	-	261,580	150,849	-	150,849
4.2	Asset backed securities		-	-	-	-	-	-
4.3	Bonds		-	886,722	886,722	-	737,105	737,105
V.	FUNDS		22,249	443,565	465,814	6,080	436,671	442,751
5.1	Borrower funds		4,096	34,817	38,913	4,101	74,200	78,301
5.2	Other		18,153	408,748	426,901	1,979	362,471	364,450
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		-	-	-	30	-	30
7.1	Derivative financial liabilities at fair value through profit or loss	(5.2.2)	-	-	-	30	-	30
7.2	Derivative financial liabilities at fair value through other comprehensive income	(5.2.8)	-	-	-	-	-	-
VIII.	FACTORING PAYABLES		-	-	-	-	-	-
IX.	LEASE PAYABLES (Net)	(5.2.7)	399	-	399	485	-	485
X.	PROVISIONS	(5.2.9)	49,278	2,228	51,506	35,019	5,139	40,158
10.1	Provision for restructuring		-	-	-	-	-	-
10.2	Reserves for employee benefits		5,245	-	5,245	1,888	-	1,888
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other provisions		44,033	2,228	46,261	33,131	5,139	38,270
XI.	CURRENT TAX LIABILITIES	(5.2.10)	46,730	-	46,730	31,639	-	31,639
XII.	DEFERRED TAX LIABILITIES	(5.2.11)	-	-	-	-	-	-
XIII.	LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS FROM DISCONTINUED OPERATIONS (Net)	(5.2.12)	-	-	-	-	-	-
13.1	Held for sale		-	-	-	-	-	-
13.2	Related to discontinued operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT	(5.2.13)	-	882,285	882,285	-	736,414	736,414
14.1	Loans		-	882,285	882,285	-	736,414	736,414
14.2	Other debt instruments		-	-	-	-	-	-
XV.	OTHER LIABILITIES	(5.2.6)	273,655	1,372,422	1,646,077	43,927	609,664	653,591
XVI.	SHAREHOLDERS' EQUITY	(5.2.14)	1,773,808	1,466	1,775,274	1,326,585	1,619	1,328,204
16.1	Paid-in capital		500,000	-	500,000	500,000	-	500,000
16.2	Capital reserves		-	-	-	-	-	-
16.2.1	Share premiums		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Other capital reserves		-	-	-	-	-	-
16.3	Other comprehensive income/expense that will not be reclassified in profit or loss		-	-	-	-	-	-
16.4	Other comprehensive income/expense that will be reclassified in profit or loss		(12,829)	1,466	(11,363)	(12,181)	1,619	(10,562)
16.5	Profit reserves		823,764	-	823,764	313,764	-	313,764
16.5.1	Legal reserves		41,771	-	41,771	15,521	-	15,521
16.5.2	Statutory reserves		295	-	295	295	-	295
16.5.3	Extraordinary reserves		781,698	-	781,698	297,948	-	297,948
16.5.4	Other profit reserves		-	-	-	-	-	-
16.6	Profit or loss		462,873	-	462,873	525,002	-	525,002
16.6.1	Prior years' profits or losses		-	-	-	-	-	-
16.6.2	Current period net profit or loss		462,873	-	462,873	525,002	-	525,002
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,149,983	7,763,326	12,913,309	2,841,261	7,068,911	9,910,172

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

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

PASHA YATIRIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

AS OF 31 DECEMBER 2024

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

	OFF-BALANCE SHEET ITEMS	Note	Current Period 31/12/2024			Prior Period 31/12/2023		
			LC	FC	Total	LC	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		703,448	619,984	1,323,432	681,977	1,273,387	1,955,364
I.	GUARANTEES AND WARRANTIES	(5.3.1)	703,448	615,576	1,319,024	511,816	640,510	1,152,326
1.1.	Letters of Guarantee		700,948	449,681	1,150,629	509,316	286,681	795,997
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		700,948	449,681	1,150,629	509,316	286,681	795,997
1.2.	Bank Acceptances		-	-	-	-	-	-
1.2.1.	Import Letter of Acceptance		-	-	-	-	-	-
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letters of Credit		-	21,906	21,906	-	42,708	42,708
1.3.1.	Documentary Letters of Credit		-	-	-	-	-	-
1.3.2.	Other Letters of Credit		-	21,906	21,906	-	42,708	42,708
1.4.	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of the Republic of Türkiye		-	-	-	-	-	-
1.5.2.	Other Endorsements		-	-	-	-	-	-
1.6.	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7.	Factoring Guarantees		-	-	-	-	-	-
1.8.	Other Guarantees		2,500	143,989	146,489	2,500	311,121	313,621
1.9.	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	(5.3.1)	-	4,408	4,408	170,161	178,021	348,182
2.1.	Irrevocable Commitments		-	4,408	4,408	170,161	178,021	348,182
2.1.1.	Asset Purchase and Sales Commitments		-	-	-	-	-	-
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		-	4,408	4,408	-	8,143	8,143
2.2.	Revocable Commitments		-	-	-	-	-	-
2.2.1.	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2)	-	-	-	-	454,856	454,856
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		-	-	-	-	454,856	454,856
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		-	-	-	-	454,856	454,856
3.2.2.1.	Foreign Currency Swap-Buy		-	-	-	-	228,017	228,017
3.2.2.2.	Foreign Currency Swap-Sell		-	-	-	-	226,839	226,839
3.2.2.3.	Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4.	Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3.	Foreign Currency, Interest rate and Securities Options		-	-	-	-	-	-
3.2.3.1.	Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2.	Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3.	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4.	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5.	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6.	Securities Options-Sell		-	-	-	-	-	-
3.2.4.	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1.	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2.	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5.	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1.	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2.	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6.	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		6,959,092	6,731,764	13,690,856	3,501,313	5,772,343	9,273,656
IV.	ITEMS HELD IN CUSTODY		285,211	1,045,041	1,330,252	144,545	830,650	975,195
4.1.	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		249,108	1,045,041	1,294,149	62,422	830,650	893,072
4.3.	Cheques Received for Collection		36,103	-	36,103	82,123	-	82,123
4.4.	Commercial Notes Received for Collection		-	-	-	-	-	-
4.5.	Other Assets Received for Collection		-	-	-	-	-	-
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		-	-	-	-	-	-
4.8.	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		6,669,211	5,269,858	11,939,069	3,353,418	4,528,515	7,881,933
5.1.	Marketable Securities		642,477	-	642,477	128,365	-	128,365
5.2.	Guarantee Notes		2,354,731	408,777	2,763,508	789,327	342,170	1,131,497
5.3.	Commodity		1,055,482	671,377	1,726,859	613,988	398,226	1,012,214
5.4.	Warranty		-	-	-	-	-	-
5.5.	Immovable		1,078,442	548,506	1,626,948	727,942	532,172	1,260,114
5.6.	Other Pledged Items		1,538,079	3,641,198	5,179,277	1,093,796	3,255,947	4,349,743
5.7.	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		4,670	416,865	421,535	3,350	413,178	416,528
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		7,662,540	7,351,748	15,014,288	4,183,290	7,045,730	11,229,020

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

**PASHA YATIRIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

	INCOME STATEMENT	Note	Current Period 31/12/2024	Prior Period 31/12/2023
I.	INTEREST INCOME	(5.4.1)	1,662,994	767,504
1.1	Interest on loans		1,167,027	530,024
1.2	Interest received from reserve deposits		32,065	17,834
1.3	Interest received from banks		38,664	12,804
1.4	Interest received from money market transactions		3,181	2,713
1.5	Interest received from marketable securities portfolio		177,650	84,291
1.5.1	Financial assets at fair value through profit or loss		-	-
1.5.2	Financial assets at fair value through other comprehensive income		62,388	24,225
1.5.3	Financial assets measured at amortised cost		115,262	60,066
1.6	Finance lease income		244,210	119,575
1.7	Other interest income		197	263
II.	INTEREST EXPENSES (-)	(5.4.2)	1,112,854	431,590
2.1	Interest on deposits		-	-
2.2	Interest on funds borrowed		675,915	258,289
2.3	Interest on money market transactions		215,162	73,362
2.4	Interest on securities issued		179,869	85,126
2.5	Finance lease expense		135	130
2.6	Other interest expenses	(5.4.12)	41,773	14,683
III.	NET INTEREST INCOME/EXPENSE (I - II)		550,140	335,914
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		82,113	98,906
4.1	Fees and commissions received		98,892	113,154
4.1.1	Non-cash loans		16,016	15,008
4.1.2	Other	(5.4.12)	82,876	98,146
4.2	Fees and commissions paid (-)		16,779	14,248
4.2.1	Non-cash Loans		8,938	4,197
4.2.2	Other	(5.4.12)	7,841	10,051
V.	DIVIDEND INCOME	(5.4.3)	5,560	275
VI.	TRADING PROFIT/LOSS (Net)	(5.4.4)	164,234	83,964
6.1	Trading gain/loss on securities		(4,921)	10,316
6.2	Gain/loss on derivative financial transactions		5,228	3,069
6.3	Foreign exchange gain/loss		163,927	70,579
VII.	OTHER OPERATING INCOME	(5.4.5)	92,688	49,094
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		894,735	568,153
IX.	EXPECTED CREDIT LOSSES (-)	(5.4.6)	59,322	45,691
X.	OTHER PROVISION EXPENSES (-)	(5.4.6)	-	-
XI.	PERSONNEL EXPENSES (-)		215,738	109,797
XII.	OTHER OPERATING EXPENSES (-)	(5.4.7)	127,992	81,744
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		491,683	330,921
XIV.	INCOME RESULTED FROM MERGERS		-	-
XV.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XVI.	GAIN/LOSS ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	(5.4.8)	491,683	330,921
XVIII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.4.9)	28,810	(194,081)
18.1	Current tax provision		134,819	81,007
18.2	Expense effect of deferred tax (+)		15,542	31,934
18.3	Income effect of deferred tax (-)		121,551	307,022
XIX.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	(5.4.10)	462,873	525,002
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from assets held for sale		-	-
20.2	Profit from sale of associates, subsidiaries and joint ventures		-	-
20.3	Other income from discontinued operations		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses from assets held for sale		-	-
21.2	Losses from sale of associates, subsidiaries and joint ventures		-	-
21.3	Other expenses from discontinued operations		-	-
XXII.	PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)	(5.4.8)	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(5.4.9)	-	-
23.1	Current tax provision		-	-
23.2	Expense effect of deferred tax (+)		-	-
23.3	Income effect of deferred tax (-)		-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	(5.4.10)	-	-
XXV.	NET PROFIT/LOSSES (XIX+XXIV)	(5.4.11)	462,873	525,002
	Earnings per share (Expressed in exact TL)		0.9257	1.0500

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

PASHA YATIRIM BANKASI A.Ş.

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 DECEMBER 2024**

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

		Current Period 31/12/2024	Prior Period 31/12/2023
I.	CURRENT PERIOD PROFIT/LOSS	462,873	525,002
II.	OTHER COMPREHENSIVE INCOME	(801)	(12,560)
2.1	Other comprehensive income that will not be reclassified to profit or loss	-	-
2.1.1	Gains/losses on revaluation of property, plant and equipment	-	-
2.1.2	Gains/losses on revaluation of intangible assets	-	-
2.1.3	Defined benefit plans' actuarial gains/losses	-	-
2.1.4	Other income/expense items not to be reclassified to profit or loss	-	-
2.1.5	Deferred taxes on other comprehensive income not to be reclassified to profit or loss	-	-
2.2	Other comprehensive income that will be reclassified to profit or loss	(801)	(12,560)
2.2.1	Translation differences	-	-
2.2.2	Income/expenses from valuation and/or reclassification of financial assets at fair value through other comprehensive income	(1,145)	(17,752)
2.2.3	Gains/losses from cash flow hedges	-	-
2.2.4	Gains/losses on hedges of net investments in foreign operations	-	-
2.2.5	Other income/expense items to be reclassified to profit or loss	-	-
2.2.6	Deferred taxes on other comprehensive income to be reclassified to profit or loss	344	5,192
III.	TOTAL COMPREHENSIVE INCOME (I+II)	462,072	512,442

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

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

PASHA YATIRIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

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

							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 01/01/2023 – 31/12/2023															
I.	Balance at the beginning of the period		500,000	-	-	-	-	-	-	-	1,998	-	109,891	-	203,873	815,762
II.	Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (I+II)		500,000	-	-	-	-	-	-	-	1,998	-	109,891	-	203,873	815,762
IV.	Total comprehensive income/loss		-	-	-	-	-	-	-	-	(12,560)	-	-	-	525,002	512,442
V.	Capital increase by cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase by internal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds to shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/decrease by other changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	-	-	-	-	203,873	-	(203,873)	-
11.1	Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to reserves		-	-	-	-	-	-	-	-	-	-	203,873	-	(203,873)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period-End Balance (III+IV+.....+X+XI)		500,000	-	-	-	-	-	-	-	(10,562)	-	313,764	-	525,002	1,328,204
	Current Period 01/01/2024 – 31/12/2024															
I.	Balance at the beginning of the period		500,000	-	-	-	-	-	-	-	(10,562)	-	313,764	-	525,002	1,328,204
II.	Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (I+II)		500,000	-	-	-	-	-	-	-	(10,562)	-	313,764	-	525,002	1,328,204
IV.	Total comprehensive income/loss		-	-	-	-	-	-	-	-	(801)	-	-	-	462,873	462,072
V.	Capital increase by cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase by internal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds to shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/decrease by other changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	-	-	-	-	510,000	-	(525,002)	(15,002)
11.1	Dividends paid		-	-	-	-	-	-	-	-	-	-	(15,002)	-	-	(15,002)
11.2	Transfers to reserves		-	-	-	-	-	-	-	-	-	-	525,002	-	(525,002)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period-End Balance (III+IV+.....+X+XI)		500,000	-	-	-	-	-	-	-	(11,363)	-	823,764	-	462,873	1,775,274

1) Revaluation surplus on tangible and intangible assets

2) Defined benefit plans' actuarial gains/losses

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) Translation differences

5) Income/expenses from valuation and/or reclassification of 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.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

**PASHA YATIRIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

		Note	Current Period 31/12/2024	Prior Period 31/12/2023
A.	CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		95,679	171,172
1.1.1	Interest received		1,509,965	718,907
1.1.2	Interest paid		(1,083,708)	(388,255)
1.1.3	Dividend received		5,560	275
1.1.4	Fees and commissions received		84,598	89,984
1.1.5	Other income		11,409	2,711
1.1.6	Collections from previously written-off loans and other receivables		25,222	245
1.1.7	Payments to personnel and service suppliers		(197,093)	(100,949)
1.1.8	Taxes paid		(125,725)	(75,676)
1.1.9	Other	(5.6.2)	(134,549)	(76,070)
1.2	Changes in Operating Assets and Liabilities		870,066	1,198,868
1.2.1	Net (increase)/decrease in financial assets at fair value through profit or loss		16,966	(7,126)
1.2.2	Net (increase)/decrease in due from banks		95,864	141,693
1.2.3	Net (increase)/decrease in loans		(1,200,362)	(405,096)
1.2.4	Net (increase)/decrease in other assets	(5.6.2)	(7,162)	(5,085)
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		684,873	391,921
1.2.9	Net increase/(decrease) in matured payables		-	-
1.2.10	Net increase/(decrease) in other liabilities	(5.6.2)	1,279,887	1,082,561
I.	Net Cash Provided from Banking Operations		965,745	1,370,040
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net Cash Provided from / (Paid For) Investing Activities		(581,087)	(274,996)
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		(11,968)	(31,234)
2.4	Cash obtained from the sale of tangible and intangible asset		419	30
2.5	Cash paid for the purchase of financial assets at fair value through other comprehensive income		(223,479)	(484,824)
2.6	Cash obtained from the sale of financial assets at fair value through other comprehensive income		33,264	409,630
2.7	Cash paid for the purchase of financial assets at amortised cost		(457,552)	(209,092)
2.8	Cash obtained from sale of financial assets at amortised cost		78,229	40,494
2.9	Other		-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Provided from Financing Activities		81,361	(591,076)
3.1	Cash obtained from funds borrowed and securities issued		2,425,762	754,081
3.2	Cash used for repayment of funds borrowed and securities issued		(2,328,834)	(1,344,619)
3.3	Equity instruments issued		-	-
3.4	Dividends paid		(15,002)	-
3.5	Payments for finance lease liabilities		(565)	(538)
3.6	Other		-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(5.6.2)	143,251	157,131
V.	Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)		609,270	661,099
VI.	Cash and Cash Equivalents at the Beginning of the Period	(5.6.1)	1,670,982	1,009,883
VII.	Cash and Cash Equivalents at the End of the Period (V+VI)	(5.6.1)	2,280,252	1,670,982

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

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

PASHA YATIRIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION

FOR THE YEAR ENDED 31 DECEMBER 2024

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

		Current Period 31/12/2024 ¹	Prior Period 31/12/2023
I.	DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1	CURRENT YEAR PROFIT	491,683	330,921
1.2	TAXES AND DUTIES PAYABLE (-)	(28,810)	194,081
1.2.1	Corporate Tax (Income tax)	(134,819)	(81,007)
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties ²	106,009	275,088
A.	NET PROFIT FOR THE YEAR (1.1-1.2)	462,873	525,002
1.3	PRIOR YEAR LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	(26,250)
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET PROFIT AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	462,873	498,752
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	15,002
1.6.1	To Owners of Ordinary Shares	-	15,002
1.6.2	To Owners of Privileged Shares	-	-
1.6.3	To Owners of Preferred Shares	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Holders of Profit and (Loss) Sharing Certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To Owners of Ordinary Shares	-	-
1.9.2	To Owners of Privileged Shares	-	-
1.9.3	To Owners of Preferred Shares	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Holders of Profit and (Loss) Sharing Certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	-
1.11	STATUTORY RESERVES (-)	-	-
1.12	EXTRAORDINARY RESERVES ³	-	483,750
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES	-	-
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of privileged shares	-	-
2.3.3	To owners of preferred shares	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and (loss) sharing certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE	-	-
3.1	TO OWNERS OF ORDINARY SHARES	0.9257	1.0500
3.2	TO OWNERS OF ORDINARY SHARES (%)	%92.57	%105.00
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE	-	-
4.1	TO OWNERS OF ORDINARY SHARES	-	0.0300
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	%3.00
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

¹⁾ As of financial statements preparation date, Bank's General Assembly Meeting have not yet been made, hence no decision has been taken on profit distribution.

²⁾ Deferred tax income/expense shown in other taxes and duties not subject to profit appropriation.

³⁾ At the Ordinary General Assembly Meeting held on 15 March 2024, it was decided that the distributable net period profit of TL 498,752 would not be distributed as dividends but instead transferred to the Extraordinary Reserves account. It was also decided that the distribution of the 2023 period profit, as well as the profits and reserves earned prior to 2023 but not distributed, would be evaluated in case suitable conditions arise during the year, but for the time being, no distribution would take place. In the Extraordinary General Assembly Meeting held on 15 May 2024, it was decided that TL 15,002 out of the TL 498,752 of distributable net period profit, which was transferred to the Extraordinary Reserves account in the Ordinary General Assembly Meeting of 15 March 2024, would be distributed as cash dividends to the shareholders in proportion to their shareholding ratio.

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

PASHA YATIRIM BANK A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2024

(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.

With its announcement dated 23 November 2023, the POA declared that entities applying Turkish Financial Reporting Standards must prepare their financial statements for annual reporting periods ending on or after 31 December 2023 in accordance with the Financial Reporting in Hyperinflationary Economies Standard (“TAS 29”). However, it was also stated that regulatory and supervisory authorities specific to certain sectors may determine different transition dates for the implementation of TAS 29. In response to POA’s announcement, the BRSA, with its decision numbered 10744 dated 12 December 2023, resolved that banks as well as financial leasing, factoring, financing, savings financing, and asset management companies shall not apply the inflation adjustment required by TAS 29 in their financial statements dated 31 December 2023. Subsequently, with its decision numbered 10825 dated 11 January 2024, the BRSA decided that such entities would adopt inflation accounting starting from 1 January 2025. However, with a further decision numbered 11021 dated 5 December 2024, the BRSA announced that inflation accounting would not be applied in the year 2025. Accordingly, the Bank did not apply inflation accounting under TAS 29 in its financial statements for the period ended 31 December 2024.

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.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

PASHA YATIRIM BANK A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

I. BASIS OF PRESENTATION (Continued)

Judgements and estimates used in the preparation of the financial statements

The effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of the Banking Law No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and the 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 in accordance with “TFRS 9 Financial Instruments” (“TFRS 9”), “Derivative Financial Assets/Liabilities Designated at Fair Value through Profit or Loss”.

The receivables and liabilities arising from derivative transactions are recorded in the off-balance sheet accounts based on the notional amounts of the contracts.

Derivative transactions are initially recorded at their fair values on the contract date, and the receivables and payables arising from these transactions are monitored in off-balance sheet accounts. 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”, if the fair value is negative, the amount is classified as “Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss”. The fair value differences arising from the valuation of derivative transactions are recognized in the income statement.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS
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PASHA YATIRIM BANK A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IV. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

Interest income and expense are accounted for on an accrual basis using the effective interest rate method. In accordance with the “Regulation on the Classification of Loans and the Procedures and Principles Regarding the Provisions to Be Allocated for Them,” published in the Official Gazette dated 22 June 2016, and numbered 29750, which came into effect on 1 January 2018, the Bank does not cancel the interest accruals and discounting for loans and other receivables that have become impaired. Instead, the Bank continues to recognize these amounts as interest income. Under the TFRS 9 methodology, the calculation of expected credit losses is performed based on the amounts including the interest accruals and discounts added.

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 to 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.

VI. EXPLANATIONS ON FINANCIAL ASSETS

Financial assets fundamentally constitute the Bank’s commercial activities and operations. These instruments have the ability to reveal, influence, and mitigate liquidity, credit, and interest rate risks in the financial statements. 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”. These financial assets are recorded or derecognized in accordance with the provisions of the “TFRS 9 Financial Instruments” standard, specifically the “Recognition and Derecognition of Financial Statements” section in the third part of the standard, as published by the Public Oversight Accounting and Auditing Standards Authority (POA) in the Official Gazette dated 19 January 2017, and numbered 29953. 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 or 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.

Financial assets at the fair value through profit or loss are reflected on the balance sheet at their cost values and, subsequent to their recognition, are measured at their fair values. Fair values for securities traded on Borsa İstanbul (BIST) are determined using the weighted average settlement prices on BIST as of the balance sheet date, while for non-traded securities, investor valuation and price reports are used to determine their fair values.

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

PASHA YATIRIM BANK A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. EXPLANATIONS ON FINANCIAL ASSETS (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 measured at fair value through other comprehensive income are recorded by adding transaction costs to the acquisition costs that reflect their fair value. After recognition, these financial assets are measured at their fair value. For securities traded on Borsa İstanbul (BIST), fair values are determined using the weighted average settlement prices on BIST at the balance sheet date. The interest income calculated using the effective interest method for financial assets measured at fair value through other comprehensive income, as well as dividend income from securities representing ownership interests, are reflected in the income statement. The difference between the fair value and the amortized cost of financial assets measured at fair value through other comprehensive income, i.e., "Unrealized gains and losses" is not reflected in the income statement until the realization of the related financial asset, such as collection, sale, disposal, or impairment. Instead, it is monitored under the equity account "Other accumulated comprehensive income or expense that will be reclassified in profit and loss". When these securities are collected or disposed of, the accumulated fair value differences reflected in equity are recognized in the income statement.

Equity securities, which are classified as financial assets at fair value through other comprehensive income are measured at fair value. However, in some exceptional cases, cost may be an appropriate estimation method for determining fair value. The cost is estimated to be the case fair value is reflected in the best way possible.

The Bank's portfolio of securities measured at fair value through other comprehensive income includes inflation-indexed bonds linked to the consumer price index (CPI). The principal amounts of these CPI government bonds are protected against inflation over their maturity. These securities are valued and accounted for using the effective interest method, based on an index calculated by taking into account the reference inflation index and the estimated inflation rate on the issuance date. The reference indices used in the calculation of the actual interest payments for these securities are based on the CPI from two months prior.

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

A financial asset is classified as an amortized cost financial asset if it is held within a business model whose objective is to collect the contractual cash flows, and if the contractual terms of the financial asset result in cash flows that consist solely of principal payments and interest payments on the principal amount on specified dates.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

Loans

Loans are financial assets with fixed or determinable payments that are not listed on an active market. These loans are initially recorded at their acquisition costs, which reflect their fair value, including transaction costs. After recognition, they are measured at amortized cost using the "Effective interest (internal rate of return) Method". All of the Bank's loans are recorded under the "Measured at Amortized Cost" account.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON EXPECTED CREDIT LOSS (Continued)

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.

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 Türkiye's rating, 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.

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. Validation studies on the discriminative power and reliability of the model are conducted periodically.

Risk parameters used in the TFRS 9 calculations incorporate forward-looking macroeconomic information. When including macroeconomic information, models and projections that reflect the relationships between the model's risk parameters and macroeconomic variables are considered. The key macroeconomic indicators used to create these forecasting models are gross domestic product (GDP) and the ratio of non-performing loans in the banking sector. The macroeconomic forecasting models include multiple scenarios, and the relevant scenarios are taken into account when calculating expected credit losses.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON EXPECTED CREDIT LOSS (Continued)

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. For cash loans, the calculated default amount is determined by discounting the expected principal and interest repayments, as well as income accruals, using the effective interest method.

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:

$$ECL = PD * LGD * EAD * (\text{if any CCF})$$

Expected credit loss calculation is calculated over financial assets that has counterparty risk which in scope of TFRS 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 the financial asset is revised. For transition 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 transfer 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 Bank's internal policies, the TFRS 9 models are reviewed once a year. The internal rating model is validated annually to confirm that its discriminative power is at an acceptable level, and necessary revisions are made if needed.

VIII. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS

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

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

Securities subject to repurchase agreements ("Repo") are classified as "Financial assets at fair value through profit or loss", "Financial assets at fair value through other comprehensive income" and "Financial assets measured at amortised cost" according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are presented under "Money Market Payables" 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".

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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, asset as held for sale (or group of assets to be disposed) are measured at the lower of their carrying amount less cost to sell. For an asset to be held for sale, the asset (or group of assets to be disposed) must be available for immediate sale under the conditions common and customary for the sale of such assets, and the sale must be highly probable. In order to have a high probability of sale; a plan for the sale of the asset must have been made by an appropriate level of management and an active program of identification of buyers and completion of the plan must have been initiated. In addition, the asset must be actively marketed at a price consistent with its fair value.

A discontinued operation is a part of the Bank that is either disposed of or classified as held for sale. Results of discontinued operations are presented separately in the profit and loss 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 cost after the deduction of accumulated amortization and any accumulated impairment losses. Intangibles are amortised over their estimated useful lives of three to five years using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilise the economic benefit of the assets.

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

As of 31 December 2024 and 31 December 2023, there is not any goodwill amount that need to be reflected 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 any accumulated impairment losses.

Depreciation is calculated over the cost of property with useful life of 50 years and other fixed assets with useful lives of 3 to 15 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XII. EXPLANATIONS ON PROPERTY AND EQUIPMENT (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

Land and buildings held for the purpose of earning rent, capital appreciation, or both, rather than being used in the production of goods and services, for administrative purposes, or for sale in the ordinary course of business, are classified as investment properties.

Investment properties are initially recognized at cost. The cost includes expenses incurred in acquiring the investment property as well as any subsequent additions, modifications, or service costs related to the investment property. After initial recognition, the bank reflects these properties in the records by deducting the accumulated depreciation and any impairment, if applicable, from the cost. Investment properties are subject to periodic impairment tests. Depreciation for investment properties, specifically buildings, is calculated using the straight-line method over a useful life of fifty years.

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 impairment in value of the leased asset an impairment loss is recognised. Liabilities arising from the leasing transactions are included in “Financial Lease Payables”. 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 “IFRS 16 Leases” Standard was published in the Official Gazette numbered 29826 on 16 April 2018, to be applied effective from 1 January 2019. Under the IFRS 16 Leases (“IFRS 16”) standard, the Bank recognizes all lease transactions in the balance sheet, except for short-term leases and leases of low-value assets.

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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 benefits, such as severance pay and leave entitlements, are accounted for in accordance with the "Turkish Accounting Standard for Employee Benefits" (TAS 19). According to the applicable laws, the Bank is obligated to make a lump-sum payment to employees whose employment is terminated due to retirement, resignation, or other reasons not specified in the Labor Law. The provision for severance pay is calculated based on the estimated present value of future potential obligations arising from the retirement, termination of employment after completing at least one year of service, being called for military service, or death of all employees, in accordance with the Turkish Labor Law, and is reflected in the financial statements. In this context, the following actuarial assumptions have been used in the calculation of the total obligations.

	31 December 2024	31 December 2023
Discount Rate (%)	3.79	1.56
Inflation Rate (%)	23.33	28.00

XVII. EXPLANATIONS ON TAXATION

Corporate Tax

The Bank is subject to the tax legislation and practices in force in Türkiye. Corporate tax is payable in one installment by the end of the fourth month following the end of the accounting period to which it relates. Corporations are required to calculate advance tax at the current rate on their quarterly financial profits, declare it until the 17th day of the second month following the period and pay it until the evening of the 17th day. Advance taxes paid during the year are offset against the corporate tax calculated on the annual corporate tax return for that year. In the event that there is an amount of advance tax paid despite the offset, this amount can be refunded in cash or offset against other financial debts.

As of 31 December 2022, the general corporate tax rate applied to the legal tax base, which is calculated by adding non-deductible expenses and deducting exemptions in accordance with tax laws to the commercial income of corporations in Türkiye, was 25%. However, according to the Article 21 of the "Law on the Amendment of Certain Laws and the Decree Law No. 375 on the Amendment of Certain Laws and the Decree Law No. 375 on Additional Motor Vehicles Tax for the Compensation of the Economic Losses Caused by the Earthquakes Occurring on 6/2/2023" published in the Official Gazette dated 15 July 2023 and numbered 32249. In accordance with the amendments made in Article 32 of the Corporate Tax Law No. 5520 regulating the corporate tax rate, the general rate applied in corporate tax has been increased from 25% to 30% starting from the declarations to be submitted as of 1 October 2023. Accordingly, the Company in Türkiye have used the tax rate of 30% in the calculation of the period tax for the years 2023 and 2024.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

Within the scope of this amendment, tax rate used in the deferred tax calculation as of 31 December 2024 is 30% (31 December 2023: 30%).

As of 31 December 2021, the conditions required for the inflation adjustment of the financial statements as of 31 December 2021 have been met in accordance with Article 298 of the Tax Procedure Law. However, in accordance with the provisional article 33 of the Tax Procedure Law numbered 213 with the Law numbered 7352 "Law on Amendments to the Tax Procedure Law and Corporate Tax Law" published in the Official Gazette dated 29 January 2022 and numbered 31734:

- Financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods and the temporary tax periods of the 2023 accounting period, regardless of whether the conditions for inflation adjustment under Article 298 are met, including the temporary tax periods.

- 31 December 2023 financial statements will be subject to inflation adjustment with no effect on corporate tax base.

According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, it has become law that profit/loss differences arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including the provisional tax periods, do not be taken into account in determining the income of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign Exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. The President of the Republic is authorized to extend the periods determined within the scope of this paragraph by one accounting period, including the temporary tax periods.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised.

Dividend payments from joint stock companies resident in Türkiye to non-resident and non-resident real persons and non-resident legal entities are subject to 10% income tax, except for those who are not liable for corporate and income tax and those who are exempted from corporate and income tax.

Dividend payments made from joint stock companies resident in Türkiye to joint stock companies also resident in Türkiye are not subject to income tax. In addition, income tax is not calculated if the profit is not distributed or added to capital.

Dividend income derived by corporations from participation in the capital of another corporation subject to full taxation is exempt from corporate tax. In addition, 75% of the gains arising from the sale of founding shares, redeemed shares and preemptive rights of the founding shares, redeemed shares and preferential rights of the real estates (immovables) owned by the corporations for at least two full years and the participation shares included in their assets for at least two full years are exempt from corporate tax. However, with the amendment made by Law No. 7061, this rate was reduced from 75% to 50% for immovable properties and this rate is used as 50% in tax returns to be prepared as of 2018. In addition, as of 15 July 2023, with the amendment made, the 50% tax exemption stipulated in Law No. 5520 for the gains on the sale of immovable property has been abolished. However, this exemption will be applied as 25% for the sales of immovable properties in the assets of the enterprises before 15 July 2023. In order to benefit from the exemption, the gain in question must be kept in a fund account in liabilities and must not be withdrawn from the business for 5 years. The sales price must be collected until the end of the second calendar year following the year of sale.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

In Türkiye, there is no such practice as reconciliation with the tax administration regarding the taxes to be paid. Corporate tax returns are filed within four months following the close of the accounting period. The tax authorities may examine the tax returns and the underlying accounting records for a period of five years following the accounting period and may make a re-assessment based on their findings. There is a withholding tax liability on dividend distributions and this withholding tax liability is declared in the period in which the dividend is paid in cash or on account. Dividend payments other than those made to non-resident corporations that have a place of business or permanent representative in Türkiye and resident corporations in Türkiye were subject to 15% withholding tax until 22 December 2021. However, pursuant to the Presidential Decree No. 4936 published in the Official Gazette No. 31697 dated December 22, 2021, the dividend withholding tax rate of 15% was reduced to 10% in accordance with the Income Tax Law No. 193 and Corporate Tax Law No. 5520.

In the application of withholding tax rates for dividend distributions to non-resident corporations and real persons, the withholding tax rates in the related Double Tax Treaty Agreements are also taken into consideration. Capitalization of retained earnings is not considered as profit distribution and therefore is not subject to withholding tax.

Transfer Pricing

In Türkiye, transfer pricing regulations are set out in Article 13 of the Corporate Tax Law titled "Disguised profit distribution through transfer pricing". The communiqué dated 18 November 2007 on disguised profit distribution through transfer pricing regulates the details of the application. If a taxpayer purchases or sells goods or services to related parties at a price or prices determined in violation of the arm's length principle, the gain is considered to be distributed in whole or in part through disguised profit distribution via transfer pricing. Such disguised profit distribution through transfer pricing is considered as an unallowable expense for corporate tax purposes.

Deferred Tax

Deferred tax liabilities or assets are determined by calculating the tax effects of temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases, using the balance sheet method and applying the enacted tax rates. The Bank calculates and recognizes deferred taxes in accordance with TAS 12 "Income Taxes," for temporary differences arising between the accounting policies and valuation principles applied and the tax bases determined under tax legislation. While deferred tax liabilities are recognized for all taxable temporary differences, deferred tax assets arising from deductible temporary differences are recognized only to the extent that it is highly probable that future taxable profits will be available against which these differences can be utilized.

Deferred tax liabilities or assets are not recognized for temporary timing differences arising on the initial recognition of assets and liabilities other than goodwill or in a business combination that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The carrying amount of deferred tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered. Deferred tax is measured at the tax rate that is expected to apply in the period in which the liability is settled or the asset realized, and is recognized as an expense or income in profit or loss. In addition, deferred tax is recognized directly in equity if it relates to items recognized directly in equity in the same or a different period. Deferred tax assets and liabilities are offset. Pursuant to Article 53 of the Banking Law No. 5411 dated 19 October 2005, specific provisions for loans and other receivables are recognized as an expense in determining the corporate tax base in the year in which they are recognized in accordance with paragraph 2 of the same article.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

Deferred Tax (Continued)

As of 31 December 2024, in accordance with the provisional Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of corporate tax have been included in the deferred tax calculation, in the financial statements dated 31 December 2024.

XVIII. EXPLANATIONS ON BORROWINGS

Financial liabilities held for trading and liabilities related to derivative financial instruments are measured at fair value, while all other financial liabilities are subsequently measured at their “discounted amounts” using the “effective interest (internal rate of return) 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 Türkiye, 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.

	31 December 2024	31 December 2023
Net Period Profit	462,873	525,002
Weighted Average Number of Ordinary Shares Issued (Thousands)	500,000	500,000
Profit per Share	0.9257	1.0500

XXIV. EXPLANATIONS ON RELATED PARTIES

Shareholders with significant influence, key management personnel, and members of the board of directors, together with their families and entities they control or are affiliated with, are considered related parties within the scope of the "Related Party Disclosures" standard ("TAS 24").

XXV. 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.

XXVI. 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.

XXVII. RECLASSIFICATIONS

In order to comply with the presentation of the current period financial statements, comparative information is reclassified, and restated if necessary.

XXVIII. EXPLANATIONS ON OTHER MATTERS

None.

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SECTION FOUR

INFORMATION RELATED TO 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 2,443,936 while its capital adequacy standard ratio is 24.11% as of 31 December 2024. The capital adequacy ratio of the Bank is far beyond the minimum rate determined by the related legislation (31 December 2023 – shareholders' equity TL 1,960,472 capital adequacy ratio 23.79%).

a. Information on shareholders' equity

	Current Period	Prior Period
Common Equity Tier 1 capital		
Directly issued qualifying common share capital plus related stock surplus	500,000	500,000
Share premium	-	-
Legal reserves	823,764	313,764
Projected gains to shareholders' equity of the accounting standards in Türkiye	927	1,689
Profit	462,873	525,002
Net current period profit	462,873	525,002
Prior period profit	-	-
Free shares from investments and associates, subsidiaries and joint ventures that is not recognised in profit	-	-
Common Equity Tier 1 capital before regulatory adjustments	1,787,564	1,340,455
Common Equity Tier 1 capital: regulatory adjustments		
Prudential valuation adjustments	-	-
Sum of current year net loss and prior period's loss that is not covered with reserves and losses on shareholders' equity of the accounting standards in Türkiye	12,290	12,250
Development cost of operating lease	-	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	21,294	19,762
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	161,688
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)	223,486	-
Amount exceeding the 15% threshold	-	-
of which: significant investments in the common stock of financials	-	-
of which: mortgage servicing rights	-	-
of which: deferred tax assets arising from temporary differences	-	-
National specific regulatory adjustments	-	-
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-
Total regulatory adjustments to Common equity Tier 1	257,070	193,700
Common Equity Tier 1 capital (CET 1)	1,530,494	1,146,755

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

	Current Period	Prior Period
Additional Tier 1 capital: instruments		
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards	-	-
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	-	-
Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1) of which: instruments issued by subsidiaries subject to phase out	-	-
Additional Tier 1 capital before regulatory adjustments	-	-
Additional Tier 1 capital: regulatory adjustments		
Investments in own Additional Tier 1 instruments	-	-
Reciprocal cross-holdings in Additional Tier 1 instruments	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
National specific regulatory adjustments	-	-
The process of transition will continue to reduce from Tier 1 Capital		
Goodwill or other intangibles and deferred tax liabilities of which the regulation concerning transitional Article 2 of subsection of core capital not reduced from (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions(-)	-	-
Total regulatory adjustments to Additional Tier 1 capital	-	-
Additional Tier 1 capital (AT1)	-	-
Tier 1 capital (T1 = CET1 + AT1)	1,530,494	1,146,755
Tier 2 capital: instruments and provisions		
Directly issued qualifying Tier 2 instruments plus related stock surplus	882,008	735,955
Directly issued qualifying Tier 2 instruments plus related stock surplus (under temporary article 4)	-	-
Provisions	31,434	77,762
Tier 2 capital before regulatory adjustments	913,442	813,717
Tier 2 capital: regulatory adjustments		
Investments in own Tier 2 instruments (-)	-	-
Reciprocal cross-holdings in Tier 2 instruments	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) (-)	-	-
Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
National specific regulatory adjustments (-)	-	-
Total regulatory adjustments to Tier 2 capital	-	-
Tier 2 capital (T2)	913,442	813,717
Total capital (TC = T1 + T2)	2,443,936	1,960,472
Total risk weighted assets		
Loans extended being non-compliant with articles 50 and 51 of the Law	-	-
Portion of the sum of the banks' real estate net book values, which is in excess of fifty per cent of their own funds and net book values of those of merchandise and real estate which have to be acquired due to their receivables and disposed of pursuant to Article 57 of the Banking Law, which cannot be disposed of despite the lapse of a period of five years since the date of such acquisition(-)	-	-
National specific regulatory adjustments	-	-
The process of transition will continue to reduce from Common Equity Tier 1 capital and Additional Tier 1 capital		
of which: The sum of partnership share on banks and financial institutions (domestic and abroad), with shareholding of less than 10%	-	-
of which: Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above	-	-
of which: Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above	-	-

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

	Current Period	Prior Period
Shareholders' Equity		
Total shareholders' equity	2,443,936	1,960,472
Total risk weighted items	10,137,451	8,239,943
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	15.10	13.92
Tier 1 Capital Adequacy Ratio (%)	15.10	13.92
Capital Adequacy Standard Ratio (%)	24.11	23.79
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	2.502	2.502
a) Capital conservation buffer requirement (%)	2.500	2.500
b) Bank specific countercyclical buffer requirement (%)	0.002	0.002
c) Higher bank buffer requirement ratio (%)	-	-
Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) (%)	7.10	6.07
Amounts below the thresholds for deduction (before risk weighting)		
Non-significant investments in the capital of other financials	-	-
Significant investments in the common stock of financials	-	-
Mortgage servicing rights (net of related tax liability)	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Applicable caps on the inclusion of provisions in Tier 2		
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	31,434	77,762
Cap on inclusion of provisions in Tier 2 under standardised approach	31,434	77,762
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Current cap on common equity T1 capital instruments subject to phase out arrangements	-	-
Amount excluded from common equity T1 capital due to cap (excess over cap after redemptions and maturities)	-	-
Current cap on additional T1 capital instruments subject to phase out arrangements	-	-
Amount excluded from additional T1 capital due to cap (excess over cap after redemptions and maturities)	-	-

Under the regulation issued by the Banking Regulation and Supervision Agency (BRSA) on 12 December 2023, banks were allowed to calculate the credit risk-weighted amount using the Central Bank's foreign exchange buying rates as of 26 June 2023, and to exclude the negative net valuation differences of securities classified under the fair value through other comprehensive income portfolio from the equity amount used in the calculation of the capital adequacy ratio. The Bank did not utilize these options in the calculation of its statutory capital adequacy ratio as of 31 December 2024.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

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
Regulatory Treatment	
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)	882
Nominal value of instrument (TL Million)	882
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
Coupon/Dividend Payment	
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 cannot 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
Convertible or Non-convertible Into Equity Shares	
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	-
Write-Down Feature	
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 setting 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 incompliances 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.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. EXPLANATIONS ON CREDIT RISK

- a.** The Bank takes into account the Banking Law as far as the limits applied to a single obligor or a risk group is concerned. Limits are determined to avoid sectoral concentration, and the compliance to these limits are monitored on transaction basis.

Regarding daily credit and security transactions, compliance to limits and concentrations are monitored and reported by the risk management unit. Besides, the compliance of credits to their limits are followed by operations, marketing and internal control units.

Credits and other receivables are re-evaluated at least once a year by the credit allocation unit. Ratings are calculated by using models specifically developed for this purpose.

Including the necessary documents, credit allocation activities are also subject to controls by the internal control unit, which is independent from business units.

- b.** According to TFRS 9 Financial Instruments Standard and Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions, loans are classified as overdue loans that are not have performing loan specifications. The accounting and provisioning policy have been disclosed in section 3.

- c.** The Bank does not carry any forward or option positions or similar positions based on other agreements on the organized markets.

- d.** The Bank, as an active participant in the national and international banking market, compared to the financial activities of other financial institutions, is not exposed to high volumes of credit risk, which may necessitate mitigation through futures or options. As credit risk increases, usage of such derivative instruments may be relevant.

- e.** The Bank does not have any non-cash loans that were transformed into cash. If such loans exist, they are going to be applied the same risk weight as the cash loans.

- f.** The restructured and the rescheduled loans have been disclosed in Section 5.

The discrimination of credit risk is performed through rating systems. No risk discrimination is made via maturity.

- g.** The banking activities and lending transactions carried out by the Bank abroad are closely monitored in terms of the economic conditions of the relevant countries and the periodic evaluation of the credit values of customers and financial institutions, and no significant credit risk is observed within the framework of these activities.

- h.** The Bank, as an active participant in the national and international banking market, compared to the financial activities of other financial institutions, is not exposed to high volumes of credit risk.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

- i. The share of the greatest 100 and 200 cash loan customers within the total cash loans portfolio is 100% and 100%, respectively (31 December 2023: 100% and 100%).

The share of the greatest 100 and 200 non-cash loan customers within the total non-cash loans portfolio is 100% and 100%, respectively (31 December 2023: 100% and 100%).

The share of the greatest 100 and 200 cash and non-cash loan customers within the total cash and non-cash loans portfolio in the on and off balance sheets is 100% and 100%, respectively (31 December 2023: 100% and 100%).

- j. The expected credit losses for the credit risk assumed by the Bank in the Stage 1 and Stage 2 amount to TL 31,434 (31 December 2023 – TL 77,762).
- k. The total amount of risk the Bank is exposed to, without taking into account the mitigation effects, and average of the risks grouped based on different risk classes and types are shown in the table below:

	31 December 2024		31 December 2023	
	Current Period Risk Amount ¹	Average Risk Amount ²	Prior Period Risk Amount ¹	Average Risk Amount ²
Risk Classifications				
Conditional and unconditional receivables from central governments or central banks	3,266,472	2,630,260	2,503,769	1,577,343
Conditional and unconditional receivables from regional management or local governments	-	-	-	-
Conditional and unconditional receivables from administrative units or non-commercial ventures	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international Organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage corporation	2,946,421	1,710,948	1,950,390	1,408,114
Conditional and unconditional corporate receivables	6,666,172	5,913,124	5,690,399	4,636,839
Conditional and unconditional retail receivables	15,644	8,810	1,696	810
Conditional and unconditional collateralized by real estate mortgages receivables	868,406	921,599	602,250	566,408
Non-performing receivables	8,458	9,054	-	6
Receivables defined in high risk category by BRSA	-	-	-	-
Securities collateralized by mortgages	16,048	-	-	-
Securitization positions	-	-	-	-
Short-term receivables and short-term corporate receivables from banks and brokerage corporations	-	-	-	-
Investments in nature of collective investment funds	96,092	91,032	90,602	68,673
Equity security investments	7,659	7,659	7,659	7,659
Other receivables	415,532	369,047	341,833	326,477
Total	14,306,904	11,661,533	11,188,598	8,592,329

¹⁾ The figures represent total risk amounts before Credit Risk Mitigation and after credit conversion factor.

²⁾ Average risk amounts are calculated as arithmetical average of monthly amounts of relevant year.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

11. Profile of significant exposures in significant regions

	Risk Classifications ¹																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Current Period																		
Domestic	3,266,472	-	-	-	-	2,731,655	6,653,396	15,440	868,406	8,458	-	16,048	-	-	77,815	7,659	415,532	14,060,881
European Union Countries	-	-	-	-	-	35,839	-	-	-	-	-	-	-	-	18,277	-	-	54,116
OECD Countries ²	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	37,862	-	-	-	-	-	-	-	-	-	-	-	37,862
Other Countries	-	-	-	-	-	141,065	12,776	204	-	-	-	-	-	-	-	-	-	154,045
Associates, Subsidiaries and Joint – Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ³	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,266,472	-	-	-	-	2,946,421	6,666,172	15,644	868,406	8,458	-	16,048	-	-	96,092	7,659	415,532	14,306,904

1) Stands for the risk categories listed in “Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks”. Includes risk amounts before the effect of credit risk mitigation and after the credit conversion factors.

- 1) Conditional and unconditional receivables from Central Governments or Central Banks
- 2) Conditional and unconditional receivables from Regional Management or Local Governments
- 3) Conditional and unconditional receivables from Administrative Units or Non-commercial Ventures
- 4) Conditional and unconditional receivables from Multilateral Development Banks
- 5) Conditional and unconditional receivables from International Organizations
- 6) Conditional and unconditional receivables from Banks and Brokerage Corporation
- 7) Conditional and unconditional corporate receivables
- 8) Conditional and unconditional retail receivables
- 9) Conditional and unconditional collateralized by real estate mortgages receivables
- 10) Non-performing receivables
- 11) Receivables defined in high risk category by BRSA
- 12) Securities collateralized by mortgages
- 13) Securitization positions
- 14) Short-term receivables and short-term corporate receivables from Banks and Brokerage corporations
- 15) Investments in nature of Collective Investment funds
- 16) Equity security investments
- 17) Other receivables

2) Includes OECD countries other than EU countries, USA and Canada.

3) Includes assets and liability items that cannot be allocated on a consistent basis.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

Prior Period	Risk Classifications ¹																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Domestic	2,503,769	-	-	-	-	1,825,981	5,171,515	1,596	602,250	-	-	-	-	-	70,258	7,659	341,833	10,524,861
European Union Countries	-	-	-	-	-	23,729	-	-	-	-	-	-	-	-	20,344	-	-	44,073
OECD Countries ²	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	19,494	-	-	-	-	-	-	-	-	-	-	-	19,494
Other Countries	-	-	-	-	-	81,186	518,884	100	-	-	-	-	-	-	-	-	-	600,170
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ³	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2,503,769	-	-	-	-	1,950,390	5,690,399	1,696	602,250	-	-	-	-	-	90,602	7,659	341,833	11,188,598

1) Stands for the risk categories listed in “Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks”. Includes risk amounts before the effect of credit risk mitigation and after the credit conversion factors.

- 1) Conditional and unconditional receivables from Central Governments or Central Banks
- 2) Conditional and unconditional receivables from Regional Management or Local Governments
- 3) Conditional and unconditional receivables from Administrative Units or Non-commercial Ventures
- 4) Conditional and unconditional receivables from Multilateral Development Banks
- 5) Conditional and unconditional receivables from International Organizations
- 6) Conditional and unconditional receivables from Banks and Brokerage Corporation
- 7) Conditional and unconditional corporate receivables
- 8) Conditional and unconditional retail receivables
- 9) Conditional and unconditional collateralized by real estate mortgages receivables
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- 11) Receivables defined in high risk category by BRSA
- 12) Securities collateralized by mortgages
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2) Includes OECD countries other than EU countries, USA and Canada.

3) Includes assets and liability items that cannot be allocated on a consistent basis.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

12. Risk profile by sectors or counterparties

Current Period	Risk Classifications ¹																	LC	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
Agriculture	-	-	-	-	-	-	80,105	-	-	-	-	-	-	-	-	-	-	80,105	-	80,105
Farming and Stockbreeding	-	-	-	-	-	-	80,105	-	-	-	-	-	-	-	-	-	-	80,105	-	80,105
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	1,191,822	-	23,219	8,458	-	-	-	-	-	-	-	196,285	1,027,214	1,223,499
Mining and Quarrying	-	-	-	-	-	-	408,075	-	-	-	-	-	-	-	-	-	-	-	408,075	408,075
Production	-	-	-	-	-	-	335,863	-	2,008	8,458	-	-	-	-	-	-	-	195,960	150,369	346,329
Electricity, Gas and Water	-	-	-	-	-	-	447,884	-	21,211	-	-	-	-	-	-	-	-	325	468,770	469,095
Construction	-	-	-	-	-	-	59,225	-	262,420	-	-	-	-	-	-	-	-	51,055	270,590	321,645
Services	2,867,588	-	-	-	-	2,946,421	5,335,020	-	582,767	-	-	16,048	-	-	96,092	7,659	-	4,538,842	7,312,753	11,851,595
Wholesale and Retail Trade	-	-	-	-	-	-	690,512	-	329,500	-	-	-	-	-	-	-	-	379,834	640,178	1,020,012
Accommodation and Dining	-	-	-	-	-	-	645,331	-	186,396	-	-	-	-	-	-	-	-	238,325	593,402	831,727
Transportation and Telecom	-	-	-	-	-	-	148,076	-	6,496	-	-	-	-	-	-	-	-	48,236	106,336	154,572
Financial Institutions	2,867,588	-	-	-	-	2,946,421	2,915,706	-	-	-	-	16,048	-	-	96,092	7,659	-	3,460,316	5,389,198	8,849,514
Real Estate and Rental Services	-	-	-	-	-	-	747,831	-	60,375	-	-	-	-	-	-	-	-	412,131	396,075	808,206
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	187,564	-	-	-	-	-	-	-	-	-	-	-	187,564	187,564
Others	398,884	-	-	-	-	-	-	15,644	-	-	-	-	-	-	-	-	-	415,532	830,060	830,060
Total	3,266,472	-	-	-	-	2,946,421	6,666,172	15,644	868,406	8,458	-	16,048	-	-	96,092	7,659	415,532	5,696,347	8,610,557	14,306,904

1) Stands for the risk categories listed in "Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks". Includes risk amounts before the effect of credit risk mitigation and after the credit conversion factors.

- 1) Conditional and unconditional receivables from Central Governments or Central Banks
- 2) Conditional and unconditional receivables from Regional Management or Local Governments
- 3) Conditional and unconditional receivables from Administrative Units or Non-commercial Ventures
- 4) Conditional and unconditional receivables from Multilateral Development Banks
- 5) Conditional and unconditional receivables from International Organizations
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Prior Period	Risk Classifications ¹																	LC	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
Agriculture	-	-	-	-	-	-	20,461	-	-	-	-	-	-	-	-	-	-	20,461	-	20,461
Farming and Stockbreeding	-	-	-	-	-	-	20,461	-	-	-	-	-	-	-	-	-	-	20,461	-	20,461
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	601,592	-	35,920	-	-	-	-	-	-	-	-	70,518	566,994	637,512
Mining and Quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production	-	-	-	-	-	-	131,097	-	300	-	-	-	-	-	-	-	-	70,132	61,265	131,397
Electricity, Gas and Water	-	-	-	-	-	-	470,495	-	35,620	-	-	-	-	-	-	-	-	386	505,729	506,115
Construction	-	-	-	-	-	-	576,830	-	322,138	-	-	-	-	-	-	-	-	77,443	821,525	898,968
Services	2,057,055	-	-	-	-	1,950,390	4,373,585	-	244,192	-	-	-	-	-	90,602	7,659	-	2,179,829	6,543,654	8,723,483
Wholesale and Retail Trade	-	-	-	-	-	-	625,083	-	-	-	-	-	-	-	-	-	-	97,274	527,809	625,083
Accommodation and Dining	-	-	-	-	-	-	457,425	-	139,924	-	-	-	-	-	-	-	-	44,982	552,367	597,349
Transportation and Telecom	-	-	-	-	-	-	188,204	-	22,088	-	-	-	-	-	-	-	-	137,593	72,699	210,292
Financial Institutions	2,057,055	-	-	-	-	1,950,390	1,732,632	-	-	-	-	-	-	-	90,602	7,659	-	1,803,148	4,035,190	5,838,338
Real Estate and Rental Services	-	-	-	-	-	-	1,139,135	-	82,180	-	-	-	-	-	-	-	-	94,832	1,126,483	1,221,315
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	231,106	-	-	-	-	-	-	-	-	-	-	2,000	229,106	231,106
Others	446,714	-	-	-	-	-	117,931	1,696	-	-	-	-	-	-	-	-	-	341,833	572,231	908,174
Total	2,503,769	-	-	-	-	1,950,390	5,690,399	1,696	602,250	-	-	-	-	-	90,602	7,659	341,833	2,920,482	8,268,116	11,188,598

1) Stands for the risk categories listed in “Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks”. Includes risk amounts before the effect of credit risk mitigation and after the credit conversion factors.

- 1) Conditional and unconditional receivables from Central Governments or Central Banks
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m. Analysis of maturity bearing exposures according to remaining maturities

Risk Classifications (Current Period)	Time to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year ²
Conditional and unconditional receivables from Central Governments or Central Banks	2,184,030	254,193	91,509	363,911	372,829
Conditional and unconditional receivables from Regional Management or Local Governments	-	-	-	-	-
Conditional and unconditional receivables from Administrative Units or Non-commercial Ventures	-	-	-	-	-
Conditional and unconditional receivables from Multilateral Development Banks	-	-	-	-	-
Conditional and unconditional receivables from International Organizations	-	-	-	-	-
Conditional and unconditional receivables from Banks and Brokerage Corporation	1,498,458	92,365	371,971	251,787	731,840
Conditional and unconditional corporate receivables	1,700,912	1,278,927	764,108	824,300	2,097,925
Conditional and unconditional retail receivables	5,394	3,913	1,123	5,214	-
Conditional and unconditional collateralized by real estate mortgages receivables	-	6,496	28,082	73,990	759,838
Non-performing receivables	8,458	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-
Securities collateralized by mortgages	5,022	463	5,571	4,992	-
Securitization positions	-	-	-	-	-
Short-term receivables and short-term corporate receivables from Banks and Brokerage corporations	-	-	-	-	-
Investments in nature of Collective Investment funds	96,092	-	-	-	-
Equity security investments	7,659	-	-	-	-
Other receivables	415,532	-	-	-	-
Total¹	5,921,557	1,636,357	1,262,364	1,524,194	3,962,432

1) Includes risk amounts before the effect of credit risk mitigation and after the credit conversion factors.

2) Includes also undistributed amounts.

Risk Classifications (Prior Period)	Time to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year ²
Conditional and unconditional receivables from Central Governments or Central Banks	1,480,301	44,530	-	-	978,938
Conditional and unconditional receivables from Regional Management or Local Governments	-	-	-	-	-
Conditional and unconditional receivables from Administrative Units or Non-commercial Ventures	-	-	-	-	-
Conditional and unconditional receivables from Multilateral Development Banks	-	-	-	-	-
Conditional and unconditional receivables from International Organizations	-	-	-	-	-
Conditional and unconditional receivables from Banks and Brokerage Corporation	1,163,666	218,340	248,345	121,526	198,513
Conditional and unconditional corporate receivables	952,016	958,462	1,312,655	541,198	1,926,068
Conditional and unconditional retail receivables	1,220	166	310	-	-
Conditional and unconditional collateralized by real estate mortgages receivables	-	1,447	-	10,137	590,666
Non-performing receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables and short-term corporate receivables from Banks and Brokerage corporations	-	-	-	-	-
Investments in nature of Collective Investment funds	-	-	-	-	90,603
Equity security investments	7,659	-	-	-	-
Other receivables	341,832	-	-	-	-
Total¹	3,946,694	1,222,945	1,561,310	672,861	3,784,788

1) Includes risk amounts before the effect of credit risk mitigation and after the credit conversion factors.

2) Includes also undistributed amounts.

n. The Bank has no particular agreement with a credit rating agency.

o. There is no credit rating for issuer or issue for the items not included in trading accounts where there is no credit ratings.

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p. Risk amounts according to risk weights

Risk Weights ¹ (Current Period)	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	500%	Other Risk Weights	Deductions from Equity
Amount before Credit Risk Mitigation	2,695,228	-	968,126	-	-	2,001,550	15,644	8,626,356	-	-	-	-	-
Amounts after Credit Risk Mitigation	2,695,228	-	968,126	-	48,394	2,484,972	15,644	7,966,225	-	-	-	-	-

⁽¹⁾ Excluding counterparty credit risk and securitization positions

Risk Weights (Prior Period)	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	500%	Other Risk Weights	Deductions from Equity
Amount before Credit Risk Mitigation	1,987,875	-	742,006	-	-	992,698	1,696	7,222,279	-	-	-	242,045	-
Amounts after Credit Risk Mitigation	1,987,875	-	742,007	-	37,670	1,467,218	1,696	6,309,673	-	-	-	242,345	-

r. Miscellaneous Information by major sectors and type of counterparties

In accordance with TFRS 9;

Impaired loans; By the end of the reporting period, not more than 90 days overdue or impaired due to credibility. For such loans, "Specific Provisions" are calculated within the scope of TFRS 9 Financial Assets.

Overdue Loans; By the end of the reporting period up to 90 days due but not impaired loans. For such loans, "Stage 1 and Stage 2" expected credit losses are calculated within the scope of Provision Regulation.

	Current Period			Prior Period		
	Loans ¹		Provisions	Loans ¹		Provisions
	Impaired Loans (TFRS 9)		Expected Credit Losses (TFRS 9) ²	Impaired Loans (TFRS 9)		Expected Credit Losses (TFRS 9) ²
	Significant increase in credit risk (Stage 2)	Non- Performing Loans (Stage 3)		Significant increase in credit risk (Stage 2)	Non- Performing Loans (Stage 3)	
Agriculture	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-
Forestry	-	-	-	-	-	-
Fishery	-	-	-	-	-	-
Manufacturing	8,258	15,051	6,692	13,115	-	252
Mining and Quarrying	-	-	-	-	-	-
Production	8,258	15,051	6,692	13,115	-	252
Electricity, Gas and Water	-	-	-	-	-	-
Construction	-	-	-	-	13,787	13,787
Services	6,496	20,217	20,217	46,723	-	17,174
Wholesale and Retail Trade	-	20,217	20,217	24,634	-	16,768
Accommodation and Dining	-	-	-	-	-	-
Transportation and Telecom	6,496	-	-	22,089	-	406
Financial Institutions	-	-	-	-	-	-
Real Estate and Rental Services	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	14,754	35,268	26,909	59,838	13,787	31,213

1) Breakdown of cash loans is given

2) Represents the expected loss provision for cash loans

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s. Movements in value adjustments and provisions

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
Specific provisions (Stage 3)	13,787	30,572	(3,741)	(13,807)	26,811
General provisions (Stage 1&2)	77,762	28,750	(75,078)	-	31,434

Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
Specific provisions (Stage 3)	17,190	-	(3,403)	-	13,787
General provisions (Stage 1&2)	71,290	45,691	(39,219)	-	77,762

t. Risk involved in counter-cyclical capital buffer calculation

The breakdown of private sector receivables by geographic area which considered in the calculation of counter-cyclical capital buffer in accordance with ‘Capital Conservation and Countercyclical Capital buffers’ published in official gazette dated 5 November 2013 and numbered 28812 and the sub-regulations are provided in the table below:

Current Period	Banking book for private sector lending	RWAs of trading book	Total
Country			
Türkiye	8,527,231	-	8,527,231
Montenegro	-	-	-
Azerbaijan	724,761	-	724,761
United States of America	7,572	-	7,572
Austria	4,377	-	4,377
Russia	3,569	-	3,569
Germany	5,321	-	5,321
Georgia	8	-	8
Marshall Islands	191,664	-	191,664
China	177	-	177
Total	9,464,680	-	9,464,680

Prior Period	Banking book for private sector lending	RWAs of trading book	Total
Country			
Türkiye	6,979,185	-	6,979,185
Montenegro	338,039	-	338,039
Azerbaijan	199,348	-	199,348
United States of America	3,899	-	3,899
Austria	146	-	146
Russia	12,764	-	12,764
Germany	4,708	-	4,708
Georgia	1,590	-	1,590
Marshall Islands	137,674	-	137,674
China	77	-	77
Total	7,677,430	-	7,677,430

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III. EXPLANATIONS ON CURRENCY RISK

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

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

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

(Full TL)	USD	EUR
Foreign exchange rates as of 31 December 2024	35.2803	36.7362
1. Bid rate	35.2233	36.7429
2. Bid rate	35.1368	36.6134
3. Bid rate	35.2033	36.6076
4. Bid rate	35.2162	36.6592
5. Bid rate	35.1814	36.5693
Arithmetic average – 30 days	34.9254	36.5796
Foreign exchange rates as of prior period	29.4382	32.5739

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	(2,307)	(7,351)	(2,307)	(7,351)
USD	10% increase	2,307	7,351	2,307	7,351
EUR	10% decrease	(2,504)	(4,680)	(2,606)	(4,680)
EUR	10% increase	2,504	4,680	2,606	4,680

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Current Period	EURO	USD	Other FC	Total
Assets				
Cash and Cash Equivalents (Cash in vault, effectiveness, money in transfer and cheques purchased) and Balances with the Central Bank of Türkiye	841,403	926,954	45	1,768,402
Due from Banks	135,849	1,231,177	7,294	1,374,320
Financial Assets at Fair Value Through Profit or Loss	83,713	-	-	83,713
Money Market Placements	-	-	-	-
Financial assets at fair value through other comprehensive income	-	18,986	-	18,986
Loans ¹	1,010,393	2,330,987	-	3,341,380
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial assets at fair value through profit or loss	-	1,223,432	-	1,223,432
Derivative Financial Assets	-	-	-	-
Property and Equipment	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	-	-	-	-
Total Assets	2,071,358	5,731,536	7,339	7,810,233
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Payables	528,524	83,902	-	612,426
Funds Borrowed From Other Financial Institutions	1,105,365	2,456,847	-	3,562,212
Marketable Securities Issued	-	886,722	-	886,722
Miscellaneous Payables ³	375,816	988,537	6,926	1,371,279
Derivative Financial Liabilities ⁴	-	-	-	-
Other Liabilities ^{2,5}	38,588	1,290,490	143	1,329,221
Total Liabilities	2,048,293	5,706,498	7,069	7,761,860
Net On-balance Sheet Position	23,065	25,038	270	48,373
Net Off-balance Sheet Position	-	-	-	-
Derivative Financial Assets	-	-	-	-
Derivative Financial Liabilities	-	-	-	-
Non-Cash Loans	196,400	390,324	28,852	615,576
Prior Period				
Total Assets	2,149,010	5,242,947	25,772	7,417,729
Total Liabilities	2,306,915	4,744,471	15,906	7,067,292
Net On-balance Sheet Position	(157,905)	498,476	9,866	350,437
Net Off-balance Sheet Position	224,759	(393,459)	-	(168,700)
Derivative Financial Assets	228,017	-	-	228,017
Derivative Financial Liabilities	3,258	393,459	-	396,717
Non-Cash Loans	339,478	200,937	100,095	640,510

¹⁾ Foreign currency indexed loans amounting to TL 6,392 (31 December 2023 – TL 21,907), receivables from leasing transactions amounting to TL 722,328 (31 December 2023 – TL 707,500) and foreign currency expected credit losses amounting to TL 17,088 (31 December 2023 – TL 23,397) are included.

²⁾ Borrowers’ funds amounting to TL 443,565 (31 December 2023 – TL 436,671) are included.

³⁾ Presented in other liabilities at financial statements.

⁴⁾ There is no net income/expense accrual related to foreign currency derivative financial assets (31 December 2023 – TL 1,199 of net expense accrual).

⁵⁾ Subordinated loans and provisions are presented in other liabilities.

⁶⁾ Expected credit loss provisions have been netted off.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. EXPLANATIONS ON INTEREST RATE RISK

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

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

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

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and over	Non-Interest Bearing ¹	Total
Assets							
Cash and Cash Equivalents (Cash in vault, effectiveness, money in transfer and cheques purchased) and Balances with the CB of Türkiye	914,670	-	-	-	-	882,469	1,797,139
Due from Banks	1,269,903	-	-	-	-	137,285	1,407,188
Financial Assets at Fair Value Through Profit/Loss ⁷	-	-	-	-	-	96,091	96,091
Money Market Placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	99,063	8,089	67,579	68,164	-	7,659	250,554
Loans ²	2,054,485	1,495,895	1,882,380	1,590,523	5,101	(39,433)	6,988,951
Financial assets measured at amortised cost	3,877	285,424	319,524	938,204	-	(8,838)	1,538,191
Other Assets	-	-	-	-	-	835,195	835,195
Total Assets	4,341,998	1,789,408	2,269,483	2,596,891	5,101	1,910,428	12,913,309
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Payables	915,449	116,402	384,113	3,408	-	-	1,419,372
Miscellaneous Payables ⁵	35,750	66,330	2,140	-	-	554,178	658,398
Marketable Securities Issued	51,436	4,714	1,092,152	-	-	-	1,148,302
Funds Borrowed From Other Financial Institutions	2,328,507	908,622	1,213,116	1,023,129	-	4,176	5,477,550
Other Liabilities ^{3,4}	10,680	179,618	179,296	882,008	-	2,958,085	4,209,687
Total Liabilities	3,341,822	1,275,686	2,870,817	1,908,545	-	3,516,439	12,913,309
Balance Sheet Long Position	1,000,176	513,722	-	688,346	5,101	-	2,207,345
Balance Sheet Short Position	-	-	(601,334)	-	-	(1,606,011)	(2,207,345)
Off-balance Sheet Long Position ⁶	-	-	-	-	-	-	-
Off-balance Sheet Short Position ⁶	-	-	-	-	-	-	-
Total Position	1,000,176	513,722	(601,334)	688,346	5,101	(1,606,011)	-

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

²⁾ Finance lease receivables are included.

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

⁴⁾ Borrowers' funds and subordinated loans are presented in the other liabilities.

⁵⁾ Presented in other liabilities at financial statements.

⁶⁾ Includes asset purchase and sale commitments.

⁷⁾ Includes derivative financial assets.

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Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and over	Non- Interest Bearing ¹	Total
Assets							
Cash and Cash Equivalents (Cash in vault, effectiveness, money in transfer and cheques purchased) and Balances with the CB of Türkiye	868,236	-	-	-	-	763,065	1,631,301
Due from Banks	254,464	-	-	-	-	203,522	457,986
Financial Assets at Fair Value Through Profit/Loss ⁷	1,238	-	-	-	-	90,603	91,841
Money Market Placements	451,585	-	-	-	-	-	451,585
Financial assets at fair value through other comprehensive income	70,474	1,197	18,418	44,180	-	7,659	141,928
Loans ²	1,086,269	1,200,525	2,084,858	1,265,305	5,085	(57,435)	5,584,607
Financial assets measured at amortised cost	2,426	55,191	34,782	826,438	29,427	(17,792)	930,472
Other Assets	-	-	-	-	-	620,452	620,452
Total Assets	2,734,692	1,256,913	2,138,058	2,135,923	34,512	1,610,074	9,910,172
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Payables	712,253	56,547	306,322	-	-	-	1,075,122
Miscellaneous Payables	142,721	20,507	2,087	-	-	467,087	632,402
Marketable Securities Issued	23,867	128,132	735,955	-	-	-	887,954
Funds Borrowed From Other Financial Institutions	2,080,406	859,151	625,166	1,148,090	-	1,011	4,713,824
Other Liabilities ^{3,4}	15,467	334,683	-	735,955	-	1,514,765	2,600,870
Total Liabilities	2,974,714	1,399,020	1,669,530	1,884,045	-	1,982,863	9,910,172
Balance Sheet Long Position	-	-	468,528	251,878	34,512	-	754,918
Balance Sheet Short Position	(240,022)	(142,107)	-	-	-	(372,789)	(754,918)
Off-balance Sheet Long Position ⁶	398,178	-	-	-	-	-	398,178
Off-balance Sheet Short Position ⁶	(396,717)	-	-	-	-	-	(396,717)
Total Position	(238,561)	(142,107)	468,528	251,878	34,512	(372,789)	1,461

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

²⁾ Finance lease receivables are included.

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

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

⁵⁾ Presented in other liabilities at financial statements.

⁶⁾ Includes asset purchase and sale commitments.

⁷⁾ Includes derivative financial assets.

b. Average interest rates for monetary financial instruments

Current Period	EUR %	USD %	JPY %	TRY %
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	3.50	0.29	-	-
Due From Banks	4.10	4.77	-	48.50
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	8.24	-	45.63
Loans	8.44	8.61	-	50.12
Financial Assets Measured at Amortised Cost	-	8.42	-	42.34
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Payables	1.12	5.15	-	48.87
Miscellaneous Payables ⁽¹⁾	-	6.38	-	51.72
Marketable Securities Issued	-	6.19	-	48.78
Funds Borrowed From Other Financial Institutions	4.43	6.15	-	48.16

⁽¹⁾ Includes borrowers' funds and subordinated loans.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

	EUR %	USD %	JPY %	TRY %
Prior Period				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	1.78	4.75	-	-
Due From Banks	2.88	4.90	-	31.47
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Money Market Placements	-	-	-	15.48
Financial Assets at Fair Value Through Other Comprehensive Income	-	8.24	-	31.82
Loans	6.44	9.44	-	30.83
Financial Assets Measured at Amortised Cost	-	8.26	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Payables	3.48	4.30	-	28.14
Miscellaneous Payables ⁽¹⁾	2.82	5.60	-	25.30
Marketable Securities Issued	1.75	4.23	-	34.64
Funds Borrowed From Other Financial Institutions	3.52	6.03	-	20.70

⁽¹⁾ Includes funds item.

- 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	(60,174)	(2.46)
TRY	(-) 400 basis point	51,677	2.11
USD	(+) 200 basis point	85,770	3.50
USD	(-) 200 basis point	(102,919)	(4.20)
EUR	(+) 200 basis point	(4,510)	(0.18)
EUR	(-) 200 basis point	5,133	0.21
TOTAL (for negative shocks)		(46,109)	(1.88)
TOTAL (for positive shocks)		21,086	0.86

Prior Period Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity(%)
TRY	(+) 500 basis point	(21,032)	(1.07)
TRY	(-) 400 basis point	18,005	0.92
USD	(+) 200 basis point	(75,014)	(3.83)
USD	(-) 200 basis point	101,108	5.16
EUR	(+) 200 basis point	(3,700)	(0.19)
EUR	(-) 200 basis point	4,194	0.21
TOTAL (for negative shocks)		123,307	6.29
TOTAL (for positive shocks)		(99,746)	(5.09)

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. EXPLANATIONS ON EQUITY POSITION RISK

As of 31 December 2024, the Bank does not hold equity securities position (31 December 2023 - None).

VI. 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 1 November 2006 and numbered 26333 by BRSA, starting from 1 June 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.

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INFORMATION RELATED TO 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 payables.

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.

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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, 82% of the high quality liquid assets of LCR subject bank accounts with the Central Bank, and 16% of the issued securities is composed by the Treasury of Republic of Türkiye. The main funding sources of the Bank are funds borrowed, subordinated loans, borrowers' funds, debts due to money markets and securities issued. As of the balance sheet date, 73% of the Bank's fund resources, excluding equity, consists of funds borrowed and debts to money markets, 12% consists of debt securities issued, 5% consist of funds 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 ⁽²⁾	Total amount which is not applied consideration rate		Total amount which is applied consideration rate	
	LC+FC	FC	LC+FC	FC
High-quality Liquidity Assets (HLA)				
1 High-quality Liquidity Assets			1,952,458	1,703,206
Cash Outflows				
2 Real person assets and retail assets	-	-	-	-
3 Stable assets	-	-	-	-
4 Lower Stable assets	-	-	-	-
5 Out of junior debts from real person assets and retail assets	2,651,339	1,099,903	2,651,339	1,099,903
6 Operational assets	-	-	-	-
7 Non-operating assets	-	-	-	-
8 Other Junior debt	2,651,339	1,099,903	2,651,339	1,099,903
9 Secured Debts				-
10 Other Cash Outflows	635,031	353,158	296,653	178,264
11 Derivative liabilities and margin liabilities	11	-	11	-
12 Debts from Structured financial instruments	-	-	-	-
13 Payment commitments for debts to financial markets and other off-balance sheet liabilities	635,020	353,158	296,642	178,264
14 Revocable off-balance sheet other liabilities and other contractual liabilities notwithstanding to any conditions	-	-	-	-
15 Other irrevocable or conditionally revocable off-balance sheet liabilities	-	-	-	-
16 TOTAL CASH OUTFLOWS			2,947,992	1,278,167
CASH INFLOWS				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	1,424,114	729,928	987,281	618,344
19 Other cash inflows	6,760	1,046	6,760	1,046
20 TOTAL CASH INFLOWS	1,430,874	730,974	994,041	619,390
21 TOTAL HLA STOCK			Upper limit applied amount	
			1,952,458	1,703,206
22 TOTAL NET CASH OUTFLOWS ⁽¹⁾			1,953,951	658,777
23 LIQUIDITY COVERAGE RATION (%)			99.92%	258.54%

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

⁽²⁾ Simple arithmetic mean of weekly unconsolidated liquidity ratios for the last three9 months including the reporting period are accounted in the table above.

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Prior Period ⁽²⁾	Total amount which is not applied consideration rate		Total amount which is applied consideration rate	
	LC+FC	FC	LC+FC	FC
High-quality Liquidity Assets (HLA)				
1 High-quality Liquidity Assets			1,781,749	1,716,140
Cash Outflows				
2 Real person assets and retail assets	-	-	-	-
3 Stable assets	-	-	-	-
4 Lower Stable assets	-	-	-	-
5 Out of junior debts from real person assets and retail assets	2,456,403	1,930,511	2,456,403	1,930,511
6 Operational assets	-	-	-	-
7 Non-operating assets	-	-	-	-
8 Other Junior debt	2,456,403	1,930,511	2,456,403	1,930,511
9 Secured Debts			-	-
10 Other Cash Outflows	453,945	222,605	213,130	126,377
11 Derivative liabilities and margin liabilities	107	-	107	-
12 Debts from Structured financial instruments	-	-	-	-
13 Payment commitments for debts to financial markets and other off-balance sheet liabilities	453,838	222,605	213,023	126,377
14 Revocable off-balance sheet other liabilities and other contractual liabilities notwithstanding to any conditions	-	-	-	-
15 Other irrevocable or conditionally revocable off-balance sheet liabilities	-	-	-	-
16 TOTAL CASH OUTFLOWS			2,669,533	2,056,888
CASH INFLOWS				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	1,259,470	851,795	855,301	645,108
19 Other cash inflows	1,552	2,692	1,552	2,692
20 TOTAL CASH INFLOWS	1,261,022	854,487	856,853	647,800
21 TOTAL HLA STOCK			Upper limit applied amount	
			1,781,749	1,716,140
22 TOTAL NET CASH OUTFLOWS ⁽¹⁾			1,812,680	1,409,088
23 LIQUIDITY COVERAGE RATION (%)			98.29%	121.79%

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

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

The maximum and minimum liquidity coverage ratio for the last three months of 2024 and 2023 are presented below.

Current Period	Maximum	Week	Minimum	Week	Average
FC	490.14	20.12.2024	187.14	6.12.2024	258.54
LC+FC	146.00	18.10.2024	75.38	6.12.2024	99.92
Prior Period	Maximum	Week	Minimum	Week	Average
FC	160.15	5.10.2023	90.69	24.11.2023	121.79
LC+FC	125.00	3.11.2023	78.06	24.11.2023	98.29

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

Current Period	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
	FC	FC+LC	FC	FC+LC
Average (%)	272	133	178	122
Maximum (%)	434	169	258	159
Minimum (%)	149	104	115	100
Prior Period	FC	FC+LC	FC	FC+LC
Average (%)	183	134	136	119
Maximum (%)	271	176	187	148
Minimum (%)	132	106	100	101

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

Current Period	Demand	Up to 1 month	1-3 Month	3-12 Month	1-5 Year	5 Year and Over	Unclassified⁽¹⁾	Total
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	941,860	855,842	-	-	-	-	(563)	1,797,139
Due From Banks	159,909	1,249,304	-	-	-	-	(2,025)	1,407,188
Financial Assets at Fair Value Through Profit/Loss ⁽⁷⁾	-	-	-	-	12,378	83,713	-	96,091
Money Market Placements	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	7,659	5,056	8,089	159,089	70,661	-	-	250,554
Loans ⁽²⁾	-	1,779,298	1,397,782	2,061,825	1,676,680	112,799	(39,433)	6,988,951
Financial assets measured at amortized cost	-	3,877	285,424	319,524	938,204	-	(8,838)	1,538,191
Other Assets	-	96,510	4,719	13,906	6,674	-	713,386	835,195
Total Assets	1,109,428	3,989,887	1,696,014	2,554,344	2,704,597	196,512	662,527	12,913,309
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	4,176	2,328,507	908,622	1,213,116	1,023,129	-	-	5,477,550
Money Market Payables	-	915,449	116,402	384,113	3,408	-	-	1,419,372
Marketable Securities Issued	-	51,436	4,714	1,092,151	1	-	-	1,148,302
Miscellaneous Payables ⁽⁵⁾	533,513	56,415	66,330	2,140	-	-	-	658,398
Other Liabilities ^{(3),(4)}	979,642	121,928	213,655	222,728	2,026	882,928	1,786,780	4,209,687
Total Liabilities	1,517,331	3,473,735	1,309,723	2,914,248	1,028,564	882,928	1,786,780	12,913,309
Liquidity Gap	(407,903)	516,152	386,291	(359,904)	1,676,033	(686,416)	(1,124,253)	-
Net Off-Balance Sheet Liquidity Gap	-	-	-	-	-	-	-	-
Financial Derivative Assets ⁽⁶⁾	-	-	-	-	-	-	-	-
Financial Derivative Liabilities ⁽⁶⁾	-	-	-	-	-	-	-	-
Non-cash Loans	356,227	30,000	127,987	644,118	160,692	-	-	1,319,024

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

⁽²⁾ Finance lease receivables are included.

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

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

⁽⁵⁾ Presented in other liabilities at financial statements.

⁽⁶⁾ Includes asset purchase and sale commitments

⁽⁷⁾ Includes derivative financial assets

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

Prior Period	Demand	Up to 1 month	1-3 Month	3-12 Month	1-5 Year	5 Year and Over	Unclassified ⁽¹⁾	Total
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	878,211	754,461	-	-	-	-	(1,371)	1,631,301
Due From Banks	210,800	250,339	-	-	-	-	(3,153)	457,986
Financial Assets at Fair Value Through Profit/Loss ⁽⁷⁾	-	1,238	-	-	5,005	85,598	-	91,841
Money Market Placements	-	451,585	-	-	-	-	-	451,585
Financial assets at fair value through other comprehensive income	7,659	1,307	1,198	19,118	112,646	-	-	141,928
Loans ⁽²⁾	-	997,960	1,171,080	2,059,075	1,408,842	5,085	(57,435)	5,584,607
Financial assets measured at amortized cost	-	2,426	55,190	34,783	826,438	29,427	(17,792)	930,472
Other Assets	-	10,540	7,008	6,000	1,335	-	595,569	620,452
Total Assets	1,096,670	2,469,856	1,234,476	2,118,976	2,354,266	120,110	515,818	9,910,172
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,011	2,080,406	859,151	625,166	1,148,090	-	-	4,713,824
Money Market Payables	-	712,253	56,547	306,322	-	-	-	1,075,122
Marketable Securities Issued	-	23,867	128,132	735,955	-	-	-	887,954
Miscellaneous Payables ⁽⁵⁾	462,047	147,761	20,507	2,087	-	-	-	632,402
Other Liabilities ^{(3),(4)}	93,090	39,051	363,627	29,106	304	736,013	1,339,679	2,600,870
Total Liabilities	556,148	3,003,338	1,427,964	1,698,636	1,148,394	736,013	1,339,679	9,910,172
Liquidity Gap	540,522	(533,482)	(193,488)	420,340	1,205,872	(615,903)	(823,861)	-
Net Off-Balance Sheet Liquidity Gap	-	1,461	-	-	-	-	-	1,461
Financial Derivative Assets ⁽⁶⁾	-	398,178	-	-	-	-	-	398,178
Financial Derivative Liabilities ⁽⁶⁾	-	(396,717)	-	-	-	-	-	(396,717)
Non-cash Loans	235,693	2,944	176,624	572,550	155,154	9,361	-	1,152,326

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

⁽²⁾ Finance lease receivables are included.

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

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

⁽⁵⁾ Presented in other liabilities at financial statements.

⁽⁶⁾ Includes asset purchase and sale commitments

⁽⁷⁾ Includes derivative financial assets

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

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total Outflow	Carrying Amount
Deposits	-	-	-	-	-	-	-
Funds borrowed	2,343,417	956,195	1,346,280	1,242,280	1,021,163	6,909,335	5,477,550
Money market payables	917,037	121,362	387,505	3,616	-	1,429,520	1,419,372
Financial leasing payables	36	66	204	219	-	525	399
Securities issued	51,978	13,649	1,173,854	-	-	1,239,481	1,148,302
Funds	107,181	181,869	187,427	-	-	476,477	465,814
Miscellaneous payables	1,473,270	68,121	2,170	-	-	1,543,561	658,398
Subordinated debt	-	12,185	38,216	202,156	1,021,163	1,273,720	882,285
Total	4,892,919	1,353,447	3,135,656	1,448,271	2,042,326	12,872,619	10,052,120

Prior Period	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total Outflow	Carrying Amount
Deposits	-	-	-	-	-	-	-
Funds borrowed	2,087,881	881,814	736,979	1,408,720	894,238	6,009,632	4,713,824
Money market payables	713,051	56,897	311,273	-	-	1,081,221	1,075,122
Financial leasing payables	50	82	254	149	-	535	485
Securities issued	24,118	141,929	746,534	-	-	912,581	887,954
Funds	108,535	338,583	-	-	-	447,118	442,751
Miscellaneous payables	610,034	20,666	2,117	-	-	632,817	632,402
Subordinated debt	-	10,514	32,003	168,565	894,238	1,105,320	736,414
Total	3,543,669	1,450,485	1,829,160	1,577,434	1,788,476	10,189,224	8,488,952

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

As of 31 December 2024, the Bank has no derivative instruments.

Prior Period	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Forward Transactions-Buy	398,178	-	-	-	-	398,178
Forward Transactions-Sell	(396,717)	-	-	-	-	(396,717)
Swap Transactions-Buy	-	-	-	-	-	-
Swap Transactions-Sell	-	-	-	-	-	-
Futures Transactions-Buy	-	-	-	-	-	-
Futures Transactions-Sell	-	-	-	-	-	-
Options-Buy	-	-	-	-	-	-
Options-Sell	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	1,461	-	-	-	-	1,461

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. Net Stable Funding Ratio

Current Period	Unweighted Amount According to Residual Maturity				Total Weighted Amount
	Non Maturity*	Residual maturity of less than 6 months	Maturity of six months and longer but less than one year	Residual maturity of one year or more	
A vailable stable funding					
Capital Instruments	2,408,179	-	-	-	2,408,179
Tier 1 Capital and Tier 2 Capital	2,408,179	-	-	-	2,408,179
Other Capital Instruments	-	-	-	-	-
Real-person and Retail Customer Deposits	378	98,314	-	-	93,757
Stable Deposits	378	98,314	-	-	93,757
Less Stable Deposits	-	-	-	-	-
Other Obligations	-	663,810	1,199,148	-	931,479
Operational deposits	-	-	-	-	-
Other Obligations	-	663,810	1,199,148	-	931,479
Liabilities equivalent to interconnected assets					
Other Liabilities	3,949	4,149,319	-	2,559,604	2,559,604
Derivative liabilities	-	-	-	-	-
All other equity not included in the above categories	3,949	4,149,319	-	2,559,604	2,559,604
A vailable stable funding					5,993,019
Required stable funding					
Required stable funding					47,703
Deposits held at financial institutions for operational purposes	-	-	-	-	-
Performing Loans	2,102,273	811,918	3,231,946	1,909,781	3,651,826
Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	2,102,273	811,918	481,552	73,767	751,671
Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	-	2,750,395	1,716,300	2,834,052
Residential mortgages with a risk weight of less than or equal to %35	-	-	-	-	-
Residential mortgages	-	-	-	41,635	27,063
Residential mortgages with a risk weight of less than or equal to %35	-	-	-	-	-
Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	-	-	78,079	39,040
Assets equivalent to interconnected liabilities					
Other Assets	36,023	33,406	10,774	661,994	742,198
Physical traded commodities, including gold	-	-	-	-	-
Initial margin posted or given guarantee fund to central counterparty	-	-	-	-	-
Derivative Assets	-	212	-	-	212
Derivative Liabilities before the deduction of the variation margin	-	-	-	-	-
Other Assets not included above	36,023	33,194	10,775	661,994	741,986
Off-balance sheet commitments	-	73,020	1,333,923	-	70,347
Total Required stable funding					4,512,074
Net Stable Funding Ratio (%) "Current/Required Stable Funding"					132.82

*Items listed under the 'Non-Maturing' column have no specified maturity. These include, but are not limited to, equity elements with no specific maturity, demand deposits, short positions, positions with no specified maturity, equities that do not qualify as high-quality liquid assets, and physically deliverable commodities.

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I. Net Stable Funding Ratio (Continued)

Prior Period	Unweighted Amount According to Residual Maturity				Total Weighted Amount
	Non Maturity*	Residual maturity of less than 6 months	Maturity of six months and longer but less than one year	Residual maturity of one year or more	
A available stable funding					
Capital Instruments	1,839,859	-	-	-	1,839,859
Tier 1 Capital and Tier 2 Capital	1,839,859	-	-	-	1,839,859
Other Capital Instruments	-	-	-	-	-
Real-person and Retail Customer Deposits	2,021	144,717	-	-	139,401
Stable Deposits	2,021	144,717	-	-	139,401
Less Stable Deposits	-	-	-	-	-
Other Obligations	-	426,682	847,688	-	-
Operational deposits	-	-	-	-	-
Other Obligations	-	426,682	847,688	-	637,185
Liabilities equivalent to interconnected assets					
Other Liabilities	1,408	4,185,551	-	1,845,242	1,845,242
Derivative liabilities		-	-	-	
All other equity not included in the above categories	1,408	4,185,551	-	1,845,242	1,845,242
A available stable funding					4,461,687
Required stable funding					
Required stable funding					29,280
Deposits held at financial institutions for operational purposes	-	-	-	-	-
Performing Loans	1,260,831	299,661	2,981,032	1,994,899	3,443,507
Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	1,260,831	299,661	184,933	355,476	682,017
Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	-	2,796,099	1,537,488	2,704,914
Residential mortgages with a risk weight of less than or equal to %35	-	-	-	-	-
Residential mortgages	-	-	-	37,396	24,307
Residential mortgages with a risk weight of less than or equal to %35	-	-	-	-	-
Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	-	-	64,539	32,269
Assets equivalent to interconnected liabilities					
Other Assets	13,787	3,168	24,656	411,184	452,795
Physical traded commodities, including gold	-	-	-	-	-
Initial margin posted or given guarantee fund to central counterparty		-	-	-	-
Derivative Assets		568	-	-	568
Derivative Liabilities before the deduction of the variation margin		-	-	-	-
Other Assets not included above	13,787	2,600	24,656	411,184	452,227
Off-balance sheet commitments		167,070	1,102,038	-	63,455
Total Required stable funding					3,989,037
Net Stable Funding Ratio (%) "Current/Required Stable Funding"					111.85

*Items listed under the 'Non-Maturing' column have no specified maturity. These include, but are not limited to, equity elements with no specific maturity, demand deposits, short positions, positions with no specified maturity, equities that do not qualify as high-quality liquid assets, and physically deliverable commodities.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VII. EXPLANATIONS ON LEVERAGE RATIO

Unconsolidated leverage ratio was realized as 11.3% (31 December 2023 - 9.6%). The increase occurred in the on-balance sheet assets and off-balance sheet transactions led to a change in leverage compared to the previous period. Regulation has been linked to the provision of the minimum leverage ratio of 3%.

	Current Period ⁽¹⁾	Prior Period ⁽¹⁾
Asset On The Balance Sheet		
Assets on the balance sheet (excluding derivative financial instruments and loan derivatives, including collaterals)	11,606,001	9,251,653
(Assets deducted from core capital)	(20,853)	(18,882)
Total risk amount for assets on the balance sheet	11,585,148	9,232,771
Derivative Financial Instruments and Loan Derivatives		
Renewal cost of derivative financial instruments and loan derivatives	-	-
Potential credit risk amount of derivative financial instruments and loan derivatives	149	797
Total risk amount of derivative financial instruments and loan derivatives	149	797
Financing Transactions With Securities Or Goods Warranties		
Risk amount of financial transactions with securities or goods warranties (excluding those in the balance sheet)	387,663	267,398
Risk amount arising from intermediated transactions	-	-
Total risk amount of financing transactions with securities or goods warranties	387,663	267,398
Off-the-Balance Sheet Transactions		
Gross nominal amount of the off-the-balance sheet transactions	1,406,943	1,263,248
Adjustment amount arising from multiplying by the credit conversion rate	-	-
Total risk amount for off-the-balance sheet transactions	1,406,943	1,263,248
Capital and Total Risk		
Core capital	1,514,384	1,038,069
Total risk amount	13,379,903	10,764,214
Leverage Ratio		
Leverage ratio (%)	11.3%	9.6%

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

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VIII. 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.

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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)	8,928,432	7,332,790	714,275
Of which standardised approach (SA)	8,928,432	7,332,790	714,275
Of which internal rating-based (IRB) approach	-	-	-
Counterparty credit risk	406,485	267,439	32,519
Of which standardised approach for counterparty credit risk (SA-CCR)	406,485	267,439	32,519
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	96,092	90,602	7,687
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	70,538	196,413	5,643
Of which standardised approach (SA)	70,538	196,413	5,643
Of which internal model approaches (IMM)	-	-	-
Operational risk	635,904	352,699	50,872
Of which Basic Indicator Approach	635,904	352,699	50,872
Of which Standardised Approach	-	-	-
Of which Advanced Measurement Approach	-	-	-
Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
Floor adjustment	-	-	-
Total	10,137,451	8,239,943	810,996

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c. Linkages between financial statements and regulatory exposures

c.1) Differences and mapping between regulatory consolidation and financial statement

Current Period	Carrying values as reported in published financial statements ¹	Carrying values of items in accordance with TAS				Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk	Subject to counterparty credit risk	Subject to the securitisation	Subject to market risk ²	
Assets						
Cash and cash equivalents	3,204,327	3,206,915	-	-	-	-
Financial assets at fair value through profit or loss	96,091	96,091	-	-	-	-
Financial assets at fair value through other comprehensive income	250,554	250,554	62,479	-	-	-
Derivative financial assets	-	-	-	-	-	-
Loans (Net)	5,771,407	5,807,355	-	-	-	-
Receivables from leasing transactions (Net)	1,217,544	1,221,029	-	-	-	-
Factoring receivables (Net)	-	-	-	-	-	-
Financial assets measured at amortised cost (Net)	1,538,191	1,547,029	1,110,324	-	-	-
Non-currents assets or disposal groups held for sale and from discontinued operations (Net)	-	-	-	-	-	-
Investments in associates (Net)	-	-	-	-	-	-
Investments in subsidiaries (Net)	-	-	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	-	-	-	-	-	-
Tangible assets (Net)	72,654	72,654	-	-	-	-
Intangible assets and goodwill (Net)	21,294	-	-	-	-	21,294
Investment properties (Net)	208,487	208,487	-	-	-	-
Current tax assets	-	-	-	-	-	-
Deferred tax assets	398,884	398,884	-	-	-	-
Other assets (Net)	133,876	133,876	-	-	-	-
Total assets	12,913,309	12,942,874	1,172,803	-	-	21,294
Liabilities						
Deposits	-	-	-	-	-	-
Funds borrowed	5,477,550	-	-	-	-	5,477,550
Money market payables	1,419,372	-	824,988	-	-	594,384
Securities issued (Net)	1,148,302	-	-	-	-	1,148,302
Funds	465,814	-	-	-	-	465,814
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-
Factoring payables	-	-	-	-	-	-
Lease payables (Net)	399	-	-	-	-	399
Provisions	51,506	-	-	-	-	51,506
Current tax liabilities	46,730	-	-	-	-	46,730
Deferred tax liabilities	-	-	-	-	-	-
Liabilities related to non-current assets held for sale and discontinued operations (Net)	-	-	-	-	-	-
Subordinated debt	882,285	-	-	-	-	882,285
Other liabilities	1,646,077	-	-	-	-	1,646,077
Shareholders' equity	1,775,274	-	-	-	-	1,775,274
Total liabilities	12,913,309	-	824,988	-	-	12,088,321

1) Unconsolidated financial statements of Bank are stated.

2) The Amounts of financial instruments, which are measured in accordance with TAS and included in trading accounts within the scope of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” are represented in “Subject to market risk framework” column.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

	Carrying values as reported in published financial statements ¹	Carrying values of items in accordance with TAS				Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk	Subject to counterparty credit risk	Subject to the securitisation	Subject to market risk ²	
Prior Period						
Assets						
Cash and cash equivalents	2,540,872	2,545,396	-	-	-	-
Financial assets at fair value through profit or loss	90,603	90,603	-	-	-	-
Financial assets at fair value through other comprehensive income	141,928	141,928	66,081	-	-	-
Derivative financial assets	1,238	-	1,238	-	-	-
Loans (Net)	4,468,960	4,518,167	-	-	-	-
Receivables from leasing transactions (Net)	1,115,647	1,123,875	-	-	-	-
Factoring receivables (Net)	-	-	-	-	-	-
Financial assets measured at amortised cost (Net)	930,472	948,264	747,374	-	-	-
Non-currents assets or disposal groups held for sale and from discontinued operations (Net)	-	-	-	-	-	-
Investments in associates (Net)	-	-	-	-	-	-
Investments in subsidiaries (Net)	-	-	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	-	-	-	-	-	-
Tangible assets (Net)	81,455	81,455	-	-	-	-
Intangible assets and goodwill (Net)	19,762	-	-	-	-	19,762
Investment properties (Net)	201,660	201,660	-	-	-	-
Current tax assets	4,441	4,441	-	-	-	-
Deferred tax assets	292,532	292,532	-	-	-	161,688
Other assets (Net)	20,602	20,602	-	-	-	-
Total assets	9,910,172	9,968,923	814,693	-	-	181,450
Liabilities						
Deposits	-	-	-	-	-	-
Funds borrowed	4,713,824	-	-	-	-	4,713,824
Money market payables	1,075,122	-	603,045	-	-	472,077
Securities issued (Net)	887,954	-	-	-	-	887,954
Funds	442,751	-	-	-	-	442,751
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Derivative financial liabilities	30	-	30	-	-	-
Factoring payables	-	-	-	-	-	-
Lease payables (Net)	485	-	-	-	-	485
Provisions	40,158	-	-	-	-	40,158
Current tax liabilities	31,639	-	-	-	-	31,639
Deferred tax liabilities	-	-	-	-	-	-
Liabilities related to non-current assets held for sale and discontinued operations (Net)	-	-	-	-	-	-
Subordinated debt	736,414	-	-	-	-	736,414
Other liabilities	653,591	-	-	-	-	653,591
Shareholders' equity	1,328,204	-	-	-	-	1,328,204
Total liabilities	9,910,172	-	603,075	-	-	9,307,097

1) Unconsolidated financial statements of Bank are stated.

2) The Amounts of financial instruments, which are measured in accordance with TAS and included in trading accounts within the scope of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” are represented in “Subject to market risk framework” column.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

c.2) Main sources of differences between regulatory exposure amounts and carrying values in financial statements

	Current Period	Total	Subject to credit risk	Subject to securitization	Subject to counterparty credit risk	Subject to market risk ¹
1	Assets carrying value amount in accordance with TAS under scope of regulatory consolidation	14,115,677	12,942,874	-	1,172,803	-
2	Liabilities carrying value amount in accordance with TAS under regulatory scope of consolidation	824,988	-	-	824,988	-
3	Total net amount under regulatory scope of consolidation	13,290,689	12,942,874	-	347,815	-
4	Off-balance sheet amounts	1,323,432	961,545	-	-	-
5	Differences in valuations		-	-	-	-
6	Differences due to different netting rules		-	-	-	-
7	Differences due to consideration of provisions		-	-	-	-
8	Differences due to BRSA’s applications		-	-	-	-
9	Differences due to risk reduction		-	-	-	-
	Risk amounts		13,904,419	-	347,815	-

1) The Amounts of financial instruments, which are measured according to TAS and included in trading accounts within the scope of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”, are represented in “Subject to market risk framework” column are presented.

	Prior Period	Total	Subject to credit risk	Subject to securitization	Subject to counterparty credit risk	Subject to market risk ¹
1	Assets carrying value amount in accordance with TAS under scope of regulatory consolidation	10,783,616	9,968,923	-	814,693	-
2	Liabilities carrying value amount in accordance with TAS under regulatory scope of consolidation	603,045	-	-	603,045	-
3	Total net amount under regulatory scope of consolidation	10,180,571	9,968,923	-	211,648	-
4	Off-balance sheet amounts	1,160,469	961,367	-	-	-
5	Differences in valuations		-	-	-	-
6	Differences due to different netting rules		-	-	-	-
7	Differences due to consideration of provisions		-	-	-	-
8	Differences due to BRSA’s applications		-	-	-	-
9	Differences due to risk reduction		-	-	-	-
	Risk amounts		10,930,290	-	211,648	-

1) The Amounts of financial instruments, which are measured according to TAS and included in trading accounts within the scope of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”, are represented in “Subject to market risk framework” column are presented.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

c.3) Explanations of differences between amounts in accordance with TAS and regulatory exposure amounts

i) Differences between amounts presented in financial statements in accordance with TAS and amounts accounted in accordance with regulatory consolidation

None.

ii) Differences between amounts in accordance with TAS and regulatory exposure amounts

On counterparty credit risk related transactions, the differences between the valued amounts in accordance with TAS in the scope statutory consolidation and the amounts after risk reduction arise from the addition of potential risk amounts per maturity and transaction type to renewal cost of derivative transactions related to counterparty credit risk.

The valued amounts of the items which are subject to market risk per TAS represent the fair value of trading financial instruments. Despite that, the amount at the risk amount line represents the amount which is subject market risk that derives from the calculation of capital requirements due to the loss on interest rate risk of market risk, share price risk, currency risk in the scope of "Regulation on Measurement and Evaluation of Banks Capital Adequacy Ratio".

iii) Explanations related to the systems and controls which are defined to ensure prudence and reliability of valuation estimates in accordance with prudent valuation procedures and principles within the scope of appendix 3 of "Regulation on Measurement and Evaluation of Capital Adequacy of Banks"

In case financial instruments that are accounted at their fair values are traded in an active market, the valuation is made based on market price. The accuracy of market price that is used at valuation is being confirmed periodically. The fair value of financial instruments that are not traded in an active market are being calculated in accordance with TFRS 9. Derivative financial instruments are valued by discounted cash flow model with the use of market data. For the valuation of certain financial instruments, third party valuations and generally accepted valuation models can be used. The accuracy and independence of inputs that are used at the valuation of market value and/or used at valuation methods by modelling are being controlled periodically. In addition, there are control processes for the comparison of the current market value of financial instruments with the recalculated values

d. 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.

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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.

d.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	35,268	6,993,116	(39,433)	6,988,951
2	Debt securities	-	1,893,674	(10,163)	1,883,511
3	Off-balance sheet exposures	-	1,323,432	(6,061)	1,317,371
	Total	35,268	10,210,222	(55,657)	10,189,833

	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	13,787	5,628,255	(57,435)	5,584,607
2	Debt securities	-	1,180,795	(20,203)	1,160,592
3	Off-balance sheet exposures	-	1,500,508	(9,387)	1,491,121
	Total	13,787	8,309,558	(87,025)	8,236,320

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

		Current period	Prior Period
1	Beginning Balance	13,787	16,604
2	Additions	60,510	-
3	Receivables that are not re-default	-	-
4	Write-offs	(13,807)	-
5	Other changes ¹	(25,222)	(2,817)
	Ending Balance(1+2-3-4±5)	35,268	13,787

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

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

The Bank calculates 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 instruments.

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

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

Non-Performing loans and specific provision by geographic breakdown

	Current Period			Prior Period		
	NPL	Specific Provision	Write-offs	NPL	Specific Provision	Write-offs
Domestic	35,268	26,811	-	13,787	13,787	-
European countries	-	-	-	-	-	-
OECD countries	-	-	-	-	-	-
Off-shore banking regions	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-
Other countries	-	-	-	-	-	-
Total	35,268	26,811	-	13,787	13,787	-

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Non-Performing loans and specific provision by sectoral breakdown

	Current Period			Prior Period		
	NPL	Specific Provision	Write-offs	NPL	Specific Provision	Write-offs
Agriculture	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-
Forestry	-	-	-	-	-	-
Fishery	-	-	-	-	-	-
Manufacturing	15,051	6,594	-	-	-	-
Mining and Quarrying	-	-	-	-	-	-
Production	15,051	6,594	-	-	-	-
Electricity, Gas and Water	-	-	-	-	-	-
Construction	-	-	-	13,787	13,787	-
Services	20,217	20,217	-	-	-	-
Wholesale and Retail Trade	20,217	20,217	-	-	-	-
Accommodation and Dining	-	-	-	-	-	-
Transportation and Telecom	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	-
Real Estate and Rental Services	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	35,268	26,811	-	13,787	13,787	-

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

	Current Period	Prior Period
Up to 3 Months	35,268	24,634
3-12 Months	-	-
1-3 Years	-	8,410
3-5 Years	-	5,377
Over 5 Years	-	-
Total	35,268	38,421

Information on loans that have been restructured or rescheduled

	Current Period	Prior Period
Standard Loans that have been restructured or rescheduled	-	2,892
Loans Under Close Monitoring that have been restructured or rescheduled	2,008	26,999
Non-performing loans that have been restructured or rescheduled	-	-
Total	2,008	29,891

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

d.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 loans, it is essential to obtain appropriate collaterals.

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

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

		Exposures unsecured: carrying amount (According to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
	Current Period							
1	Loans and lease receivables	5,503,595	1,485,356	760,465	250,166	128,313	-	-
2	Debt securities	1,883,511	-	-	-	-	-	-
3	Total	7,387,106	1,485,356	760,465	250,166	128,313	-	-
4	Defaulted items	35,268	-	-	-	-	-	-

		Exposures unsecured: carrying amount (According to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
	Prior Period							
1	Loans and lease receivables	4,494,239	1,090,368	686,935	516,063	400,115	-	-
2	Debt securities	1,160,592	-	-	-	-	-	-
3	Total	5,654,831	1,090,368	686,935	516,063	400,115	-	-
4	Defaulted items	13,787	-	-	-	-	-	-

d.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.

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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	RWA Density (%)
	Risk Classifications						
1	Receivables from Central Governments or Central Banks	3,266,472	-	3,266,472	-	571,353	17.49
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	2,453,984	650,463	2,453,984	492,437	2,641,588	89.65
7	Corporate receivables	6,193,065	662,078	6,074,197	463,663	4,664,930	71.35
8	Retail receivables	15,644	-	15,644	-	11,733	75.00
9	Collateralized by real estate mortgages receivables	48,087	614	48,087	307	16,938	35.00
10	Collateralized by trading mortgages receivables	814,873	10,277	814,874	5,138	574,303	70.04
11	Non-performing receivables	35,268	-	8,458	-	8,458	100.00
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-
13	Collateralized securities	16,048	-	16,048	-	16,048	100.00
14	Short-term receivables and short-term corporate receivables from Banks and Brokerage corporations	-	-	-	-	-	-
15	Investments in nature of Collective Investment funds	96,092	-	96,092	-	96,092	100.00
16	Other receivables	415,532	-	415,532	-	415,422	99.97
17	Equity security investments	7,659	-	7,659	-	7,659	100.00
	Total	13,362,724	1,323,432	13,217,047	961,545	9,024,524	63.65

	Prior Period	Exposures before credit risk mitigation and credit conversion factors		Exposures after credit risk mitigation and credit conversion factors		Risk weighted assets (RWA) amounts and RWA density	
		On balance sheet amount	Off balance sheet amount	On balance sheet amount	Off balance sheet amount	RWA	RWA Density(%)
	Risk Classifications						
1	Receivables from Central Governments or Central Banks	2,503,769	-	2,503,769	-	515,966	20.61
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	1,619,989	421,420	1,383,710	329,943	1,186,575	69.24
7	Corporate receivables	5,059,343	738,105	4,896,070	630,952	4,942,748	89.43
8	Retail receivables	1,696	-	1,696	-	1,272	75.00
9	Collateralized by real estate mortgages receivables	37,303	734	37,303	367	13,184	35.00
10	Collateralized by trading mortgages receivables	564,475	210	564,475	105	323,627	57.32
11	Non-performing receivables	13,787	-	-	-	-	-
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-
14	Short-term receivables and short-term corporate receivables from Banks and Brokerage corporations	-	-	-	-	-	-
15	Investments in nature of Collective Investment funds	90,602	-	90,602	-	90,602	100.00
16	Other receivables	341,833	-	341,833	-	341,760	99.98
17	Equity security investments	7,659	-	7,659	-	7,659	100.00
	Total	10,240,456	1,160,469	9,827,117	961,367	7,423,393	68.81

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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	2,695,120	-	-	-	-	-	-	571,352	-	-	-	-	3,266,472
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	-	-	115,276	-	-	425,222	-	2,405,923	-	-	-	-	2,946,421
7	Corporate receivables	-	-	852,851	-	-	1,568,325	-	4,116,684	-	-	-	-	6,537,860
8	Retail receivables	-	-	-	-	-	-	15,644	-	-	-	-	-	15,644
9	Collateralized by real estate mortgages receivables	-	-	-	-	48,394	-	-	-	-	-	-	-	48,394
10	Collateralized by trading mortgages receivables	-	-	-	-	-	491,425	-	328,587	-	-	-	-	820,012
11	Non-performing receivables	-	-	-	-	-	-	-	8,458	-	-	-	-	8,458
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-	-	16,048	-	-	-	-	16,048
14	Short-term receivables and corporate receivables from Banks and Brokerage Corp.	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Investments in nature of Collective Investment funds	-	-	-	-	-	-	-	96,092	-	-	-	-	96,092
16	Equity security investments	-	-	-	-	-	-	-	7,659	-	-	-	-	7,659
17	Other receivables	110	-	-	-	-	-	-	415,422	-	-	-	-	415,532
	Total	2,695,230	-	968,127	-	48,394	2,484,972	15,644	7,966,225	-	-	-	-	14,178,592
	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	1,987,803	-	-	-	-	-	-	515,966	-	-	-	-	2,503,769
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	-	-	503,634	-	-	248,346	-	961,673	-	-	-	-	1,713,653
7	Corporate receivables	-	-	238,372	-	-	736,366	-	4,310,239	-	242,045	-	-	5,527,022
8	Retail receivables	-	-	-	-	-	-	1,696	-	-	-	-	-	1,696
9	Collateralized by real estate mortgages receivables	-	-	-	-	37,670	-	-	-	-	-	-	-	37,670
10	Collateralized by trading mortgages receivables	-	-	-	-	-	482,506	-	81,774	-	300	-	-	564,580
11	Non-performing receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	90,602	-	-	-	-	90,602
16	Equity security investments	-	-	-	-	-	-	-	7,659	-	-	-	-	7,659
17	Other receivables	72	-	-	-	-	-	-	341,761	-	-	-	-	341,833
	Total	1,987,875	-	742,006	-	37,670	1,467,218	1,696	6,309,674	-	242,345	-	-	10,788,484

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e . 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.

e.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)	-	-		1.40	-	-
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)					419,850	406,485
5	VaR for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
	Total						406,485

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	Prior Period	Revaluation Cost	Potential credit risk exposure	EEPE	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
1	Standard approach-CCR (for derivatives)	1,238	6		1.40	1,743	350
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)					269,789	267,089
5	VaR for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
	Total						267,439

e.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	-	-	1,743	-
	Total subject to the CVA capital charge	-	-	1,743	-

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

Current Period	Risk Weights								
Risk Classifications	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk ⁽¹⁾
Receivables from Central Governments or Central Banks	-	-	-	-	-	-	-	-	-
Receivables from Regional Management or Local Governments	-	-	-	-	-	-	-	-	-
Receivables from Administrative Units or Non-commercial Ventures	-	-	-	-	-	-	-	-	-
Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-	-
Receivables from International Organizations	-	-	-	-	-	-	-	-	-
Receivables from Banks and Brokerage Corporation	-	-	11,817	-	-	-	-	-	11,817
Corporate receivables	-	-	-	-	-	392,389	-	-	392,389
Retail receivables	-	-	-	-	15,644	-	-	-	15,644
Other assets ⁽²⁾	-	-	-	-	-	-	-	-	-
Total	-	-	11,817	-	15,644	392,389	-	-	419,850

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

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

Prior Period	Risk Weights								
Risk Classifications	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk ⁽¹⁾
Receivables from Central Governments or Central Banks	-	-	-	-	-	-	-	-	-
Receivables from Regional Management or Local Governments	-	-	-	-	-	-	-	-	-
Receivables from Administrative Units or Non-commercial Ventures	-	-	-	-	-	-	-	-	-
Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-	-
Receivables from International Organizations	-	-	-	-	-	-	-	-	-
Receivables from Banks and Brokerage Corporation	-	-	4,588	-	-	-	-	-	4,588
Corporate receivables	-	-	-	-	-	265,248	-	-	265,248
Retail receivables	-	-	-	-	1,696	-	-	-	1,696
Other assets ⁽²⁾	-	-	-	-	-	-	-	-	-
Total	-	-	4,588	-	1,696	265,248	-	-	271,532

(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

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e.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	-	-	-	-	-	222,807
Government bond/bill – other	-	-	-	-	-	448,583
Public institutions bond/bill	-	-	-	-	-	251,009
Corporate bond/bill	-	-	-	-	-	281,284
Share equities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	1,203,683

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	-	-	-	-	-	66,080
Government bond/bill – other	-	-	-	-	-	489,815
Public institutions bond/bill	-	-	-	-	-	245,289
Corporate bond/bill	-	-	-	-	-	35,125
Share equities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	836,309

e.5) CCR6 – Credit derivatives

The Bank does not have credit derivatives.

e.6) CCR8 – Exposures to central counterparties

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

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

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

g. Explanations on market risk

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

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

		Current Period RWA	Prior Period RWA
	Outright products		
1	Interest rate risk (general and specific)	20,463	24,275
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	50,075	172,138
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
	Total	70,538	196,413

h. Explanations on operational risk

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

Current Period	2 Prior Period Amount	Prior Period Amount	Current Period Amount	Total/ Positive GI year number	Ratio (%)	Total
Gross Revenue	147,695	327,625	542,127	339,149	15	50,872
Amount Subject to Operational Risk (Total*12,5)						635,904

Prior Period	2 Prior Period Amount	Prior Period Amount	Current Period Amount	Total/ Positive GI year number	Ratio (%)	Total
Gross Revenue	88,998	147,695	327,625	188,106	15	28,216
Amount Subject to Operational Risk (Total*12,5)						352,699

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

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

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

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

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	12,128,973	9,369,471	12,197,535	9,385,394
Money market placements	-	451,585	-	451,585
Banks	1,409,213	461,139	1,408,466	461,139
Cash and balances at Central Bank (*)	1,797,702	1,632,672	1,797,702	1,632,672
Derivative Financial assets	-	1,238	-	1,238
Financial assets at fair value through profit or loss	96,091	90,603	96,091	90,603
Financial assets at fair value through other comprehensive income	250,554	141,928	250,554	141,928
Financial assets measured at amortised cost	1,547,029	948,264	1,584,200	975,101
Loans	7,028,384	5,642,042	7,060,522	5,631,128
Financial Liabilities	10,051,721	8,488,497	10,071,560	8,506,056
Banks' deposits	-	-	-	-
Other deposits	-	-	-	-
Funds borrowed from other financial institutions	5,477,550	4,713,824	5,504,166	4,733,183
Securities issued	1,148,302	887,954	1,141,952	886,154
Miscellaneous payables	658,398	632,402	658,398	632,402
Money market payables	1,419,372	1,075,122	1,418,945	1,075,122
Derivative financial liabilities	-	30	-	30
Borrowers' funds	465,814	442,751	465,814	442,751
Subordinated loans	882,285	736,414	882,285	736,414

(*) Since its non-interest bearing and short term, the book value is equal to the fair value.

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Fair value hierarchy:

TFRS 13 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows:

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

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

Current Period	Level 1	Level 2	Level 3	Total
Derivative financial assets	-	-	-	-
Financial assets at fair value through profit or loss	12,378	-	83,713	96,091
Financial assets at fair value through other comprehensive income	242,895	-	7,659	250,554
Total Assets	255,273	-	91,372	346,645
Derivative financial liabilities	-	-	-	-
Total liabilities	-	-	-	-

Prior Period	Level 1	Level 2	Level 3	Total
Derivative financial assets	-	1,238	-	1,238
Financial assets at fair value through profit or loss	5,005	-	85,598	90,603
Financial assets at fair value through other comprehensive income	134,269	-	7,659	141,928
Total Assets	139,274	1,238	93,257	233,769
Derivative financial liabilities	-	30	-	30
Total liabilities	-	30	-	30

There are no transfers between the levels.

Movement in Level 3	Current Period	Prior Period
Opening balance	93,257	45,225
Additions	4,776	9,919
Disposals	-	-
Impairment	(6,661)	38,113
Transfers	-	-
Closing balance	91,372	93,257

X. 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.

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XI. EXPLANATIONS ON OPERATING SEGMENTS

Current Period	Corporate and Commercial Banking	Treasury and Asset Liability Management	Total
Total Assets	7,081,308	5,832,001	12,913,309
Total Liabilities	1,211,814	11,701,495	12,913,309
Net Interest Income/(Loss)	1,369,464	(819,324)	550,140
Net Fee and Commission Income/(Loss)	78,103	4,010	82,113
Dividend Income	-	5,560	5,560
Trading Gain/(Loss)	81,442	82,792	164,234
Other Operating Gains	45,381	47,307	92,688
Provisions for Loan Losses and Other Receivables(-)	(46,156)	(13,166)	(59,322)
Other Operating Expenses (-)	-	(343,730)	(343,730)
Profit Before Tax	1,528,234	(1,036,551)	491,683
Tax Provision	(89,546)	60,736	(28,810)
Net Profit / Loss	1,438,688	(975,815)	462,873

Prior Period	Corporate and Commercial Banking	Treasury and Asset Liability Management	Total
Total Assets	5,592,000	4,318,172	9,910,172
Total Liabilities	1,089,033	8,821,139	9,910,172
Net Interest Income/(Loss)	634,916	(299,002)	335,914
Net Fee and Commission Income/(Loss)	106,509	(7,603)	98,906
Dividend Income	-	275	275
Trading Gain/(Loss)	10,160	73,804	83,964
Other Operating Gains	42,066	7,028	49,094
Provisions for Loan Losses and Other Receivables(-)	(32,758)	(12,933)	(45,691)
Other Operating Expense (-)	-	(191,541)	(191,541)
Profit Before Tax	760,893	(429,972)	330,921
Tax Provision	(228,268)	422,349	194,081
Net Profit / Loss	532,625	(7,623)	525,002

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SECTION FIVE

**EXPLANATIONS AND NOTES RELATED TO
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I. EXPLANATIONS AND NOTES RELATED TO ASSETS

1. Information related to cash and the account of The Central Bank of the Republic of Türkiye (the “CBRT”):

a. Information on cash and the account of the CBRT

	Current Period		Prior Period	
	LC	FC	LC	FC
Cash/Foreign currency	10	100	10	62
CBRT	28,728	1,768,864	10,690	1,621,910
Other	-	-	-	-
Total	28,738	1,768,964	10,700	1,621,972

b. Information on the account of the CBRT

	Current Period		Prior Period	
	LC	FC	LC	FC
Demand Unrestricted Amount	28,728	913,846	10,690	867,842
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	855,018	-	754,068
Total	28,728	1,768,864	10,690	1,621,910

The Bank maintains reserve requirements at the CBRT for its Turkish Lira and foreign currency liabilities in accordance with the CBRT’s “Communiqué No. 2013/15 on Reserve Requirements”. As part of the regulatory changes aimed at strengthening the macroprudential policy framework, mandatory reserves, which were previously applied to the liability side of the balance sheet, have now also been applied to the asset side. Mandatory reserves can be held at the CBRT in Turkish Lira, US Dollar, Euro, and standard gold, as specified in the “Regulation on Mandatory Reserves”.

As of 31 December 2024, the applicable rates for mandatory reserves held at the Central Bank of the Republic of Türkiye (CBRT) range from 0% to 8% for Turkish lira, depending on the maturity structure, excluding accounts supported by exchange rate/price protection provided by the Central Bank (31 December 2023: 0% to 8%); and for foreign currency, the rates range from 5% to 25%, depending on the maturity structure (31 December 2023: 5% to 30%).

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

- a.** As of 31 December 2024, the Bank has no financial assets at fair value through profit or loss subject to repo transactions and given as collateral/blocked (31 December 2023 - None).

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b. Financial assets at fair value through profit or loss

	Current Period	Prior Period
Debt Securities	-	-
Quoted on Stock Exchange	-	-
Not Quoted	-	-
Share Certificates / Investment Funds	96,091	90,603
Quoted on Stock Exchange	-	-
Not Quoted	96,091	90,603
Impairment Provision (-)	-	-
Total	96,091	90,603

c. Positive differences related to derivative financial assets

	Current Period		Prior Period	
	LC	FC	LC	FC
Forward transactions	-	-	39	-
Swap transactions	-	-	-	1,199
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	-	39	1,199

	Current Period			Prior Period		
	Nominal	Fair Value Assets	Liabilities	Nominal	Fair Value Assets	Liabilities
Forward - domestic	-	-	-	340,038	39	(30)
Forward - foreign	-	-	-	-	-	-
Swap - domestic	-	-	-	454,857	1,199	-
Swap - foreign	-	-	-	-	-	-
Total	-	-	-	794,895	1,238	(30)

3. Information on banks

a.Information on banks

	Current Period		Prior Period	
	LC	FC	LC	FC
Banks	32,921	1,376,292	4,373	456,766
Domestic	32,921	884,095	4,372	386,498
Foreign	-	492,197	1	70,268
Branches and offices abroad	-	-	-	-
Total	32,921	1,376,292	4,373	456,766

b.Information on foreign banks accounts

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	35,839	23,729	-	-
USA, Canada	37,862	19,494	-	-
OECD Countries ⁽¹⁾	-	-	-	-
Off-shore Banking Regions	-	-	-	-
Other	418,496	27,046	-	-
Total	492,197	70,269	-	-

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

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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	2,531	-	2,605	-
Repurchase transaction	62,479	-	66,081	-
Total	65,010	-	68,686	-

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

	Current Period	Prior Period
Debt Securities	257,857	151,448
Quoted on Stock Exchange	257,857	151,448
Not Quoted	-	-
Share Certificates	7,659	7,659
Quoted on Stock Exchange	-	-
Not Quoted	7,659	7,659
Impairment Provision (-)	(14,962)	(17,179)
Total	250,554	141,928

5. Information on loans

a. Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	145,202	-	76,476
Legal Entities	-	145,202	-	76,476
Individuals	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	514	-	567	-
Total⁽¹⁾	514	145,202	567	76,476

⁽¹⁾ The Bank does not have any cash loans granted with the counter-guarantee to its main shareholder (31 December 2023 – TL 236,280).

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

Current Period	Standard Loans	Loans Under Close Monitoring		
		Not under the scope of restructuring	Restructured Loans	
Cash Loans			Modifications on agreement conditions	Refinancing
Non-specialized Loans	5,757,333	12,746	2,008	-
Loans given to enterprises	843,628	6,250	2,008	-
Export Loans	573,225	-	-	-
Import Loans	-	-	-	-
Financial Sector Loans	2,330,644	-	-	-
Consumer Loans	10,819	-	-	-
Credit Cards	-	-	-	-
Other	1,999,017	6,496	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	5,757,333	12,746	2,008	-

Prior Period	Standard Loans	Loans Under Close Monitoring		
		Not under the scope of restructuring	Restructured Loans	
Cash Loans			Modifications on agreement conditions	Refinancing
Non-specialized Loans	4,444,542	32,839	26,999	-
Loans given to enterprises	573,607	10,750	26,999	-
Export Loans	1,181,420	-	-	-
Import Loans	-	-	-	-
Financial Sector Loans	959,292	-	-	-
Consumer Loans	9,762	-	-	-
Credit Cards	-	-	-	-
Other	1,720,461	22,089	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	4,444,542	32,839	26,999	-

Expected Credit Loss	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Months Expected Credit Loss	9,039	-	17,994	-
Significant Increase in Credit Risk	-	98	-	17,426
Total ⁽¹⁾	9,039	98	17,994	17,426

⁽¹⁾ The expected loss provision of TL 3,485 related to financial leasing receivables has not been included (31 December 2023 – TL 8,227).

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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	-	2,008	2,892	26,999
Extended by 3,4 or 5 times	-	-	-	-
Extended by more than 5 times	-	-	-	-
Total	-	2,008	2,892	26,999

Extended period of time	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
0 - 6 Months	-	-	-	-
6 - 12 Months	-	-	-	24,634
1 - 2 Years	-	-	-	-
2 - 5 Years	-	-	2,892	-
5 Years and over	-	2,008	-	2,365
Total	-	2,008	2,892	26,999

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	3,329,010	1,473	-
Medium and Long-Term Loans	2,428,323	11,273	2,008
Total	5,757,333	12,746	2,008

Prior Period	Standard Loans	Loans Under Close Monitoring	
		Not under the scope of restructuring	Restructured Loans
Short-Term Loans	2,403,052	25,924	-
Medium and Long-Term Loans	2,041,490	6,915	26,999
Total	4,444,542	32,839	26,999

d. Information on loan movements:

	I.Stage	II.Stage	III.Stage	Total
Beginning of the period (31.12.2023)	4,444,542	59,838	13,787	4,518,167
In-Period Addition	8,248,372	22,657	-	8,271,029
Closed During the Period	(7,423,974)	(7,231)	(25,222)	(7,456,427)
Loan Sold	-	-	-	-
Deleted from Active	-	-	(13,807)	(13,807)
Transfer to Phase 1	-	-	-	-
Transfer to Phase 2	-	-	-	-
Transfer to Phase 3	-	(60,510)	60,510	-
Exchange Rate Difference	488,393	-	-	488,393
End of the period (31.12.2024)	5,757,333	14,754	35,268	5,807,355

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

	Current Period			Prior Period		
	Short term	Medium-long term	Total	Short term	Medium-long term	Total
Consumer loans-LC	-	4,393	4,393	-	5,981	5,981
Real estate loans	-	4,393	4,393	-	5,981	5,981
Automobile loans	-	-	-	-	-	-
Consumer loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Consumer loans- Indexed to FC	-	-	-	-	-	-
Real estate loans	-	-	-	-	-	-
Automobile loans	-	-	-	-	-	-
Consumer loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Consumer loans- FC	-	5,912	5,912	-	3,214	3,214
Real estate loans	-	5,912	5,912	-	3,214	3,214
Automobile loans	-	-	-	-	-	-
Consumer loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Individual credit cards- LC	-	-	-	-	-	-
Installment	-	-	-	-	-	-
Non-Installment	-	-	-	-	-	-
Individual credit cards-FC	-	-	-	-	-	-
Installment	-	-	-	-	-	-
Non-Installment	-	-	-	-	-	-
Personnel loans- LC	-	514	514	-	567	567
Real estate loans	-	514	514	-	567	567
Automobile loans	-	-	-	-	-	-
Consumer loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Personnel loans-Indexed to FC	-	-	-	-	-	-
Real estate loans	-	-	-	-	-	-
Automobile loans	-	-	-	-	-	-
Consumer loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Personnel loans-FC	-	-	-	-	-	-
Real estate loans	-	-	-	-	-	-
Automobile loans	-	-	-	-	-	-
Consumer loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Personnel credit cards- LC	-	-	-	-	-	-
Installment	-	-	-	-	-	-
Non-Installment	-	-	-	-	-	-
Personnel credit cards-FC	-	-	-	-	-	-
Installment	-	-	-	-	-	-
Non-Installment	-	-	-	-	-	-
Overdraft accounts- LC (Retail customer)	-	-	-	-	-	-
Overdraft accounts-FC (Retail customer)	-	-	-	-	-	-
Total	-	10,819	10,819	-	9,762	9,762

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f. Information on commercial instalment loans and corporate credit cards

Current Period	Short Term	Medium-Long Term	Total
Commercial installment loans-LC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans- Indexed to FC	-	6,392	6,392
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	6,392	6,392
Other	-	-	-
Commercial installment loans - FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-LC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Corporate credit cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Overdraft accounts-LC (Commercial customer)	-	-	-
Overdraft accounts-FC (Commercial customer)	-	-	-
Total	-	6,392	6,392

Prior Period	Short Term	Medium-Long Term	Total
Commercial installment loans-LC	24,636	2,705	27,341
Business residential loans	-	-	-
Automobile loans	-	2,705	2,705
Consumer loans	-	-	-
Other	24,636	-	24,636
Commercial installment loans- Indexed to FC	-	21,907	21,907
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	21,907	21,907
Other	-	-	-
Commercial installment loans - FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-LC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Corporate credit cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Overdraft accounts-LC (Commercial customer)	-	-	-
Overdraft accounts-FC (Commercial customer)	-	-	-
Total	24,636	24,612	49,248

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g. Loans according to types of borrowers

	Current Period	Prior Period
Public	71,238	-
Private	5,736,117	4,518,167
Total⁽¹⁾	5,807,355	4,518,167

⁽¹⁾ TL 35,268 (31 December 2023 – TL 13,787) non-performing loans are included.

h. Distribution of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	5,737,830	4,175,498
Foreign Loans	69,525	342,669
Total⁽¹⁾	5,807,355	4,518,167

⁽¹⁾ TL 35,268 (31 December 2022 – TL 13,787) non-performing loans are included.

i. Loans granted to investments in associates and subsidiaries

None (31 December 2023 - None).

j. Specific provisions accounted for loans

	Current Period	Prior Period
Loans with limited collectability	727	-
Loans with doubtful collectability	26,084	-
Uncollectible loans	-	13,787
Total	26,811	13,787

a. Information on non-performing loans

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

As of 31 December 2024 and 31 December 2023, the Bank does not have any restructured loans from non-performing receivables.

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

Current Period	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
Prior period end balance	-	-	13,787
Additions (+)	60,490	-	20
Transfers from other categories of loans under follow-up (+)	-	42,237	-
Transfers to other categories of loans under follow-up (-) ⁽¹⁾	(42,237)	-	-
Collections (-)	(16,595)	(8,627)	-
Deducted from the record (-)	-	-	(13,807)
Sold (-)	-	-	-
Commercial and corporate loans	-	-	-
Individual loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current period end balance	1,658	33,610	-
Provision (-)	(727)	(26,084)	-
Net Balance on balance sheet	931	7,526	-

⁽¹⁾ Includes loans classified from non-performing loans to performing loans.

Prior Period	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
Prior period end balance	-	-	16,604
Additions (+)	-	-	-
Transfers from other categories of loans under follow-up (+)	-	-	-
Transfers to other categories of loans under follow-up (-) ⁽¹⁾	-	-	(2,572)
Collections (-)	-	-	(245)
Deducted from the record (-)	-	-	-
Sold (-)	-	-	-
Commercial and corporate loans	-	-	-
Individual loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current period end balance	-	-	13,787
Provision (-)	-	-	(13,787)
Net Balance on balance sheet	-	-	-

⁽¹⁾ Includes loans classified from non-performing loans to performing loans.

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

None (31 December 2023: None).

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

	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
Current period (Net)	931	7,526	-
Loans granted to real persons and legal entities (Gross)	1,658	33,610	-
Provision (-)	(727)	(26,084)	-
Loans granted to real persons and legal entities (Net)	931	7,526	-
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (Gross)	-	-	-
Provision (-)	-	-	-
Other loans (Net)	-	-	-
Prior Period (Net)	-	-	-
Loans granted to real persons and legal entities (Gross)	-	-	13,787
Provision (-)	-	-	(13,787)
Loans granted to real persons and legal entities (Net)	-	-	-
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 Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
Current period (Net)	-	-	-
Interest accruals, rediscounts and valuation differences	-	-	-
Provision (-)	-	-	-
Prior Period (Net)	-	-	-
Interest accruals, rediscounts and valuation differences	-	-	899
Provision (-)	-	-	(899)

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

Under the “Regulation on Amending the Regulation on the Classification of Loans and the Procedures and Principles for the Provisioning of Such Loans”, published in the Official Gazette No. 30961 on November 27, 2019, the Bank is allowed to remove from the balance sheet the portion of loans classified as “fifth group - loans classified as loss” for which there is no reasonable expectation of recovery. When determining whether there is a reasonable expectation, the bank conducts both objective and subjective assessments. As detailed in the accounting policies under “3.7. Explanations on Expected Credit Loss, provisions for expected credit losses are made in accordance with IFRS 9 for the portions of loans deemed not recoverable.

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

In accordance with the Regulation on the Write-off of Loans with No Recovery Capability, implemented with the Board of Directors' decision dated 15 February 2024, loans that are classified as "fifth group - loans classified as loss" and for which the Bank's Legal Department determines that there is no reasonable expectation of recovery or that only a very low amount can be collected within a reasonable and specified period, are subject to write-off to the extent of the provisions allocated. The write-off of these non-recoverable loans is an accounting practice and does not result in the waiver of the receivable right. Under IFRS 9, the bank has written off loans amounting to TL 13,807 during the period (31 December 2023: None), and the impact on the non-performing loan ratio is 0.20%.

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	-	-	-	-
Repurchase transaction	158,191	952,133	-	747,374
Total	158,191	952,133	-	747,374

b. Information on government debt securities measured at amortized cost

	Current Period	Prior Period
Government bonds	888,192	515,967
Treasury bills	-	-
Other public sector debt securities	-	-
Total	888,192	515,967

c. Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt Securities	1,547,029	948,264
Quoted in a stock exchange	1,547,029	948,264
Not quoted	-	-
Impairment provisions (-) ⁽¹⁾	-	-
Total	1,547,029	948,264

⁽¹⁾ TL 8,838 (31 December 2023 – TL 18,035) expected credit losses included at line for expected credit losses on financial statements.

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

	Current Period	Prior Period
Beginning balance	948,264	456,634
Foreign currency differences on monetary assets ⁽¹⁾	219,442	323,032
Purchases during year	457,552	209,092
Disposals through sales and redemptions	(78,229)	(40,494)
Impairment provisions (-)	-	-
Total	1,547,029	948,264

⁽¹⁾ TL 4,459 (31 December 2023 – TL 6,334) of differences arising from the rediscounts and accruals are shown in the "Foreign currency differences on monetary assets line.

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7. Information on investments in associates (Net)

a. Information on unconsolidated investments in associates

None (31 December 2023 - None).

b. Information on consolidated investments in associates

None (31 December 2023 - None).

8. Information on subsidiaries (Net)

None (31 December 2023 - None).

9. Information on joint ventures

None (31 December 2023 - None).

10. Information on lease receivables (Net)

a. Information on lease receivables

	Current Period	Prior Period
Financial lease receivables, Gross	1,333,274	1,369,726
Unearned income	(112,245)	(245,851)
Financial lease receivables, Net	1,221,029	1,123,875

⁽¹⁾ TL 3,485 (31 December 2023 – TL 8,228) expected credit losses included at line for expected credit losses on financial statements.

b. Remaining maturities of financial lease investments

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 Year	600,192	566,870	696,951	542,738
1 – 5 Years	733,082	654,159	672,775	581,137
Over 5 Years	-	-	-	-
Total	1,333,274	1,221,029	1,369,726	1,123,875

11. Information on hedging derivative financial assets

None (31 December 2023 - None).

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12. Information on property and equipment

	Real Estates	Vehicles	Right of use assets	Other Tangible Assets	Total
Prior Period					
Cost	76,511	1,628	1,212	14,785	94,136
Accumulated Depreciation(-)	(2,972)	(1,488)	(789)	(7,432)	(12,681)
Net Book Value 31 December 2023	73,539	140	423	7,353	81,455
Current Period					
Net Book Value : 31 December 2023	73,539	140	423	7,353	81,455
Additions	811	-	344	1,406	2,561
Transfers, cost ⁽¹⁾	(9,586)	-	-	-	(9,586)
Disposals(-), cost	-	-	-	-	-
Disposals(+), accumulated depreciation	-	-	-	-	-
Depreciation (-)	(845)	(140)	(413)	(2,228)	(3,626)
Transfers, accumulated depreciation ⁽¹⁾	1,850	-	-	-	1,850
Net Book Value: 31 December 2024	65,769	-	354	6,531	72,654
Cost at Period End	67,736	1,628	1,556	16,124	87,044
Accumulated Depreciation at Period End (-)	(1,967)	(1,628)	(1,202)	(9,593)	(14,390)
Net Book Value: 31 December 2024	65,769	-	354	6,531	72,654

⁽¹⁾ Transferred from owner-occupied property to investment property.

	Real Estates	Vehicles	Right of use assets	Other Tangible Assets	Total
Prior Period					
Cost	97,907	1,628	1,194	9,754	110,483
Accumulated Depreciation(-)	(3,122)	(1,173)	(391)	(5,269)	(9,955)
Net Book Value 31 December 2022	94,785	455	803	4,485	100,528
Current Period					
Net Book Value : 31 December 2022	94,785	455	803	4,485	100,528
Additions	12,314	-	18	5,123	17,455
Transfers	(33,710)	-	-	-	(33,710)
Disposals(-), cost	-	-	-	(92)	(92)
Disposals(+), accumulated depreciation	-	-	-	62	62
Depreciation (-)	(770)	(315)	(398)	(2,225)	(3,708)
Impairment	920	-	-	-	920
Net Book Value: 31 December 2023	73,539	140	423	7,353	81,455
Cost at Period End	76,511	1,628	1,212	14,785	94,136
Accumulated Depreciation at Period End (-)	(2,972)	(1,488)	(789)	(7,432)	(12,681)
Net Book Value: 31 December 2023	73,539	140	423	7,353	81,455

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13. Information on intangible assets

	Current Period	Prior Period
Net Book Value at the beginning of the Period	19,762	11,648
Additions	9,308	13,798
Disposals(-), net	(419)	-
Depreciation (-)	(7,357)	(5,684)
Closing Net Book Value	21,294	19,762

14. Information on investment property:

The Bank completed the title deed transfer process on 18 June 2018 and classified the real estate whose usage right has been transferred to the Bank as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost model in accordance with TAS 40 "Investment Property".

	Current Period	Prior Period
Beginning balance, Net	201,660	170,217
Additions (+)	443	-
Disposals (-), net	-	-
Reversal of Provision for Impairment	-	-
Depreciation (-)	(1,352)	(1,347)
Transfers, net ⁽²⁾	7,736	32,790
Current period end balance, Net ⁽¹⁾	208,487	201,660

⁽¹⁾ As of 31 December 2024, the fair value of the bank's investment property is TL 1,107,145 (31 December 2023: TL 786,090). The fair value has been determined based on the arithmetic average of the values identified by independent valuation companies.

⁽²⁾ Transferred from owner-occupied property to investment property.

15. Information on deferred tax asset

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

As of 31 December 2024, the Bank calculated deferred tax asset amounting TL 398,884 and reflected this amount to the financial statements (31 December 2023 – TL 292,532 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.

In accordance with the provisional 33rd article of the Tax Procedure Law, the tax effects arising from the inflation adjustment of corporate tax have been included in the deferred tax calculation in the financial statements as of 31 December 2024.

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15. Information on deferred tax asset (Continued)

	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	5,245	1,574	1,888	566
Expected credit losses	30,109	9,033	75,352	22,606
Other provisions	200	60	3,200	960
Other*	1,396,810	419,042	990,312	297,094
Deferred Tax Asset	1,432,364	429,709	1,070,752	321,226
Derivative financial assets	-	-	(1,208)	(363)
Marketable securities	(69,143)	(20,743)	(63,201)	(18,960)
Other	(33,607)	(10,082)	(31,237)	(9,371)
Deferred Tax Liability	(102,750)	(30,825)	(95,646)	(28,694)
Deferred Tax Asset/ (Liability), net	1,329,614	398,884	975,106	292,532

* Deferred tax assets arising from the inflation adjustment under the provisions of Article 33 of the Tax Procedure Law have been included.

16. Information on assets held for resale and discontinued operations

None (31 December 2023 - None).

17. Information on other assets

As of 31 December 2024, other assets amount to TL 133,876 (31 December 2023- TL 20,602) and do not exceed 10% of total balance sheet except off balance sheet commitments.

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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	-	-	30	-
Swap transactions	-	-	-	-
Futures transactions	-	-	-	-
Options transactions	-	-	-	-
Other	-	-	-	-
Total	-	-	30	-

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	1,186,970	-	551,082	305,085
From foreign banks, institutions and funds	728,368	3,562,212	159,568	3,698,089
Total	1,915,338	3,562,212	710,650	4,003,174

b. Information on maturity structure of borrowings

	Current Period		Prior Period	
	LC	FC	LC	FC
Short-term	1,915,338	1,693,384	710,650	2,350,636
Medium and long-term	-	1,868,828	-	1,652,538
Total	1,915,338	3,562,212	710,650	4,003,174

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 Payables

As of 31 December 2024, the Bank has money market borrowings amounting to TL 824,988 through repo transactions and TL 594,384 through Takasbank transactions (31 December 2023 – TL 603,045 through repo transactions and TL 472,077 through Takasbank transactions).

5. Securities Issued

	Current Period		Prior Period	
	LC	FC	LC	FC
Nominal	302,878	882,008	155,467	735,955
Cost	247,707	882,008	137,477	735,955
Book Value	261,580	886,722	150,849	737,105

The Bank netted off TL 122,122 (31 December 2023 – TL 49,533) nominal amount of its own debt securities issued which are acquired on its financial statements.

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6. Information on other liabilities

As of 31 December 2024, the other liabilities is TL 1,646,077 (31 December 2023 – TL 653,591). Other liabilities include transfer account balances of TL 1,533,271 related to foreign exchange buy/sell and transfer transactions, which have not been completed as of 31 December 2024, as well as various other liabilities, in accordance with the BRSA's Circular No. 24049440.010.06.02[5/1]-1 dated 2 February 2015 (31 December 2023 – TL 627,392).

7. Information on financial lease agreements

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 Year	306	220	386	341
1 – 5 Years	219	179	149	144
Over 5 Years	-	-	-	-
Total	525	399	535	485

8. Information on hedging derivative financial liabilities

None (31 December 2023 - None).

9. Information on provisions

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

As of 31 December 2024, there is no principal exchange rate decrease provision for foreign currency indexed loans (31 December 2023 - None).

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

As of 31 December 2024, the Bank has no specific provision (31 December 2023 – None) and TL 6,061 (31 December 2023 – TL 9,387) 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	5,873	8,951
Significant Increase in Credit Risk	188	436
Total	6,061	9,387

c. Information on other provisions

i. Information on provisions for possible risks

None (31 December 2023 - None).

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

The Bank's total other provisions, excluding specific provisions for non-compensated and non-cash loans and expected loss provisions for non-cash loans, is TL 40,200 and consists of bonus/premium and litigation provision (31 December 2023 – TL 28,883 lawsuit and bonus/premium provision).

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iii. Obligations related to employee rights

The provision for severance pay is calculated based on the present value of the potential obligation that the bank will be required to pay upon the employees' retirement, in accordance with Turkish Labor Law. As of 31 December 2024 and 31 December 2023, the ceiling for severance pay is TL 46,655.43 (Full TL) and TL 35,058.58 (Full TL), respectively.

The movement of employee termination benefits is shown below:

	Current Period	Prior Period
Balance at the Beginning of the Period	628	721
Benefits paid within the period	(383)	(586)
Change during the period	1,421	493
Balance at the end of the period	1,666	628

As of 31 December 2024, in addition, the Bank have unused vacation provision of TL 3,579 (31 December 2023 - TL 1,260).

10. Information on taxes payable:

a. Information on current year tax liability

i. Information on tax provision

As of 31 December 2024, the Bank recognized TL 31,414 as current tax liability (31 December 2023 - TL 22,320).

ii. Information on taxes payable

	Current Period	Prior Period
Corporate Tax Payable	31,414	22,320
Taxation on Marketable Securities	1,692	844
Property Tax	3	1
Banking Insurance Transaction Tax	3,897	2,400
Foreign Exchange Transaction Tax	60	29
Value Added Tax Payable	1,894	889
Other	5,014	2,157
Total	43,974	28,640

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iii. Information on premium payables

	Current Period	Prior Period
Social Security Premiums – Employee	992	1,061
Social Security Premiums – Employer	1,599	1,770
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	55	56
Unemployment Insurance – Employer	110	112
Other	-	-
Total	2,756	2,999

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 2023 - None).

13. Information on subordinated loan

	Current Period		Prior Period	
	LC	FC	LC	FC
To be included in the calculation of additional capital borrowing instruments				
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	882,285	-	736,414
Subordinated loans	-	882,285	-	736,414
Subordinated debt instruments	-	-	-	-
Total	-	882,285	-	736,414

⁽¹⁾ Detailed explanations on subordinated loans are given in the section four "Information on instruments to be included in the equity calculation".

14. Information on shareholders' equity

a. Presentation of paid-in capital

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

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

The Bank does not apply the registered share capital system.

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

None.

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

None.

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- 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 2023 - 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 2023 - 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	(12,829)	1,466	(12,181)	1,619
Foreign exchange difference	-	-	-	-
Total	(12,829)	1,466	(12,181)	1,619

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

1. Information on off-balance sheet commitments

a. The amount and type of irrevocable commitments

	Current Period	Prior Period
Forward asset purchase and sale commitments	-	340,039
Forward deposit purchase and sale commitments	-	-
Tax and fond liabilities from export commitment	-	-
Other irrevocable commitments	4,408	8,143
Total	4,408	348,182

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

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

As of 31 December 2024, the Bank has no specific provision (31 December 2023 – None) and TL 6,061 (31 December 2023 – TL 9,387) provision for expected credit loss to the financial statements.

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

	Current Period	Prior Period
Letters of guarantee	1,150,629	795,997
Letters of credit	21,906	42,708
Bank acceptances	-	-
Other guarantees	146,489	313,621
Total	1,319,024	1,152,326

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

	Current Period	Prior Period
Final letters of guarantee	276,882	104,207
Provisional letters of guarantee	529	-
Letters of guarantee for advances	-	74,883
Letters of guarantee given to customs offices	405,568	174,990
Letter of guarantees given against cash loans	467,650	441,623
Other letter of guarantees	-	294
Total	1,150,629	795,997

c. Total amount of non-cash loans

	Current Period	Prior Period
Non-cash Loans Given against Cash Loans	614,139	755,244
With Original Maturity of 1 Year or Less Than 1 Year	105,000	20,000
With Original Maturity of More Than 1 Year	509,139	735,244
Other Non-cash Loans	704,885	397,082
Total	1,319,024	1,152,326

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

Current Period	I. Group		II. Group	
	LC	FC	LC	FC
Non-Cash Loans	701,631	615,576	1,817	-
Letters of Guarantee	699,131	449,681	1,817	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	21,906	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	2,500	143,989	-	-

Prior Period	I. Group		II. Group	
	LC	FC	LC	FC
Non-Cash Loans	505,808	640,510	6,008	-
Letters of Guarantee	503,308	286,681	6,008	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	42,708	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	2,500	311,121	-	-

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

	Current Period				Prior Period			
	LC	(%)	FC	(%)	LC	(%)	FC	(%)
Agricultural	-	-	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Manufacturing	2,467	0.35	73,472	11.93	2,590	0.51	-	-
Mining	-	-	73,472	11.93	-	-	-	-
Production	1,817	0.26	-	-	1,817	0.36	-	-
Electric, Gas and Water	650	0.09	-	-	773	0.15	-	-
Construction	13,644	1.94	-	-	-	-	158,795	24.79
Services	687,337	97.71	542,104	88.07	509,226	99.49	481,715	75.21
Wholesale and Retail Trade	80,731	11.48	137,043	22.26	35,120	6.86	169,822	26.51
Hotel, Food and Beverage Services	100,250	14.25	-	-	330	0.06	-	-
Transportation and Telecommunication	4,000	0.57	73,472	11.94	4,000	0.78	65,148	10.17
Financial Institutions	502,356	71.41	312,699	50.80	469,776	91.79	181,500	28.34
Real Estate and Leasing Services	-	-	18,890	3.07	-	-	65,148	10.17
Self-Employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	97	0.02
Other	-	-	-	-	-	-	-	-
Total	703,448	100.00	615,576	100.00	511,816	100.00	640,510	100.00

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2. Information on derivative transactions

	Current Period	Prior Period
Trading Derivative Financial Instruments		
Foreign Currency Transactions (I)	-	794,895
Forward Foreign Currency Buy/Sell Transactions ⁽¹⁾	-	340,039
Foreign Currency Swap-Buy-Sell Transactions	-	454,856
Futures Transactions	-	-
Options-Buy-Sell Transactions	-	-
Interest Rate Transactions (II)	-	-
Forward interest rate Buy-Sell	-	-
Interest Rate Swap-Buy-Sell	-	-
Interest Rate Options-Buy-Sell	-	-
Interest Rate Futures But-Sell	-	-
Other Trading Derivative Financial Instruments (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	-	794,895
Hedging Derivative Financial Instruments		
Transactions for Fair Value Hedge	-	-
Transactions for Cash Flow Hedge	-	-
Transactions for Foreign Net Investment Hedge	-	-
B. Total Hedging Derivative Financial Instruments	-	-
Total Derivatives (A+B)	-	794,895

⁽¹⁾ Includes asset purchase and sale commitments.

3. Information on credit derivatives and related imposed risks

None (31 December 2023 - None).

4. Information on Contingent Assets and Liabilities

As of 31 December 2024, provision for litigation amounting to TL 200 (31 December 2023 - TL 200) has been set aside for the lawsuits filed against the Bank in accordance with the precautionary principle; these provisions are classified under Other provisions in the balance sheet. The probability of unfavorable outcome of other ongoing lawsuits, except for those for which a provision has been made, does not seem to be high and no cash outflow is foreseen for these lawsuits.

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.

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IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

1. Information on interest income

a. Information on interest income on loans ⁽¹⁾

	Current Period		Prior Period	
	LC	FC	LC	FC
Short-term Loans	697,763	104,177	157,166	130,753
Medium/Long-term Loans	200,331	163,253	87,165	154,317
Interest on Loans Under Follow-up	1,503	-	623	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	899,597	267,430	244,954	285,070

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

b. Information on interest income on banks

	Current Period		Prior Period	
	LC	FC	LC	FC
From the CBRT ⁽¹⁾	-	32,065	-	17,834
From Domestic Banks	15,311	12,343	1,446	9,317
From Foreign Banks	-	11,010	-	2,041
Branches and Offices Abroad	-	-	-	-
Total	15,311	55,418	1,446	29,192

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

c. Information on interest income on marketable securities

	Current Period		Prior Period	
	LC	FC	LC	FC
Financial assets at fair value through profit or loss	-	-	-	-
Financial assets at fair value through other comprehensive income	61,043	1,345	23,246	979
Financial assets measured at amortized cost	22,125	93,137	-	60,066
Total	83,168	94,482	23,246	61,045

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

None (31 December 2023 - None).

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

2. Information on interest expense

a. Information on interest expense⁽¹⁾

	Current Period		Prior Period	
	LC	FC	LC	FC
Banks	411,813	215,813	68,845	152,924
The Central Bank of Türkiye	-	-	-	-
Domestic Banks	208,295	1,887	50,982	2,740
Foreign Banks	203,518	213,926	17,863	150,184
Branches and offices abroad	-	-	-	-
Other Institutions⁽²⁾	-	48,289	-	36,520
Total	411,813	264,102	68,845	189,444

⁽¹⁾ Commission expense for borrowings are also included.

⁽²⁾ Includes subordinated loans expense.

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

None (31 December 2023 - None).

c. Interest expense on issued marketable securities

	Current Period		Prior Period	
	LC	FC	LC	FC
Interest expense on securities issued	126,381	53,488	36,644	48,482

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

There is an income of TL 5,560 from financial assets measured at fair value through profit or loss (31 December 2023 – TL 275 income).

4. Information on trading income/loss (Net)

	Current Period	Prior Period
Income	3,500,984	2,025,582
Profit on trading account securities	10,144	23,872
Profit on derivative financial transactions ⁽¹⁾	11,402	6,366
Foreign exchange gains	3,479,438	1,995,344
Loss (-)	(3,336,750)	(1,941,618)
Losses on trading account securities	(15,065)	(13,556)
Losses on derivative financial transactions ⁽¹⁾	(6,174)	(3,297)
Foreign exchange losses	(3,315,511)	(1,924,765)
Net Trading Income/Loss	164,234	83,964

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

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5. Information on other operating income

Other operating income includes TL 78,819 reversal of prior year specific and expected loss provision and there is no income regarding extraordinary accounts (31 December 2023 – TL 41,542 special provision and expected loss provision reversal).

6. Provision expenses related to loans and other receivables

	Current Period	Prior Period
Expected Credit Loss⁽¹⁾	59,322	45,691
12 Month Expected Credit Loss (Stage 1)	28,676	29,002
Significant increase in credit risk (Stage 2)	74	16,689
Non-Performing Loans (Stage 3)	30,572	-
Marketable Securities Impairment Provision	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	-	-
Total⁽²⁾	59,322	45,691

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

⁽²⁾ While considering the provision reversals included in other operating income, net provision expense is TL 19,521 (31 December 2023 – TL 4,149 net provision expense).

7. Information related to other operating expenses:

	Current Period	Prior Period
Reserve for employee termination benefits ⁽¹⁾	-	-
Bank social aid fund deficit provision	-	-
Fixed assets impairment expense	-	-
Depreciation expenses of fixed assets	4,978	5,055
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortization expenses of intangible assets	7,357	5,684
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	84,263	46,989
Leasing expenses related to TFRS 16 exemptions	2,029	752
Maintenance expenses	17,017	8,621
Advertisement expenses	6,810	2,410
Other expenses	58,407	35,206
Loss on sales of assets	-	24
Other	31,394	23,992
Total	127,992	81,744

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

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8. Fees for services received from the independent auditor / independent audit firm

In accordance with the decision of the POA dated 26 March 2021, the fee information (excluding VAT) for the reporting period for the services received from the independent auditor or independent audit firm is given in the table below.

	Current Period	Prior Period
Independent audit fee	3,828	2,047
Fees for tax consultancy services	400	202
Other assurance services fee	-	-
Fee for other services other than independent audit	490	-
Total	4,718	2,249

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

Profit before tax consists of net interest income/expense amounting to TL 550,140 net commission fee income amounting to TL 82,113, trading gain/loss amounting to TL 164,234, other operating income amounting to TL 92,688, provision for loan losses and other provision expenses amounting to TL 59,322, and other operating expenses including personnel expenses amounting to TL 343,730.

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

For the period ended 31 December 2024 the Bank has current tax expense TL 134,819 (31 December 2023 - TL 81,007) and the Bank has deferred tax expense amounting to TL 15,542 and deferred tax income amounting to TL 121,551 (31 December 2023 - TL 31,934 deferred tax expense and TL 307,022 deferred tax income).

	Current Period	Prior Period
Reconciliation of Tax Provision		
Profit/Loss Before Tax	491,683	330,921
Applicable Tax Rate	30%	30%
Calculated Tax	147,505	99,276
Reconciliation of Provision for Income Taxes and Provision for Income Taxes		
Other (Effect of expenses not accepted by law, discounts, etc.)*	(118,695)	(293,357)
Tax Provision	28,810	(194,081)

* Deferred tax assets arising from inflation adjustment in accordance with the provisions of Provisional Article 33 of the Tax Procedure Law are included.

As of 31 December 2024, the Bank doesn't have any discontinued operations.

11. 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 462,873 (31 December 2023 - TL 525,002 profit).

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

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

None (31 December 2023 - 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.

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

	Current Period	Prior Period
Other	197	263
Other Interest Income	197	263
Interest on funds borrowed / funds and cash collateral	(41,773)	(14,683)
Other	-	-
Other Interest Expenses	(41,773)	(14,683)
Money transfer commissions	75,588	13,272
From asset backed securities funds	4,010	8,089
From cheques, notes operations	528	23,191
Other	2,750	53,594
Other Commission Income	82,876	98,146
Given to correspondent banks	(4,051)	(2,901)
Asset backed securities funds services	-	(5,827)
Other	(3,790)	(1,323)
Other Commission Expenses	(7,841)	(10,051)

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

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

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

As of 31 December 2024, the Bank has booked TL 11,363 decrease (31 December 2023 – TL 10,562 decrease) for marketable securities valuation difference related to financial assets at fair value through other comprehensive income.

2. Amounts transferred to legal reserves

In the ordinary general assembly meeting held on 15 March 2024, it was decided that the distributable net profit of TL 498,752 would not be distributed as dividends but instead transferred to the Extraordinary Reserves account. It was also decided that the distribution of the 2023 period profit and profits and reserves accumulated before 2023, which had not been distributed, would be considered during the year if suitable conditions arise. For the time being, no distribution would be made.

In the extraordinary general assembly meeting held on 15 May 2024, it was decided that TL 15,002 of the distributable net profit of TL 498,752, which was transferred to the Extraordinary Reserves account in the ordinary general assembly meeting on 15 March 2024, would be distributed to the shareholders as cash dividends, in proportion to their shareholding.

3. Information on distribution of profit

In accordance with the decision made at the extraordinary general assembly meeting held on 15 May 2024, TL 15,002 of the net period profit was distributed to the shareholders as cash dividends.

4. Information on capital increase:

None.

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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
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VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

1. Information on cash and cash equivalents

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

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

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

	Current Period	Prior Period
Cash	1,797,702	1,632,672
Cash and Foreign Currency Cash	110	72
Turkish Central Bank	1,797,592	1,632,600
Other	-	-
Cash Equivalents	1,409,213	912,724
Banks	1,409,213	461,139
Money Market Placements	-	451,585
Total Cash and Cash Equivalents	3,206,915	2,545,396
Collateral amounts on cash and cash equivalents	(61,009)	(118,133)
Interest income rediscounts on cash and cash equivalents	(10,636)	(2,213)
Cash equivalents with a maturity longer than three months	-	-
Restricted reserve deposits	(855,018)	(754,068)
Cash Flow Statements Cash and Cash Equivalents	2,280,252	1,670,982

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

The amount of TL 134,549 (31 December 2023 – TL 76,070) presented under the “Other” item within “Cash Flows from Banking Operations” primarily comprises other operating expenses, excluding fees and commissions paid as well as personnel expenses.

The amount of TL 7,162 (31 December 2023 – TL 5,085) presented under “Net increase/decrease in other assets” within “Changes in operating assets and liabilities” represents changes in other assets.

The amount of TL 1,279,887 (31 December 2023 – TL 1,082,561) presented under “Net increase/decrease in other liabilities” within “Changes in operating assets and liabilities” comprises changes in money market payables, funds, miscellaneous payables, and other liabilities.

As of 31 December 2024, the effect of changes in foreign exchange rates on cash and cash equivalents has been calculated as an increase of approximately TL 143,251 (31 December 2023 – TL 157,131 increase).

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

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

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

Current Period	Investments in Associates, subsidiaries, and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Beginning of the Period	-	-	-	76,476	451,063	81,429
End of the Period	-	-	-	145,202	2,230	5,722
Interest and Commission Income Received	-	-	-	1,229	1,620	35

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	-	-	-	109,320	408,311	117,818
End of the Period	-	-	-	76,476	451,063	81,429
Interest and Commission Income Received	-	-	-	1,615	29,124	1,284

The Bank does not have any cash loans granted with the counter-guarantee of its main shareholder (31 December 2023 – TL 236,280).

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

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

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

Bank’s Risk Group	Investments in Associates, subsidiaries, and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets where Fair Value Through Profit or Loss						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	7	88	-	233
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

d. Information on key management compensation

For the period ended 31 December 2024, total benefits paid key management amounts to TL 45,626 (31 December 2023 - TL 26,861).

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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	1,085	1,409,213	0.1	1,440	461,139	0.3
Cash loans and receivables from leasing transactions	2,230	7,028,384	0.0	340,523	5,642,042	6.0
Marketable securities	56,375	1,893,674	3.0	41,181	1,180,795	3.5
Funds borrowed	689,640	5,477,550	12.6	548,152	4,713,824	11.6
Money market payables	247,180	1,419,372	17.4	164,848	1,075,122	15.3
Securities issued	814,720	1,148,302	70.9	576,416	887,954	64.9
Funds / Other liabilities	1,346,379	2,111,891	63.8	378,816	1,096,342	34.6
Subordinated loans	882,285	882,285	100.0	736,414	736,414	100.0
Non-Cash loans	150,924	1,319,024	11.4	157,905	1,152,326	13.7
Derivative financial instruments ⁽¹⁾	-	-	-	-	794,895	-

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

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

The Bank's other income includes rental income amounting to TL 6,682 (31 December 2023 - TL 3,969) due to the investment property that the Bank has leased to its risk group and the Bank's operating expense includes TL 6,724 (31 December 2023 - TL 3,899) 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	68			
			Country of incorporation		
Foreign representation	-	-	-		
				Total assets	Statutory share capital
Foreign branch	-	-	-	-	-
Off-share banking region branches	-	-	-	-	-

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SECTION SIX

OTHER EXPLANATIONS AND NOTES

I. OTHER EXPLANATIONS RELATED TO OPERATIONS OF THE BANK

a. Explanations on ratings of the Bank

JCR Eurasia Rating	September 2024
National Long Term (tur)	A+ Outlook:Stable
International Long Term Foreign Currency	BB Outlook: Stable

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

SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., assigned PASHA Bank an overall compliance score of 9.41 with CMB Corporate Governance Principles on 28 August 2024.

II. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDITORS’ REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITORS’ REPORT

The unconsolidated financial statements for the period ended 31 December 2024 have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ. The independent auditor’s report dated 17 February 2025 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.