

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

**Destek Yatırım Bankası
Anonim Şirketi**

**Publicly Announced Unconsolidated Financial
Statements, Related Disclosures and Independent
Auditor's Report Thereon
as of and for the Year Ended
31 December 2022**



KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr

**Convenience Translation of the Independent Auditor's Report Originally
Prepared and Issued in Turkish to English**

To the General Assembly of Destek Yatırım Bankası Anonim Şirketi

A) Audit of the Unconsolidated Financial Statements

Opinion

We have audited the unconsolidated financial statements of Destek Yatırım Bankası Anonim Şirketi ("the Bank") which comprise the unconsolidated balance sheet as at 31 December 2022 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended, and notes, comprising 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 Destek Yatırım Bankası Anonim Şirketi as at 31 December 2022, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the "Banking Regulation and Supervision Agency ("BRSA") 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 and circulars and interpretations published by 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 and other receivables measured at amortised cost

Refer to Note IV.3 to the unconsolidated financial statements relating to the details of accounting policies and significant accounting estimates related with impairment on loans and other receivables.

Key audit matter	How the matter is addressed in our audit
<p>As of 31 December 2022, loans and other receivables comprise 61% of the Bank's total assets. The Bank recognizes loans and other receivables and impairment provisions in accordance with the "Regulation on the procedures and principles regarding the classification of loans and the provisions to be allocated for them" ("the Regulation").</p> <p>Within the scope of the Regulation for loans, the Bank calculates general and specific provisions.</p> <p>The classification of the receivables is made in accordance with the criteria set in the Regulation. The determination of the impairment of the receivables within the scope of the Regulation depends primarily on whether the classification of these loans is accurately done. There is a potential risk that impaired loans and other receivables and provisions for those impaired receivables cannot be detected considering that they are not classified correctly. Impairment of loans is determined as a key audit matter, due to the risks explained above.</p>	<p>Our procedures for testing the issues included below:</p> <p>We tested the design and operating effectiveness of the controls on lending, collection, follow-up, and impairment procedures with the involvement of information risk management specialists.</p> <p>For the specific provision, we audited the determination of impaired loans and the appropriateness of the provisions in accordance with the Regulation.</p> <p>For the general provision, we tested the appropriateness of the provisions in accordance with the Regulation and the accuracy of the provision calculation.</p> <p>We evaluated the adequacy of the financial statement disclosures related to impairment provisions.</p>

Emphasis of Matter

We draw attention to Note V of the disclosures related to the unconsolidated financial statements in which the transactions related to the risk group are disclosed. As of the reporting date, the Bank has extended a significant portion of its loans to related parties. Our opinion is not modified in respect of this matter.

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 2022 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.

Additional paragraph for convenience translation to English:

The accounting principles summarized in Note I Section Three, differ from the accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position and results of operations in accordance with accounting principles generally accepted in such countries of users of the unconsolidated financial statements and IFRS.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Alper Güvenç, SMMM
Partner

28 February 2023
İstanbul, Türkiye

DESTEK YATIRIM BANKASI A.Ş.
UNCONSOLIDATED FINANCIAL REPORT AS OF AND
FOR THE YEAR ENDED 31 DECEMBER 2022

Address : Esentepe Mah. Büyükdere Cad. Ferko Signature No:175 Kat:26 Şişli/İstanbul
Phone : 0 212 371 55 00
Fax : 0 212 371 55 91
Website : www.destekbank.com.tr
E-Mail : destekbank@hs02.kep.tr

The unconsolidated year end financial report prepared in accordance with the Communiqué on the Financial Statements and Related Disclosures and Footnotes that will be Publicly Announced as regulated by the Banking Regulation and Supervision Agency, is comprised of the following sections:

1. General Information about the Bank
2. Unconsolidated Financial Statements of the Bank
3. Explanations on Accounting Policies Applied in the Related Period
4. Information Related to Financial Position and Risk Management of the Bank
5. Information and Disclosures on Unconsolidated Financial Statements
6. Other Explanations
7. Independent Auditor's Report

The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidances, and in compliance with the financial records of our Bank and, unless stated otherwise, presented in thousands of Turkish Lira (TL).

Altunç Kumova	Özgür Akayoğlu	Kerim Tosun	Ali Erdem Neşeli
<i>Board of Directors Chairman</i>	<i>General Manager</i>	<i>Executive Vice President Responsible of Financial Management, Accounting and IT</i>	<i>Financial Reporting and Accounting Director</i>
	Hakan Coşkun	Tuna Akyürek	
	<i>Audit Committee Member</i>	<i>Audit Committee Member</i>	

The authorized contact person for questions on this financial report:

Name/Title : Ali Erdem Neşeli / Financial Reporting and Accounting Director
Phone : 0 212 371 55 00
Fax : 0 212 371 55 91

	Page No
SECTION ONE	
General Information	
I. History of the Bank including its incorporation date, initial legal status, amendments to legal status, amendments to legal status	3
II. Bank's shareholder structure, management and internal audit, direct and indirect shareholders, change in the shareholder structure during the period and information on the bank's risk group	3
III. Information on the 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	4
IV. Information on the Bank's qualified shareholders	4
V. Summary information on the Bank's activities and services	5
VI. Current or likely actual or legal barriers to the immediate transfer of equity or repayment of debts between the Bank and its subsidiaries	6
SECTION TWO	
Unconsolidated Financial Statements	
I. Balance sheet (statement of financial position)	8
II. Statement of off-balance sheet items	10
III. Statement of profit or loss	11
IV. Statement of profit or loss and other comprehensive income	12
V. Statement of changes in shareholders' equity	13
VI. Statement of cash flows	14
VII. Statement of profit distribution	15
SECTION THREE	
Accounting Policies	
I. Explanations on basis of presentation	16
II. Explanations on strategy for use of financial instruments and foreign currency transactions	17
III. Explanations on forwards, options and other derivative transactions	17
IV. Explanations on interest income and expenses	18
V. Explanations on fees and commissions	18
VI. Explanations on financial assets	18
VII. Explanations on offsetting financial instruments	20
VIII. Explanations on sales and repurchase agreements and securities lending transactions	20
IX. Explanations on assets held for sale and related to discontinued operations and on payables regarding these assets	20
X. Explanations on goodwill and other intangible assets	21
XI. Explanations on tangible assets	21
XII. Explanations on leasing transactions	21
XIII. Explanations on provisions, contingent assets and liabilities	22
XIV. Explanations on obligations related to employee rights	23
XV. Explanations on taxation	23
XVI. Explanations on borrowings	25
XVII. Explanations on issuance of equity securities	26
XVIII. Explanations on guarantees and acceptances	26
XIX. Explanations on government incentives	26
XX. Explanations on related parties	26
XXI. Explanations on segment reporting	26
XXII. Explanations on other disclosures	26
XXIII. Explanations on associates, subsidiaries and joint ventures	26
SECTION FOUR	
Information Related to Financial Position and Risk Management	
I. Explanations on capital	27
II. Explanations on credit risk	33
III. Explanations on currency risk	38
IV. Explanations on interest rate risk	40
V. Explanations on equity securities position risk	42
VI. Explanations on liquidity risk management and liquidity coverage ratio	43
VII. Explanations on leverage ratio	46
VIII. Explanations on presentation of financial assets and liabilities at fair values	47
IX. Explanations on the transactions carried out on behalf and account of other persons	48
X. Explanations on risk management	49
XI. Explanations on securitizations	58
XII. Explanations on market risk	58
XIII. Explanations on operational risk	59
XIV. Explanations on segment reporting	59
SECTION FIVE	
Information and Disclosures on Unconsolidated Financial Statements	
I. Explanations and notes related to assets of the balance sheet	60
II. Explanations and notes related to liabilities of the balance sheet	68
III. Explanations and notes related to off-balance sheet accounts	74
IV. Explanations and notes related to statement of profit or loss	77
V. Explanations and notes related to statement of changes in shareholders' equity	81
VI. Explanations and notes related to statement of cash flows	81
VII. Explanations and notes related to the risk group of the Bank	82
SECTION SIX	
Other Explanations	
I. Other explanations	83
II. Explanations and notes related to subsequent events	83
SECTION SEVEN	
Independent Auditors' Report	
I. Explanations on the independent auditors' report	84
II. Explanations and notes prepared by independent auditors	84

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (Thousands of Turkish Lira (TL))

SECTION ONE

GENERAL INFORMATION

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

Destek Yatırım Bankası A.Ş. (“Destek Yatırım Bankası” or “the Bank”) was established with of the decision of Banking Regulation and Supervision Agency (“BRSA”) dated 4 February 2021 and numbered 9412. The Bank was registered with the Istanbul Trade Registry on 12 July 2021 with an initial capital of TL 300.000.000.

The Bank was granted operating license with the Decision numbered 10024 taken at the Board meeting of the BRSA dated 6 January 2022. Aforementioned decision became valid by being issued in the Official Gazette dated 8 January 2022 and numbered 31713.

The Bank started its banking activities on 25 February 2022.

According to the classification in the Banking Law No. 5411 the status of the Bank is “Development and Investment Bank”, and it is not authorized to accept deposits.

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

As of 31 December 2022 and 31 December 2021, the Bank’s paid-in capital is TL 300 million, and it has been divided into 300 million shares with a historical value of TL 1 each.

As of 31 December 2022, the main shareholders and their capital structure are as follows:

Name / Company	Shares	Ownership	Paid-in Capital	Unpaid Portion
Destek Finans Faktoring A.Ş.	299.999.996	99,9999987	299.999.996	-
Altunç Kumova	1	0,0000003	1	-
Özgür Akayoğlu	1	0,0000003	1	-
Kerim Tosun	1	0,0000003	1	-
Onur Kumova	1	0,0000003	1	-
				-
Total	300.000.000	100,00	300.000.000	-

On 12 April 2022, one full TL share was transferred from Azize Binnur Tosun to Onur Kumova.

The capital group, which has direct or indirect control over the Bank's capital, is Destek Holding A.Ş.

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

III. Information on the 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

Name and Surname	Responsibility	Education	Appointment
			Date
Altunç Kumova	Chairman	Bachelor	12.07.2021
Hüseyin Gürer	Vice Chairman	Master	12.07.2021
Hakan Coşkun	Independent Member and Member of Audit Committee	Master	12.07.2021
Tuna Akyürek	Independent Member and Member of Audit Committee	Bachelor	12.07.2021
Özgür Akayoğlu	CEO and Member	Master	12.07.2021
Kerim Tosun	Executive Vice President Financial Management, Accounting and IT	Bachelor	04.08.2021
Levent Arslan	Executive Vice President – Operations Group	Bachelor	04.08.2021
Mustafa Ertan Tanrıyakul	Executive Vice President – Treasury and Financial Institutions	Bachelor	06.12.2021

Chairman Altunç Kumova, Member and CEO Özgür Akayoğlu and Executive Vice President Kerim Tosun each directly hold a TL one share in the Bank's capital.

The other persons named above do not have shares in the Bank.

IV. Information on the Bank's qualified shareholders

Name / Company	Shares	Ownership	Paid-in Capital	Unpaid Portion
Destek Finans Faktoring A.Ş.	299.999.996	99,9999987	299.999.996	-

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

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

The Bank is responsible for carrying out all types of banking operations (except for the receipt of deposits and participation funds) listed and permitted in the Article 4th of the Banking Law, including but not limited to the matters listed below, as well as all types of economic, financial and commercial matters that is not prohibited by law. It is established to undertake ventures and activities and to engage in all matters in which the Legislation permits banks to engage or carry out.

The Bank is authorized to carry out all the activities listed below in accordance with the Banking Law, the Turkish Commercial Code, the Capital Market Law and other laws and related legislation to the extent it is authorized to do so.

- Conducting commercial, investment, individual and other banking transactions for institutions and organizations in all sectors of the economy, for private individuals, both domestic and foreign, with short-, medium- and long-term guarantees or unsecured monetary and tangible assets such as sureties, bills of exchange, endorsements or acceptances. Granting loans or credits in any form, opening letters of credit, confirming letters of credit opened, conducting other business related to letters of credit and guarantees or commercial vehicles in general, establishing partnerships with them and participating in existing partnerships,
- Financing of all sectors, domestic and foreign, especially in domestic and foreign trade, industry, agriculture, construction, mining, public works, transport, tourism, livestock, computers, with national and international banking methods; intermediation, participation and assistance in the financing of all types of development, investment, build-operate-transfer projects,
- Supporting and arranging foreign and domestic capital for investment in Turkey, for joining existing companies or companies to be established, and advising on these matters,
- Granting short-, medium- and long-term loans against pledges, mortgages and other collateral, or in the form of open-end loans,
- Engaging in all kinds of industrial and commercial transactions, acts and works, to participate in individuals and organizations established under private and public law and engaged in these fields, to form partnerships, to share stocks and other securities, to buy and sell valuable documents and bonds, to make all kinds of savings thereon, to pledge, to take hostages,
- Providing capital or money market transactions in securities of all kinds, if necessary, in cooperation with national/international institutions, and participating in companies established/to be established for this purpose,
- Participation in all types of leasing transactions, including domestic and foreign, assumption of guarantees, brokerage of transactions,
- Conducting all types of factoring operations in the country and abroad in the manner prescribed by legislation, providing related financing, providing consulting services in financial and financial management matters on a sectoral and professional basis,
- Conducting all types of derivative transactions, all types of foreign exchange transactions, including forward foreign exchange purchase/sale, forfaiting, repo, reverse repo transactions, and trading on securities exchanges established or to be established in connection therewith,
- Buying and selling, importing, and exporting gold, silver and other precious metals, trading in precious metals and metal exchanges already established or to be established,
- Providing banking services and direct banking services to its customers through information technology such as call centers, telephone banking, electronic banking, electronic commerce, Internet, domestically and internationally,

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

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

- Establishing correspondent relations with domestic and foreign banks, to carry out all kinds of banking transactions with the Central Bank of the Republic of Turkey and domestic and foreign banks,
- Operating in Turkish Lira and foreign currency in all national and international money markets,
- Acquiring immovable property in the country and abroad, transferring, ceding, mortgage and limiting them with other real rights; to lease partially or completely and to dispose of them in a way that can establish all kinds of personal or real rights and obligations,
- Securing or collecting receivables, to take mortgages in favor of oneself, to remove them, to make garame mortgage agreements, to establish and remove commercial enterprise pledges and movable pledges, to conclude lease agreements,
- Issuing capital market instruments, to make all kinds of legal savings on them, to pledge them, to pledge them in favor of oneself, to remove them,
- Providing all kinds of insurance agency transactions at home and abroad
- Engaging in securities brokerage activities authorized by the Capital Markets Law, establishing, operating, and managing securities investment funds
- Providing capital market activities in accordance with the relevant provisions of the Capital Market Law,
- Buying and selling Treasury bonds, bills and other securities issued or to be issued by the Treasury, capital market instruments, securities issued or to be issued by public and private legal entities, including the Public Partnership and Privatization Administration, and other capital market instruments, and to make all kinds of legal dispositions on them, to perform pledge transactions related to them,
- Providing all kinds of money and capital market activities permitted within the framework of legal rules and regulations of the Capital Markets Board and an agency of the institutions authorized to do these works,
- Providing financing to public and private sector organizations, to provide project finance, company mergers and acquisitions, company restructuring, privatization, public offering, security issuance, equity, share and stock evaluations and transfers, feasibility studies and sector research and mutual trade to provide brokerage and consultancy services on,
- Providing national and international banking transactions authorized by the legislation,

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

There are no subsidiaries that the Bank has.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I.** Unconsolidated Balance Sheet (Statement of Financial Position)
- II.** Unconsolidated Statement of Off-Balance Sheet Items
- III.** Unconsolidated Statement of Profit or Loss
- IV.** Unconsolidated Statement of Profit or Loss and Other Comprehensive Income
- V.** Unconsolidated Statement of Changes in Shareholders' Equity
- VI.** Unconsolidated Statement of Cash Flows
- VII.** Unconsolidated Statement of Profit Distribution

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AS OF 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

		Audited			Unaudited		
		Current Period			Prior Period		
		31 December 2022			31 December 2021		
ASSETS	Notes (5 - 1)	TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		311.500	223.306	534.806	309.133	-	309.133
1.1 Cash and Cash Equivalents		84	180.112	180.196	309.133	-	309.133
1.1.1 Cash and Balances at Central Bank	(1)	79	134.867	134.946	-	-	-
1.1.2 Banks	(4)	5	45.245	45.250	309.133	-	309.133
1.1.3 Money Market Placements		-	-	-	-	-	-
1.2 Financial Assets Measured at Fair Value Through Profit or Loss	(2)	-	-	-	-	-	-
1.2.1 Government Securities		-	-	-	-	-	-
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	-	-	-	-	-
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5)	305.493	43.194	348.687	-	-	-
1.3.1 Government Securities		305.493	43.194	348.687	-	-	-
1.3.2 Equity Securities		-	-	-	-	-	-
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	(3)	5.923	-	5.923	-	-	-
1.4.1 Derivative Financial Assets Measured at FVTPL		5.923	-	5.923	-	-	-
1.4.2 Derivative Financial Assets Measured at FVOCI		-	-	-	-	-	-
II. FINANCIAL STATEMENTS MEASURED AT AMORTIZED COST (Net)		216.245	732.741	948.986	-	-	-
2.1 Loans	(6)	216.245	732.741	948.986	-	-	-
2.2 Receivables From Leasing Transactions	(11)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Financial Assets Measured At Amortised Cost	(7)	-	-	-	-	-	-
2.4.1 Government Securities		-	-	-	-	-	-
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Non-Performing Loans		-	-	-	-	-	-
2.6 Expected Credit Loss (-)		-	-	-	-	-	-
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	-	-	-
3.1 Asset Held for Resale		-	-	-	-	-	-
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
IV. OWNERSHIP INVESTMENTS		-	-	-	-	-	-
4.1 Associates (Net)	(8)	-	-	-	-	-	-
4.1.1 Associates Consolidated by Using Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)	(9)	-	-	-	-	-	-
4.2.1 Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
4.3 Investments in Joint-Ventures (Net)	(10)	-	-	-	-	-	-
4.3.1 Joint-Ventures Consolidated by Using Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(12)	4.365	-	4.365	1.864	-	1.864
VI. INTANGIBLE ASSETS (Net)	(13)	21.436	-	21.436	1.002	-	1.002
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		21.436	-	21.436	1.002	-	1.002
VII. INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS	(15)	-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	(15)	-	-	-	-	-	-
X. OTHER ASSETS	(17)	4.138	45.624	49.762	5.288	-	5.288
TOTAL ASSETS		557.684	1.001.671	1.559.355	317.287	-	317.287

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

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

		Audited			Unaudited		
		Current Period			Prior Period		
		31 December 2022			31 December 2021		
LIABILITIES	Notes (5 - II)	TL	FC	Total	TL	FC	Total
I. DEPOSIT	(1)	-	-	-	-	-	-
II. FUNDS BORROWED	(4)	-	23.571	23.571	-	-	-
III. MONEY MARKET FUNDS	(3)	276.802	-	276.802	-	-	-
IV. SECURITIES ISSUED	(4)	-	673.196	673.196	-	-	-
4.1 Bills		-	386.498	386.498	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	286.698	286.698	-	-	-
V. FUNDS	(4)	20.083	104.349	124.432	-	-	-
5.1 Borrower Funds		20.083	104.349	124.432	-	-	-
5.2 Others		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT/LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)	960	-	960	-	-	-
7.1 Derivative Financial Liabilities Measured at FVTPL		960	-	960	-	-	-
7.2 Derivative Financial Liabilities Measured at FVOCI		-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES (Net)	(6)	-	-	-	-	-	-
X. PROVISIONS	(8)	9.937	11.707	21.644	298	-	298
10.1 General Provisions		8.443	11.707	20.150	-	-	-
10.2 Restructuring Provisions		-	-	-	-	-	-
10.3 Reserves for Employee Benefits		1.216	-	1.216	298	-	298
10.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.5 Other Provisions		278	-	278	-	-	-
XI. CURRENT TAX LIABILITY	(9)	22.081	-	22.081	1.531	-	1.531
XII. DEFERRED TAX LIABILITY	(9)	734	-	734	22	-	22
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(10)	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(11)	-	-	-	-	-	-
14.1 Borrowings		-	-	-	-	-	-
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	(5)	4.994	1.380	6.374	133	-	133
XVI. SHAREHOLDERS' EQUITY	(12)	406.084	3.477	409.561	315.303	-	315.303
16.1 Paid-in Capital		300.000	-	300.000	300.000	-	300.000
16.2 Capital Reserves		-	-	-	-	-	-
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss		(118)	-	(118)	(54)	-	(54)
16.4 Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss		15.390	3.477	18.867	-	-	-
16.5 Profit Reserves		768	-	768	-	-	-
16.5.1 Legal Reserves		768	-	768	-	-	-
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		-	-	-	-	-	-
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit Or Loss		90.044	-	90.044	15.357	-	15.357
16.6.1 Prior Periods' Profit/Loss		14.589	-	14.589	-	-	-
16.6.2 Current Period Net Profit/Loss		75.455	-	75.455	15.357	-	15.357
TOTAL LIABILITIES		741.675	817.680	1.559.355	317.287	-	317.287

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

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

AS OF 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

		Audited			Unaudited		
		Current Period			Prior Period		
		31 December 2022			31 December 2021		
	Notes (5 - III)	TL	FC	TL	FC	TL	FC
A. OFF-BALANCE SHEET LIABILITIES (I+II+III)		5,674,910	2,499,190	8,174,100	-	-	-
I. CONTINGENCIES	(1),(3)	617,826	4,416	622,242	-	-	-
1.1 Letters Of Guarantee		617,826	4,416	622,242	-	-	-
1.1.1 Guarantees Subject to State Tender Law		60	4,416	4,476	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		617,766	-	617,766	-	-	-
1.2 Bank Acceptances		-	-	-	-	-	-
1.2.1 Import Letter of Acceptance		-	-	-	-	-	-
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters Of Credit		-	-	-	-	-	-
1.3.1 Documentary Letters of Credit		-	-	-	-	-	-
1.3.2 Other Letters of Credit		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Underwriting Commitments		-	-	-	-	-	-
1.7 Factoring Related Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		-	-	-	-	-	-
1.9 Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	(1),(3)	2,553,154	-	2,553,154	-	-	-
2.1 Irrevocable Commitments		-	-	-	-	-	-
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 Loan Granting Commitments		-	-	-	-	-	-
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		-	-	-	-	-	-
2.1.8 Tax and Fund Obligations on Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10 Commitments for Credit Cards and Banking Services Related		-	-	-	-	-	-
2.1.10 Promotions		-	-	-	-	-	-
2.1.11 Receivables from "Short" Sale Commitments on Securities		-	-	-	-	-	-
2.1.12 Payables from "Short" Sale Commitments on Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		-	-	-	-	-	-
2.2 Revocable Commitments		2,553,154	-	2,553,154	-	-	-
2.2.1 Revocable Loan Granting Commitments		2,553,154	-	2,553,154	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL ASSETS	(2)	2,503,930	2,494,774	4,998,704	-	-	-
3.1 Derivative Financial Instruments Held for Risk Management		-	-	-	-	-	-
3.1.1 Fair Value Hedges		-	-	-	-	-	-
3.1.2 Cash Flow Hedges		-	-	-	-	-	-
3.1.3 Net Foreign Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivatives		2,503,930	2,494,774	4,998,704	-	-	-
3.2.1 Forward Foreign Currency Purchases/Sales		1,341,922	1,335,479	2,677,401	-	-	-
3.2.1.1 Forward Foreign Currency Purchases		1,341,922	-	1,341,922	-	-	-
3.2.1.2 Forward Foreign Currency Sales		-	1,335,479	1,335,479	-	-	-
3.2.2 Currency and Interest Rate Swaps		1,162,008	1,159,295	2,321,303	-	-	-
3.2.2.1 Currency Swaps-Purchases		-	1,159,295	1,159,295	-	-	-
3.2.2.2 Currency Swaps-Sales		1,162,008	-	1,162,008	-	-	-
3.2.2.3 Interest Rate Swaps-Purchases		-	-	-	-	-	-
3.2.2.4 Interest Rate Swaps-Sales		-	-	-	-	-	-
3.2.3 Currency, Interest Rate and Security Options		-	-	-	-	-	-
3.2.3.1 Currency Call Options		-	-	-	-	-	-
3.2.3.2 Currency Put Options		-	-	-	-	-	-
3.2.3.3 Interest Rate Call Options		-	-	-	-	-	-
3.2.3.4 Interest Rate Put Options		-	-	-	-	-	-
3.2.3.5 Security Call Options		-	-	-	-	-	-
3.2.3.6 Security Put Options		-	-	-	-	-	-
3.2.4 Currency Futures		-	-	-	-	-	-
3.2.4.1 Currency Futures-Purchases		-	-	-	-	-	-
3.2.4.2 Currency Futures-Sales		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Purchases		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6 Others		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		6,349,076	79,398	6,428,474	-	-	-
IV. ITEMS HELD IN CUSTODY		257,524	37,535	295,059	-	-	-
4.1 Customers' Securities Held		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		-	-	-	-	-	-
4.3 Checks Received for Collection		-	-	-	-	-	-
4.4 Commercial Notes Received for Collection		-	-	-	-	-	-
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received Through Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		-	-	-	-	-	-
4.8 Custodians		257,524	37,535	295,059	-	-	-
V. PLEDGED ITEMS		6,091,552	41,863	6,133,415	-	-	-
5.1 Securities		-	-	-	-	-	-
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodities		-	-	-	-	-	-
5.4 Warranties		-	-	-	-	-	-
5.5 Real Estates		-	-	-	-	-	-
5.6 Other Pledged Items		6,091,552	41,863	6,133,415	-	-	-
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		12,023,986	2,578,588	14,602,574	-	-	-

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

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2022 (Thousands of Turkish Lira (TL))

		Audited		Unaudited
		Current Period		Prior Period
		1 January-	12 July-	
		31 December 2022	31 December 2021	
INCOME AND EXPENSE ITEMS		Notes		
		(5 - IV)		
I.	INTEREST INCOME	(1)	146.233	26.579
1.1	Interest Income on Loans		103.603	-
1.2	Interest Income on Reserve Requirements		-	-
1.3	Interest Income on Banks		8.485	26.579
1.4	Interest Income on Money Market Transactions		60	-
1.5	Interest Income from Securities Portfolio		34.068	-
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		-	-
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		34.068	-
1.5.3	Financial Assets Measured at Amortised Cost		-	-
1.6	Finance Lease Income		-	-
1.7	Other Interest Income		17	-
II.	INTEREST EXPENSES (-)	(2)	34.688	-
2.1	Interest Expenses on Deposits		-	-
2.2	Interest Expenses on Funds Borrowed		819	-
2.3	Interest Expense on Money Market Transactions		14.384	-
2.4	Interest Expenses on Securities Issued		18.754	-
2.5	Finance Lease Expenses		-	-
2.6	Other Interest Expenses		731	-
III.	NET INTEREST INCOME/EXPENSES (I - II)		111.545	26.579
IV.	NET FEE AND COMMISSION INCOME/EXPENSES		4.345	-
4.1	Fees and Commissions Received		5.574	-
4.1.1	Non-Cash Loans		3.489	-
4.1.2	Others	(12)	2.085	-
4.2	Fees and Commissions Paid		(1.229)	-
4.2.1	Non-Cash Loans		(263)	-
4.2.2	Others	(12)	(966)	-
V.	DIVIDEND INCOME	(3)	-	-
VI.	TRADING INCOME / LOSS (NET)	(4)	50.389	(8)
6.1	Trading Gains / Losses on Securities		10.712	-
6.2	Trading Gains / Losses on Derivative Financial Instruments		(110.938)	-
6.3	Foreign Exchange Gains / Losses		150.615	(8)
VII.	OTHER OPERATING INCOME	(5)	134	62
VIII.	TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		166.413	26.633
IX.	EXPECTED CREDIT LOSS (-)	(6)	20.473	-
X.	PERSONNEL EXPENSES (-)		19.530	3.315
XI.	OTHER OPERATING EXPENSES (-)	(7)	19.093	2.837
XII.	NET OPERATING INCOME / LOSS (VIII-IX-X-XI)		107.317	20.481
XIII.	INCOME RESULTED FROM MERGERS		-	-
XIV.	INCOME / LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XV.	GAIN / LOSS ON NET MONETARY POSITION		-	-
XVI.	OPERATING PROFIT / LOSS BEFORE TAXES (XII+...+XV)	(8)	107.317	20.481
XVII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(9)	31.862	5.124
17.1	Current Tax Provision		31.128	5.085
17.2	Deferred Tax Income Effect (+)		734	39
17.3	Deferred Tax Expense Effect (-)		-	-
XVIII.	NET PROFIT / LOSS FROM CONTINUED OPERATIONS (XVI±XVII)	(10)	75.455	15.357
XIX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
19.1	Income From Non-Current Assets Held for Sale		-	-
19.2	Sales Income from Associates, Subsidiaries and Joint Ventures		-	-
19.3	Other Income from Discontinued Operations		-	-
XX.	EXPENSES ON DISCONTINUED OPERATING (-)		-	-
20.1	Expense From Non-Current Assets Held for Sale		-	-
20.2	Sales Losses from Associates, Subsidiaries and Joint Ventures		-	-
20.3	Other Expenses from Discontinued Operations		-	-
XXI.	PROFIT / LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)	(8)	-	-
XXII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(9)	-	-
22.1	Current Tax Provision		-	-
22.2	Deferred Tax Income Effect (+)		-	-
22.3	Deferred Tax Expense Effect (-)		-	-
XXIII.	NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)	(10)	-	-
XXIV.	CURRENT NET PROFIT / LOSS (XVIII+XXIII)	(11)	75.455	15.357
	Earning Profit / Loss Per Share		0,25152	0,05119

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

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Liras (TL))

	Audited Current Period 1 January- 31 December 2022	Unaudited Prior Period 12 July- 31 December 2021
I. CURRENT PERIOD PROFIT/LOSS	75.455	15.357
II. OTHER COMPREHENSIVE INCOME	18.803	(54)
2.1 Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss	(64)	(54)
2.1.1 Gains/Losses on Revaluation of Tangible Assets	-	-
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 Recycled to Profit or Loss	(85)	(72)
2.1.5 Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	21	18
2.2 Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	18.867	-
2.2.1 Foreign Currency Exchange Differences	-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	25.156	-
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 Recycled to Profit or Loss	-	-
2.2.6 Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	(6.289)	-
III. TOTAL OTHER COMPREHENSIVE INCOME (I+II)	94.258	15.303

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

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

	Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss							Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss						
	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined benefit plans' actuarial gains/losses	Other (Shares of investments valued by equity method in other comprehensive income not to be recycled to profit or loss and other accumulated amounts of other comprehensive income items not to be recycled to other profit or loss)	Foreign currency exchange differences	Income/expenses from valuation and/or reclassification of financial assets measured at FVOCI	Other (Cash flow hedge gain/loss, shares of investments valued by equity method in other comprehensive income recycled to profit or loss and other accumulated amounts of other comprehensive income items recycled to other profit or loss)	Profit Reserves	Prior Period' Profit/ Loss	Current Period Net Profit/Loss	Total Shareholders' Equity
Prior Period														
12 July 2021 – 31 December 2021														
I. Balance at the End of the Prior Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Adjustment in Accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Total Comprehensive Income	-	-	-	-	-	(54)	-	-	-	-	-	-	15.357	15.303
V. Capital Increase by Cash	300.000	-	-	-	-	-	-	-	-	-	-	-	-	300.000
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+IV+.....+X+XI)	300.000	-	-	-	-	(54)	-	-	-	-	-	-	15.357	315.303
Current Period														
1 January 2022 – 31 December 2022														
I. Balance at the End of the Prior Period	300.000	-	-	-	-	(54)	-	-	-	-	-	-	15.357	315.303
II. Adjustment in Accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)	300.000	-	-	-	-	(54)	-	-	-	-	-	-	15.357	315.303
IV. Total Comprehensive Income	-	-	-	-	-	(64)	-	-	18.867	-	-	-	75.455	94.258
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	768	14.589	(15.357)	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	768	14.589	(15.357)	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+IV+.....+X+XI)	300.000	-	-	-	-	(118)	-	-	18.867	-	768	14.589	75.455	409.561

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

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ**UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

		Audited Current Period	Unaudited Prior Period
		1 January- 31 December 2022	12 July- 31 December 2021
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit Before Changes in Operating Assets and Liabilities	74.717	18.314
1.1.1	Interests Received	125.736	26.579
1.1.2	Interests Paid	(34.407)	-
1.1.3	Dividend Received	-	-
1.1.4	Fees and Commissions Received	-	-
1.1.5	Other Income	-	-
1.1.6	Collections from Previously Written-off Receivables	-	-
1.1.7	Cash Payments to Personnel and Service Suppliers	(20.440)	(3.469)
1.1.8	Taxes Paid	(30.072)	(2.013)
1.1.9	Others	33.900	(2.783)
1.2	Changes In Operating Assets and Liabilities	(503.851)	(4.173)
1.2.1	Net (Increase) Decrease in Financial Assets Measured at FVTPL	-	-
1.2.2	Net (Increase) Decrease in Due from Banks	-	-
1.2.3	Net (Increase) Decrease in Loans	(928.489)	-
1.2.4	Net (Increase) Decrease in Other Assets	(52.187)	(8.399)
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 Measured at FVTPL	-	-
1.2.8	Net Increase (Decrease) in Funds Borrowed	23.571	-
1.2.9	Net Increase (Decrease) in Matured Payables	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	453.254	4.226
I.	Net Cash Flow from Banking Operations	(429.134)	14.141
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash Flow from Investing Activities	(356.198)	(5.008)
2.1	Cash Paid for Purchase of Associates, Subsidiaries and Joint-Ventures	-	-
2.2	Cash Obtained from Sale of Associates, Subsidiaries and Joint-Ventures	-	-
2.3	Purchases of Tangible Assets	(5.880)	(3.952)
2.4	Sales of Tangible Assets	-	-
2.5	Cash Paid for Purchase of Financial Assets Measured at FVOCI	(329.884)	(54)
2.6	Cash Obtained from Sale of Financial Assets Measured at FVOCI	-	-
2.7	Cash Paid for Purchase of Financial Assets Measured at Amortised Cost	-	-
2.8	Cash Obtained from Sale of Financial Assets Measured at Amortised Cost	-	-
2.9	Others	(20.434)	(1.002)
C.	CASH FLOWS FROM FINANCIAL ACTIVITIES		
III.	Net Cash Flow from Financing Activities	654.440	300.000
3.1	Cash Obtained from Funds Borrowed and Securities Issued	654.440	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	-	-
3.3	Equity Instruments Issued	-	300.000
3.4	Dividends Paid	-	-
3.5	Payments for Finance Leases	-	-
3.6	Others	-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	1.955	-
V.	Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)	(128.937)	309.133
VI.	Cash and Cash Equivalents at Beginning of the Period	309.133	-
VII.	Cash and Cash Equivalents at the End of the Period	180.196	309.133

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

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

**UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

	Current Period 31 December 2022 (*)	Prior Period 31 December 2021
I. DISTRIBUTION OF CURRENT YEAR PROFIT (1)		
1.1 CURRENT YEAR PROFIT	107.317	20.481
1.2 TAXES AND DUTIES PAYABLE (-)	(31.862)	(5.124)
1.2.1 Corporate Tax (Income Tax)	(31.128)	(5.085)
1.2.2 Income Withholding Tax	-	-
1.2.3 Other Taxes and Duties	(734)	(39)
A. NET PROFIT FOR THE YEAR (1.1 - 1.2)	75.455	15.357
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	768
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-1.3+1.4+1.5)]	75.455	14.589
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
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 STATUTORY RESERVES (-)	-	-
1.11 EXTRAORDINARY RESERVES	-	-
1.12 OTHER RESERVES	-	-
1.13 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 DIVIDEND TO SHAREHOLDERS (-)	-	-
2.2.1 To owners of ordinary shares	-	-
2.2.2 To owners of privileged shares	-	-
2.2.3 To owners of preferred shares	-	-
2.2.4 To profit sharing bonds	-	-
2.2.5 To holders of profit and loss sharing certificates	-	-
2.3 DIVIDENDS TO PERSONNEL (-)	-	-
2.4 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	0,25	0,04
3.2 TO OWNERS OF ORDINARY SHARES (%)	25	4
3.3 TO OWNERS OF PRIVILEGED SHARES (full TL)	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES (TL)	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES (TL)	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(1) Profit distribution is decided by the General Assembly of the Bank. As of the date of issuance of these financial statements, the Bank's annual Ordinary General Assembly meeting has not yet been held.

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
(Thousands of Turkish Lira (TL))

SECTION THREE

ACCOUNTING POLICIES

I. Explanations on basis of presentation:

1. The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on Accounting Applications for Banks and Safeguarding of Documents:

The Bank prepares its financial statements in accordance with the Banking Regulation and Supervision Authority (“BRSA”) Accounting and Reporting Regulation which includes the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards (“TFRS”) published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) for the matters not regulated by the aforementioned legislations.

The amounts in the financial statements and the related explanations and footnotes are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.

The financial statements are prepared in accordance with the “Communiqué amending the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” published in the Official Gazette dated 1 February 2019 with No. 30673.

The financial statements have been prepared in Turkish Lira (“TL”) under the historical cost except for the financial assets and liabilities carried at fair value.

The Bank has applied to the BRSA to calculate provisions in accordance with the 6th paragraph of the 9th article of the “Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set for These”, which entered into force on 1 January 2018, instead of TFRS 9, 10th, 11th, 13th, and 15th of the Regulation. The Bank does not apply the provisions of TFRS 9 regarding impairment within the scope of this exception, based on the permission from the BRSA dated 21 February 2022. With the approval of the BRSA, the Bank calculates its provisions not with the expected credit losses method established in accordance with TFRS 9, but within the scope of the 10th, 11th, 13th, and 15th articles of the Regulation until the opposite is decided.

The balance sheet and the off-balance sheet accounts are presented as of 31 December 2022 in comparison with the 31 December 2021 financial statements. The profit or loss statement, profit or loss and other comprehensive income statement, statement of changes in shareholders’ equity and cash flow statement for the year ended 31 December 2022 are presented in comparison with the financial statements for the year ended 12 July 2021 - 31 December 2021. Since the Bank started its operations on 25 February 2022, it has not disclosed the banking risk statements as of 31 December 2021.

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

Accounting policies and valuation principles adopted when preparing financial statements are in line with the legislation, communiqué, explanation, and circular released by BRSA concerning accounting and financial reporting and for matters which are not regulated by the foregoing, with the provisions of TAS/TFRS (together “BRSA Accounting and Financial Reporting Legislation) put into force by Public Oversight.

TAS / TFRS changes, which entered into force as of 1 January 2022, do not have a significant effect on the accounting policies, financial status, and performance of the Bank. TAS and TFRS changes, which were published but not put into effect as of the final date of the financial statements, will not have a significant effect on the accounting policies, financial status, and performance of the Bank. In addition, the Interest Rate Benchmark Reform - 2nd Stage, bringing changes in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from 1 January 2021, was published in December 2020 and early implementation of the changes is allowed. With the amendments made, certain exceptions are provided for the basis used in determining contractual cash flows and the provisions of hedge accounting. The changes are not considered to have a significant impact on the Bank’s financials.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
(Thousands of Turkish Lira (TL))

ACCOUNTING POLICIES (Continued)

- I. Explanations on basis of presentation (Continued):**
- 2. Accounting policies and valuation principles used in the preparation of the financial statements (Continued)**

In the announcement dated 20 January 2022 made by the POA, it has been stated that companies applying TFRS will not need to make any adjustments in their financial statements which ends on 31 December 2021 within the scope of the TAS 29 Financial Reporting Standard in Hyperinflationary Economies. Since the POA did not make any new announcement, while preparing the financial statements as of 31 December 2022, no inflation adjustment was made according to TAS 29.

These accounting policies and valuation principles are disclosed in Notes II and XXIII below.

II. Explanations on strategy for use of financial instruments and foreign currency transactions

1. Strategy for use of financial instruments

The Bank's core business covers all banking services and investment banking activities, excluding cash management, foreign trade finance, structured finance, treasury products and services, and accepting deposits, offered to Corporate and Commercial Banking customers.

The Bank started its operations as of 25 February 2022 and approximately 26% of the Bank's resources consist of equity. Providing diversity in funding sources over time is the main objective of the Bank. For this purpose, both the expansion of the investor base and the diversification of borrowing markets have been determined as a priority. The main source of funding for the Bank in the first months is the domestic bond/bill market. In addition, Borsa İstanbul Debt Securities Market, CBRT Open Market Operations Market, Takasbank Money Market and Interbank repo/deposit market will be used as funding sources. In particular, efforts will be made to evaluate funding opportunities in relatively long terms from foreign banks. Swap transactions can be used to manage the liquidity of different currencies.

As of the reporting date, the share of the loans extended in the Bank's assets is 61%, and there is a liquid balance sheet structure in which the Bank's resources are utilized in short-term financial instruments.

2. Foreign currency transactions

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the periods, foreign currency assets and liabilities evaluated with the CBRT's spot purchase rates and the differences are recorded as foreign exchange gain or loss in the statement of profit or loss.

Exchange rate, interest and price movements in the markets are followed instantly; while taking positions, legal limits are effectively followed and non-compliance with legal limits is not caused.

III. Explanations on forwards, options, and other derivative transactions

Derivative transactions are classified as trading transactions and are followed at their fair values.

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

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Derivative Financial Assets Designated at Fair Value Through Profit and Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income"; if the fair value difference is negative, it is disclosed in "Derivative Financial Liabilities Designated at Fair Value Through Profit and Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transactions.

There are no embedded derivatives or hedging derivatives created by separation from the main contract.

The Bank has derivative financial assets of TL 5.923 classified as "Derivative Financial Assets at Fair Value Through Profit and Loss" and derivative financial liabilities of TL 960 as of 31 December 2022.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
(Thousands of Turkish Lira (TL))

ACCOUNTING POLICIES (Continued)

IV. Explanations on interest income and expenses

Interest income and expenses are recognized at fair value and accrued on an accrual basis using the effective interest method based on the principal amount outstanding.

V. Explanations on fees and commissions

Banking service revenues are recorded as income in the period they are collected.

Fees and commission expenses, which are paid to other institutions and organizations regarding financial liabilities and constitute the transaction cost, are considered as a part of the interest expense of the related loan.

Fees and commission income/expenses collected/paid for any futures transactions are recorded on an accrual basis.

The income derived from agreements or asset purchases from real-person or corporate third parties are recognized as income when realized.

VI. Explanations on financial assets

The Bank categorizes its financial assets as “Fair Value Through Profit/Loss”, “Fair Value Through Other Comprehensive Income” or “Measured at Amortized Cost”. Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority (“POA”). 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.

The Bank recognizes a financial asset in the statement of financial position only when it becomes a party to the contractual provisions of the financial instrument. During the initial recognition of a financial asset, the business model determined by the Bank and the characteristics of the contractual cash flows of the financial asset are taken into account.

1. Financial assets measured at the fair value through profit or loss

Financial assets measured at fair value through profit/loss are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets measured 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 the change in the fair value are recognized in profit or loss. The Bank does not have any financial assets measured at fair value through profit or loss as of 31 December 2022 (31 December 2021: None).

2. Financial assets measured at fair value through other comprehensive income

In addition to the holding of the financial asset under a business model that aims to collect the contractual cash flows and sell the financial asset, the financial asset is measured at fair value if the contractual terms of the financial asset result in cash flows that only consist of principal and interest payments on the principal balance at specified dates classified as through to other comprehensive income.

Financial assets measured at fair value through other comprehensive income are recorded by adding transaction costs to acquisition costs that reflect their fair value. Financial assets at fair value through other comprehensive income are valued at their fair value after they are recorded. The interest income of the securities whose fair value difference is reflected in other comprehensive income, calculated with the effective interest method, and the dividend income of the securities that represent the share in the capital are reflected in the income statement.

ACCOUNTING POLICIES (Continued)

VI. Explanations on financial assets (Continued)

2. Financial assets measured at fair value through other comprehensive income (Continued)

The difference between the fair value of financial assets whose fair value difference is reflected in other comprehensive income and their amortized costs, that is, “Unrealized profits and losses”, is recorded in the income statement of the period until the realization of one of the cases where the value corresponding to the related financial asset is collected, the asset is sold, disposed of, or deteriorated. It is recognized in the “Other Comprehensive Income/Expense Items to Be Recycled to Profit/Loss” under equity. When these securities are collected or disposed of, the accumulated fair value differences recognized in equity are reclassified in the income statement.

Equity securities, which are classified as financial assets at fair value through other comprehensive income, are accounted for at their fair values.

The portfolio of “Financial Assets at Fair Value Through Other Comprehensive Income” includes fixed-rate treasury bonuses, government bonds and EUR bonds issued by the Turkish Treasury, as well as CPI indexed government bonds. These CPI-indexed securities are valued and accounted for on the basis of real coupon rates, the reference inflation index on the issue date and the reference inflation index on the valuation date. The reference indices used in the calculation of the actual coupon payment amounts of these securities are created according to the CPI of two months ago.

The value of “Government Debt Securities” under “Financial Assets at Fair Value Through Other Comprehensive Income” in the financial statements is TL 348.687 as of 31 December 2022, (31 December 2021: None).

3. Financial assets measured at amortised cost

A financial asset is classified as a financial asset measured at amortized cost if the financial asset is held within the scope of a business model that aims to collect contractual cash flows and the contractual terms of the financial asset result in cash flows that only consist of principal and interest payments on the principal balance on specified dates.

Financial assets measured at amortized cost are initially recorded by adding transaction costs to their acquisition costs, which reflect their fair values and are then measured at "amortized cost" using the "effective interest (internal rate of return) method". Interest income related to financial assets measured at amortized cost is reflected in the income statement. All the Bank's financial assets measured at amortized cost, consist of loans as of 31 December 2022 and the Bank has loans amounting to TL 948.986 (31 December 2021: None).

Loans

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortised cost using the “Effective Interest Rate (internal rate of return) Method”.

The Bank management reviews the loan portfolio at regular intervals and in case of doubts that the loans cannot be collected, the loans deemed to have become problematic are published in the Official Gazette dated 22 September 2016 and numbered 29750 and published in the Official Gazette dated 18 October 2018 and numbered 30569. It makes classifications within the framework of the principles included in the “Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions for These” amended by the regulation published (“Provisions Regulation”).

ACCOUNTING POLICIES (Continued)

VI. Explanations on financial assets (Continued)

3. Financial assets measured at amortised cost (Continued)

Loans (Continued)

The Bank applied to the BRSA to set aside the provisions within the scope of the 10th, 11th, 13th, and 15th articles of the Provisions Regulation. The Bank has stated that the provisions to be set aside in accordance with the 6th paragraph of the 9th article of the “Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set for These” (“Provisions Regulation”), instead of TFRS 9 which entered into force on 1 January 2018. Withing the permission from the BRSA dated 21 February 2022, the Bank does not apply the provisions of TFRS 9 regarding impairment within the scope of this exception. With the approval of the BRSA, the Bank calculates its provisions not with the expected credit losses method established in accordance with TFRS 9, but within the scope of the 10th, 11th, 13th, and 15th articles of the Regulation until the opposite is decided.

VII. Explanations on offsetting financial instruments

Financial assets and liabilities are offset and shown in the financial statements over their net amounts if offsetting is legally enforceable or when the Bank is required to offset assets and liabilities using the offset method. Otherwise, no offsetting is made regarding financial assets and liabilities.

VIII. Explanations on sales and repurchase agreements and securities lending transactions

Securities subject to repurchase agreements (“Repos”) are classified as “Financial assets at fair value difference through profit or loss”, “Financial assets at fair value difference through other comprehensive income” and “Measured at amortized cost” in the balance sheet according to the investment purposes and measured according to the portfolio of the Bank to which they belong. Funds obtained under repurchase agreements are accounted under “Funds provided under repurchase agreements” in liability accounts and differences between the sale and repurchase prices determined by these repurchase agreements are accrued evenly over the life of the repurchase agreement using the “Effective interest (internal return) method”.

Funds given against securities purchased under agreements to resell (“Reverse repos”) are accounted under “Receivables from money markets” in the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued evenly over the life of repurchase agreements using the “Effective interest rate method”.

IX. Explanations on assets held for sale and related to discontinued operations and on payables regarding these assets

Assets that meet the criteria for classification as held for sale; the carrying amount is measured at the lower of their fair value less costs to sell and depreciation is stopped on these assets and these assets are presented separately in the balance sheet. For an asset to be held for sale; the related asset (or disposal group) must be in a condition where it can be sold immediately under the usual and customary conditions for the sale of such assets (or disposal group) and the sale must be highly probable.

There must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process for a high probability of sale. In addition, the sale must be expected to be accounted for as a completed sale within one year of the classification date and the actions required to complete the plan must show that it is unlikely that material changes to the plan or the plan will be cancelled.

Various events or circumstances may extend the completion time of the sale transaction beyond one year. If the delay is due to events or conditions beyond the control of the entity and there is sufficient evidence that the entity's plan to sell the related asset (or disposal group) is in progress; these assets continue to be classified as held for sale.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
(Thousands of Turkish Lira (TL))

ACCOUNTING POLICIES (Continued)

IX. Explanations on assets held for sale and related to discontinued operations and on payables regarding these assets (Continued)

The Bank has no assets held for sale as of 31 December 2022 and 31 December 2021.

The Bank has no fixed assets related to discontinued operations as of 31 December 2022 and 31 December 2021.

A discontinued operation is a part of the business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in income statement. The Bank has not any discontinued operations.

X. Explanations on goodwill and other intangible assets

There is no goodwill in the accompanying financial statements of the Bank as of the balance sheet date (31 December 2021: None). Other intangible assets include purchased licenses and computer software.

The useful lives of other intangible assets are determined by the Bank's management and are amortized using depreciation rates determined over their useful lives. Intangible assets are amortized over 3-15 years.

XI. Explanations on tangible assets

Tangible fixed assets are depreciated using the straight-line method. The Bank's management determines the useful lives of tangible fixed assets, and they are depreciated using rates determined according to their valuable lives. Tangible assets are amortized over 3-10 years using the straight-line method.

Depreciation is made for leasehold improvements using the straight-line method over the shorter of the operational lease terms or the useful life of the leased property.

As of the balance sheet date, the amount of depreciation calculated by proportioning the amount of depreciation foreseen for a full year with the period of stay of the asset for the assets that are in the asset for less than one accounting period is depreciated. The profit or loss arising from the disposal of tangible fixed assets is reflected in the income statement as the difference between the net disposal proceeds and the net book value of the tangible fixed asset after inflation adjustment. Among the repair costs of tangible fixed assets, those that extend the economic life of the asset are capitalized, while other repair costs are recorded as expense. There is no purchase commitment regarding tangible fixed assets. There are no pledges, mortgages, or any similar encumbrances on tangible assets.

XII. Explanations on leasing transactions

The Bank evaluates whether the contract is or contains a lease at the inception of a contract while applying TFRS 16. If the contract transfers the right to control the use of the identified asset for a specified period, the contract is or includes a lease. The Bank records the right-of-use asset and the lease liability in its financial statements on the actual commencement date of the lease.

The right-of-use asset is measured initially at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses and adjusted for remeasurement of the lease liability. TAS 36 Impairment of Assets standard is applied to determine whether the right-of-use real estate is impaired or not and to account for the determined impairment loss.

The difference between operating leases and financial leases has disappeared with the "TFRS 16 Leases" Standard, which is effective as of 1 January 2019, and the lease transactions are made by the lessees as "Tangible Assets" in assets (right of use assets) and "Leases" in liabilities. It is started to be presented under the "Liabilities" item.

TFRS 16 introduced a single lease accounting model for lessees. As a result, the Bank, as a lessee, has included the right-of-use asset representing the right to use the underlying asset and the lease liabilities representing the lease payments that it is obligated to pay rent in its financial statements. Accounting for the lessor is like previous accounting policies.

ACCOUNTING POLICIES (Continued)

XII. Explanations on leasing transactions (Continued)

Right-of-use asset

The right-of-use asset is initially accounted for using the cost method and includes:

- The initial measurement amount of the lease liability
- The amount obtained by deducting all lease incentives received from all lease payments made on or before the actual commencement of the lease,
- All initial direct costs incurred by the Bank

When the bank cost method is applied, the beneficial owner shall:

- after deducting accumulated depreciation and accumulated impairment losses, and
- at cost adjusted for revaluation of the lease liability.

When amortising right-of-use assets, the Bank applies the amortisation provisions of TAS 16 Tangible Assets.

Lease liability

The Bank measures the lease liability when the inception of the lease occurs at the present value of the lease payments not paid yet on time. The lease payments are discounted using the implicit interest rate of the lease if this interest rate can be easily determined. If this interest rate cannot be readily determined, the bank uses the bank's alternative borrowing rate.

Lease payments included in the measurement of the lease liability at the inception of the lease consist of payments for the right to use the underlying asset during the lease term that are not paid at the inception of the lease:

Subsequent to the actual commencement of the lease, the Bank measures the lease liability as follows:

- Increases the carrying amount to reflect interest on the lease liability,
- Decreases the carrying amount to reflect lease payments made; and
- Revaluing the carrying amount to reflect reassessments and restructurings or to reflect lease payments that have been determined as modified.

Interest on the lease liability for each period of the lease term is the amount computed by applying a fixed periodic rate of interest to the remaining balance of the lease liability.

XIII. Explanations on provisions, contingent assets, and liabilities

Provisions and contingent liabilities are accounted in accordance with the “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets” (“TAS 37”).

A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the periodicity principle. Provisions are calculated according to the Bank's best estimate of the expenditure to be incurred to settle the obligation as of the balance sheet date and are discounted to present value where the effect is material. In cases where the amount cannot be measured reliably and there is no possibility of the Bank to fulfill the obligation, the said obligation is considered as “Contingent” and explained in the footnotes.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
(Thousands of Turkish Lira (TL))

ACCOUNTING POLICIES (Continued)

XIV. Explanations on obligations related to employee rights

The Bank accounts for its obligations related to employment termination and vacation rights in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) and classifies them in “Employee Rights Provision” account in the balance sheet. The resulting actuarial losses and gains are accounted for under equity in accordance with the revised TAS 19 standard.

The severance pay is paid in case of retirement or dismissal according to the legal legislation. Severance pay is calculated over the length of service and the last salary or severance pay ceiling during the retirement or dismissal period. There are no foundations, funds, or similar organizations of which the Bank's employees are members.

XV. Explanations on taxation

1. Corporate Tax

The corporate tax rate has been applied as 25% in the financial statements as of 31 December 2022. In accordance with the Law No. 7316 published in the Official Gazette dated 22 April 2021, the corporate tax rate is 25% for the taxation period of 2021, starting with the declarations that must be submitted as of 1 July 2021 and being valid for the taxation period starting from 1/1/2021 and this rate was determined as 23% for the taxation period of 2022. However, with the publication of the Law No. 7394 in the Official Gazette dated 15 April 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies The corporate tax rate for pension companies has been permanently increased to 25%, and this change will be valid for returns to be submitted after 1 July 2022. Therefore, as of the first quarter of 2022, the tax rate to be considered in the calculation of corporate tax is 23%, and the tax rate to be applied to the cumulative earnings of 2022 in the second quarter and following periods of 2022 will be taken into account as 25%.

The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, deducting the exceptions (such as the participation earnings exception) and deductions in the tax laws. No further tax is paid if the profit is not distributed.

There is no withholding tax on profit shares (dividends) paid to non-resident companies and companies residing in Turkey that generate income through a workplace or permanent representative in Turkey. Dividend payments made to individuals and institutions other than these are subject to 10% withholding tax. Addition of profit to capital is not considered as profit distribution and withholding tax is not applied.

Entities shall calculate the provisional tax on their quarterly financial profits at the current rate and shall be declared by the 17th day of the second month following such period and paid by the evening of the same day. The provisional tax paid during the year belongs to that year and is deducted from the corporate income tax to be calculated through the corporate income tax return to be filed in the following year. If, despite the deduction, a balance remains, this amount may be refunded in cash or deducted from other financial debts to the state.

50% of the profits generated through sale of equity shares and real estates and 75% for the associates held at least two years are exempt from tax with the conditions that such earnings shall be held in a special reserve account under equity until the end of five years following the year or added to the capital in accordance with the Corporate Tax Law.

The tax losses can be carried forward to offset against future taxable income for up to five years in accordance with the Turkish tax legislation. However, financial losses cannot be offset against last year's profits.

There is no practice in Turkey to reach an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office until the evening of the last day of the fourth month following the month in which the accounting period is closed. However, the tax inspection authorities can examine the accounting records within five years, and if an incorrect transaction is detected, the tax amounts to be paid may change.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
(Thousands of Turkish Lira (TL))

ACCOUNTING POLICIES (Continued)

XV. Explanations on taxation (Continued)

1. Corporate Tax (Continued)

The current tax effects of transactions accounted for directly in equity are also presented in equity.

The requirements for the intended inflation adjustment in the calculation of the corporate income tax at the end of the calendar year 2021 under the repetition provision of Article 298/A of the Tax Procedure Code have been met. However, as a result of the regulation adopted by Law No. 7352 of 20 January 2022, the application of inflation compensation in the calculation of corporate income tax has been postponed to 2023. Accordingly, the statutory financial statements for the accounting periods 2021 and 2022, including the provisional tax periods, will not be subject to inflation adjustment, and for the accounting period 2023, there will be no inflation adjustment as of the provisional tax periods, and the statutory financial statements as of 31 December 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met. Profit/loss differences resulting from the inflation adjustment in the statutory financial statements will be recognized in the profit/loss accounts of prior years and will not affect the corporate tax base.

Income tax withholding

Dividend distributions are subject to withholding tax, which is payable in the period in which the dividend payment is made. Dividend distributions are subject to a 15% withholding tax, except for non-resident companies that derive their income through a place of work or their permanent representative in Turkey and for companies that are resident in Turkey. In applying the withholding tax rates for profit distributions to non-resident companies and individuals, the withholding tax rates in the relevant double taxation treaties are also taken into account. The addition of retained earnings to capital is not considered a dividend distribution and is therefore not subject to withholding tax.

Transfer pricing regulations

Transfer pricing regulations are set forth in Article 13 of the Corporate Income Tax Law, entitled “Concealed Profit Distribution through Transfer Pricing” in Turkey. The Communiqué of 18 November 2007 on Concealed Profit Distribution through Transfer Pricing regulates the details of implementation.

All the profit or part of the profit is deemed to be distributed as a result of hidden transfer pricing, if the taxpayer buys or sells goods or services with related parties at a price set by them in violation of the arm's length principle. A hidden profit distribution through such transfer pricing is considered an expense that is not legally recognized for corporate income tax purposes.

ACCOUNTING POLICIES (Continued)

XV. Explanations on taxation (Continued)

2. Deferred Tax

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Turkish Accounting Standard for Income Taxes” (“TAS 12”) and the related decrees of the BRSA concerning income taxes. In accordance with the Law No. 7316 published in the Official Gazette dated 22 April 2021, starting from the declarations that must be submitted as of 7 January 2021 and to be valid for the taxation period starting from 1 January 2021, the corporate tax rate is 25% for the taxation period of 2021, and this rate will be applied as 23% for the taxation period of 2022, this rate was applied as 20% for the taxation periods of 2023. However, with the publication of the Law No. 7394 in the Official Gazette dated 15 April 2022, the corporate tax rate has been permanently increased to 25% for banks, consumer finance companies, factoring and financial leasing companies, electronic payment, and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies. In this context, as of the first quarter of 2022, the tax rate to be taken into account in the calculation of corporate tax is 25%, and the tax rate to be applied to the cumulative earnings of 2022 in the second quarter and following periods of 2022 will be considered as 25%. As of 31 December 2022, for the items subject to deferred tax calculation, enacted tax rates, which are valid in accordance with the tax legislation in effect, are used as of the reporting dates, in accordance with their lives.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

XVI. Explanations on borrowings

Financial liabilities with the exception of liabilities related to financial instruments which are carried at fair value, financial liabilities are recognized at cost, including transaction costs, and measured in subsequent periods at their discounted value calculated using the “effective interest method”. The Bank has not issued any convertible bonds.

The Bank has issued securities amounting to TL 673.196 as of 31 December 2022 (31 December 2021: None).

For assets (qualifying assets) that take a substantial period to get ready for their intended use or sale, borrowings costs directly attributable to their acquisition, construction or production are included in the cost until they are ready for their intended use or sale. The amount of borrowings costs eligible for capitalization in respect of funds borrowed in for the acquisition of a qualifying asset in a period is the amount obtained by deducting the income from the temporary investment of those funds from the total borrowing costs incurred on those assets in period. All other borrowings costs are recognized in the income statements in the period in which they are incurred.

The Bank meets its funding requirements when it is necessary by borrowing from domestic and foreign institutions, borrowing on the money markets, or issuing securities on domestic and foreign markets.

ACCOUNTING POLICIES (Continued)

XVII. Explanations on issuance of equity securities

There is no equity securities issuance of the Bank as of 31 December 2022 and 31 December 2021.

XVIII. Explanations on guarantees and acceptances

There is no guarantees and acceptances of the Bank as of 31 December 2022 and 31 December 2021.

XIX. Explanations on government incentives

There are no government incentives of the Bank as of 31 December 2022 and 31 December 2021.

XX. Explanations on related parties

The Bank's cash loans extended to related parties amounted to TL 772.115, while non-cash loans amounted to TL 3.713 as of 31 December 2022 (31 December 2021: None). In the balance sheet of the Bank as of 31 December 2022, there are TL 13 borrowed funds belonging to the related parties (31 December 2021: None).

The Bank has interest income amounting to TL 46.652 from loans to related parties and commission income amounting to TL 19 from non-cash loans for the year ended 31 December 2022, and there is no interest expense paid to related parties.

XXI. Explanations on segment reporting

The Bank intends to engage in the fields of Corporate and Commercial Banking, Treasury and Financial Institutions and Investment Banking activities, and during the period from 25 February 2022, when it commences its operations, to the balance sheet date, has principally engaged in Corporate and Commercial Banking activities.

XXII. Explanations on other disclosures

There is no explanation regarding other disclosures.

XXIII. Explanations on associates, subsidiaries, and joint ventures

The Bank has no associates, subsidiaries, and joint ventures.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT

I. Explanations on Capital

The equity amount and the capital adequacy standard ratio given below have been calculated within the framework of the “Regulation on the Equity of Banks” and the “Regulation on Measurement and Assessment of Capital Adequacy of Banks”.

The Bank’s shareholders’ equity for the current period is TL 396.380 and the capital adequacy standard ratio is 57,03% as of 31 December 2022. The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.

a) Information on Equity Items:

		<i>Amount related to implementation before</i>
Current Period	Amount	01.01.2014⁽¹⁾
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	300.000	
Share Premium	-	
Reserves	768	
Other Comprehensive Income according to TAS	18.749	
Profit	90.044	
Current Period’s Profit	75.455	
Prior Periods’ Profit	14.589	
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period’s Profit	-	
Common Equity Tier I Capital Before Deductions	409.561	
Deductions From Common Equity Tier I Capital		
Valuation Adjustments Calculated as per the Article 9, Clause (i) of the Regulation on Bank Capital	-	
Current and Prior Periods’ Losses not Covered by Reserves, and Losses Accounted under Equity as per TAS	-	
Leasehold Improvements on Operational Leases	533	
Goodwill Netted off Deferred Tax Liability	-	
Other Intangibles Netted off Deferred Tax Liability Except for Mortgage Servicing Rights	21.642	
Deferred Tax Assets that Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Tax Liability)	(734)	
Differences not Recognized at the Fair Value of Assets and Liabilities Subject to Hedge of Cash Flow Risk	-	
Portion of the Total Expected Loss Amount Calculated as per Communiqué on Calculation of Credit Risk with the Internal Rating Based Approach, which Exceeds Total Provisions	-	
Gains Arising from Securitization Transactions	-	
Unrealized Gains and Losses due to Changes in Own Credit Risk on Fair Value of Bank’s Liabilities	-	
Net Amount of Defined-benefit Plan Assets	-	
Direct and Indirect Investments of the Bank on its own Common Equity Tier I Capital	-	
Shares Obtained Contrary to the 4th Clause of the 56th Article of the Law	-	
Portion of the Total of Net Long Positions of Investments Made in Equity Items of Banks and Financial Institutions Outside the Scope of Consolidation where the Bank Owns 10% or Less of the Issued Common Share Capital, which Exceeds 10% of Common Equity of the Bank	-	
Portion of the Total of Net Long Positions of Investments Made in Equity Items of Banks and Financial Institutions Outside the Scope of Consolidation where the Bank Owns 10% or More of the Issued Common Share Capital, which Exceeds 10% of Common Equity of the Bank	-	
Portion of Mortgage Servicing Rights Exceeding 10% of the Common Equity	-	
Portion of Deferred Tax Assets Based on Temporary Differences Exceeding 10% of the Common Equity	-	
Amounts Exceeding 15% of the Common Equity as per the 2nd Clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess Amount Arising from the Net Long Positions of Investments in Common Equity Items of Banks and Financial Institutions Outside the Scope of Consolidation where the Bank Owns 10% or More of the Issued Common Share Capital	-	
Excess Amount Arising from Mortgage Servicing Rights	-	
Excess Amount Arising from Deferred Tax Assets Based on Temporary Differences	-	
Other Items to Be Defined by the BRSA	-	
Deductions to Be Made from Common Equity in Case Adequate Additional Tier I Capital or Tier II Capital is not Available	-	
Total Deductions from Common Equity Tier I Capital	21.441	
Total Common Equity Tier I Capital	388.120	

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. Explanations on Capital (Continued)

a) Information on Equity Items (Continued)

ADDITIONAL TIER I CAPITAL	
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-
Additional Tier I Capital before Deductions	-
Deductions from Additional Tier I Capital	
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-
Other items to be defined by the BRSA (-)	-
Items to be Deducted from Tier I Capital during the Transition Period	
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-
Total Deductions from Additional Tier I Capital	-
Total Additional Tier I Capital	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	388.120
TIER II CAPITAL	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	8.260
Total Deductions from Tier II Capital	8.260
Deductions from Tier II Capital	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	8.260
Total Equity (Total Tier I and Tier II Capital)	396.380
Total Tier I Capital and Tier II Capital (Total Equity)	
Loans Granted against the Articles 50 and 51 of the Banking Law	-
Net Book Values of Movables and Immovable Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-
Other items to be Defined by the BRSA	-
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Equity (Continued)

a) Information on Equity Items (Continued):

CAPITAL	
Total Capital (Total of Tier I Capital and Tier II Capital)	396.380
Total Risk Weighted Assets	694.973
CAPITAL ADEQUACY RATIOS	
CET1 Capital Ratio (%)	55,85
Tier I Capital Ratio (%)	55,85
Capital Adequacy Ratio (%)	57,03
BUFFERS	
Total Additional CET1 Capital Requirement Ratio (a+b)	2,50
A) Capital Conservation Buffer Ratio (%)	2,50
B) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	-
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%)	-
Amounts Lower Than Excesses as per Deduction Rules	
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-
Remaining Mortgage Servicing Rights	-
Net Deferred Tax Assets arising from Temporary Differences	-
Limits for Provisions Used in Tier II Capital Calculation	
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty-five per ten thousand)	20.150
General Loan Provisions for Exposures in Standard Approach Limited by 1,25% of Risk Weighted Assets	8.260
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0,6% Risk Weighted Assets	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)	
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-

The main difference between the amount of “Equity” given in the equity statement and the amount of “Equity” in the unconsolidated balance sheet arises from the amount in subordinated loan accounts and general provisions, which are considered as Contribution Capital. Up to 1,25% of the amount subject to credit risk of the amount in the Subordinated Loan account and the general provision amounts reflected in the expense accounts are taken into account as Contribution Capital in calculating the “Equity” amount. Losses from cash flow hedging transactions are excluded, operating lease development costs, intangible assets and related deferred tax liabilities, deferred tax asset/tax liability and some other accounts determined by the Board, “Equity”, which are recorded under tangible assets in the balance sheet are taken into account in the calculation as Values to be Deducted from the Capital.

Within the scope of the regulations announced by the Banking Regulation and Supervision Agency in the event that the net valuation differences of the securities included in the securities portfolio of the banks at fair value through other comprehensive income are negative, these differences are not taken into account in the amount of equity to be used for the capital adequacy ratio; it is allowed to use the Central Bank of the Republic of Turkey foreign exchange buying rate of 31 December 2021 for the amount subject to credit risk and to apply 0% risk weight to receivables from the Central Government of the Republic of Turkey and FX denominated receivables. As of 31 December 2022, the CBRT foreign exchange buying rate dated 31 December 2021 has been used in the capital adequacy ratio calculations and 0% risk weight has been applied to receivables from the Central Government of the Republic of Turkey.

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. Explanations on Equity (Continued)

Prior Period	Amount	Amount related to implementation before 01.01.2014 ⁽¹⁾
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	-	
Share Premium	-	
Reserves	-	
Other Comprehensive Income according to TAS	-	
Profit	-	
Current Period's Profit	-	
Prior Periods' Profit	-	
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-	
Common Equity Tier I Capital Before Deductions	-	
Deductions From Common Equity Tier I Capital		
Valuation Adjustments Calculated as per the Article 9, Clause (i) of the Regulation on Bank Capital	-	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity as per TAS	-	
Leasehold Improvements on Operational Leases	-	
Goodwill Netted off Deferred Tax Liability	-	
Other Intangibles Netted off Deferred Tax Liability Except for Mortgage Servicing Rights	-	
Deferred Tax Assets that Rely on Future Profitability Excluding Those Arising from Temporary Differences (Net of Related Tax Liability)	-	
Differences not Recognized at the Fair Value of Assets and Liabilities Subject to Hedge of Cash Flow Risk	-	
Portion of the Total Expected Loss Amount Calculated as per Communiqué on Calculation of Credit Risk with the Internal Rating Based Approach, which Exceeds Total Provisions	-	
Gains Arising from Securitization Transactions	-	
Unrealized Gains and Losses due to Changes in Own Credit Risk on Fair Value of Bank's Liabilities	-	
Net Amount of Defined-benefit Plan Assets	-	
Direct and Indirect Investments of the Bank on its own Common Equity Tier I Capital	-	
Shares Obtained Contrary to the 4th Clause of the 56th Article of the Law	-	
Portion of the Total of Net Long Positions of Investments Made in Equity Items of Banks and Financial Institutions Outside the Scope of Consolidation where the Bank Owns 10% or Less of the Issued Common Share Capital, which Exceeds 10% of Common Equity of the Bank	-	
Portion of the Total of Net Long Positions of Investments Made in Equity Items of Banks and Financial Institutions Outside the Scope of Consolidation where the Bank Owns 10% or More of the Issued Common Share Capital, which Exceeds 10% of Common Equity of the Bank	-	
Portion of Mortgage Servicing Rights Exceeding 10% of the Common Equity	-	
Portion of Deferred Tax Assets Based on Temporary Differences Exceeding 10% of the Common Equity	-	
Amounts Exceeding 15% of the Common Equity as per the 2nd Clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess Amount Arising from the Net Long Positions of Investments in Common Equity Items of Banks and Financial Institutions Outside the Scope of Consolidation where the Bank Owns 10% or More of the Issued Common Share Capital	-	
Excess Amount Arising from Mortgage Servicing Rights	-	
Excess Amount Arising from Deferred Tax Assets Based on Temporary Differences	-	
Other Items to Be Defined by the BRSA	-	
Deductions to Be Made from Common Equity in Case Adequate Additional Tier I Capital or Tier II Capital is not Available	-	
Total Deductions from Common Equity Tier I Capital	-	
Total Common Equity Tier I Capital	-	

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. Explanations on Equity (Continued)

a) Information on Equity Items (Continued):

ADDITIONAL TIER I CAPITAL	
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-
Additional Tier I Capital before Deductions	-
Deductions from Additional Tier I Capital	
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-
Other items to be defined by the BRSA (-)	-
Items to be Deducted from Tier I Capital during the Transition Period	
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-
Total Deductions from Additional Tier I Capital	-
Total Additional Tier I Capital	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	-
TIER II CAPITAL	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	-
Total Deductions from Tier II Capital	-
Deductions from Tier II Capital	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	-
Total Equity (Total Tier I and Tier II Capital)	-
Total Tier I Capital and Tier II Capital (Total Equity)	
Loans Granted against the Articles 50 and 51 of the Banking Law	-
Net Book Values of Movables and Immovable Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-
Other items to be Defined by the BRSA	-
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	-

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. Explanations on Equity (Continued)

a) Information on Equity Items (Continued):

CAPITAL	
Total Capital (Total of Tier I Capital and Tier II Capital)	-
Total Risk Weighted Assets	-
CAPITAL ADEQUACY RATIOS	
CET1 Capital Ratio (%)	-
Tier I Capital Ratio (%)	-
Capital Adequacy Ratio (%)	-
BUFFERS	
Total Additional CET1 Capital Requirement Ratio (a+b+c)	-
a) Capital Conservation Buffer Ratio (%)	-
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	-
c) Systemic significant bank buffer ratio (%)	-
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%)	-
Amounts Lower Than Excesses as per Deduction Rules	
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-
Remaining Mortgage Servicing Rights	-
Net Deferred Tax Assets arising from Temporary Differences	-
Limits for Provisions Used in Tier II Capital Calculation	
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty-five per ten thousand)	-
General Loan Provisions for Exposures in Standard Approach Limited by 1,25% of Risk Weighted Assets	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0,6% Risk Weighted Assets	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)	
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-

⁽¹⁾ Amounts to be taken into account under the transitional provisions

b) Information on borrowing instruments to be included in the equity calculation:

None.

c) Reconciliation of capital items to balance sheet

Credit risk refers to the possibility of loss incurred due to the partial or complete failure of the credit customer to fulfill his obligation on time by not complying with the contractual requirements and the decrease in credit worthiness. The Bank includes the credit risks exposed due to all kinds of transactions specified in the Banking Law No. 5411 and included in the scope of credit. Credit risks incurred due to new products and services planned to be offered by the Bank are also evaluated within this scope.

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Credit Risk

The amount subject to credit risk is calculated according to the Standardized Approach within the framework of the Regulation on Measurement and Assessment of Capital Adequacy of Banks.

The Bank acts in accordance with the limitations set by the Banking Law when taking credit risks. There are internal “risk limits” determined according to the Bank’s portfolio structure and risk appetite, and compliance with these limits is monitored by control officers determined according to the triple control level.

The Bank’s policies on credit risk management are set out in the Corporate Credit Policy. In the said policy, the Bank’s basic credit standards for corporate loans to be allocated to the customers in the corporate loan portfolio or to be allocated to the customers to be included in the corporate loan portfolio have been determined by adhering to the legal legislation and banking ethical rules, the general principles and procedures of credit have been regulated, and the duties, authorities, responsibilities, and obligations regarding the credit process have been determined. A detailed description of the credit allocation process is included in the Credit Allocation Procedure.

It is essential that the collateral and other conditions specified in the loan proposal and decision form are complied with and that all conditions are fulfilled during the loan disbursement. The rules to be followed according to the types of collateral determined as a condition are determined by the Collateral Procedure.

The Bank classifies its existing loans in accordance with the principles set out in Section II “Classification and Restructuring of Loans” of the “Regulation on Procedures and Principles for Classification of Loans and Provisions to be set aside” published by the BRSA. The main objective of an effective credit risk monitoring process is to take the right action at the right time to reduce the risk level of the deteriorating customer before it reaches the point of losing its solvency. Within the framework of the rules set out in the Credit Monitoring and Follow-up Procedure, the Bank regularly monitors the creditworthiness of all credit customers in the portfolio and prepares action plans for possible changes.

The Bank has no non-performing loans or loans have close monitoring.

The Bank has a total cash exposure of TL 948.486 thousand at 7 companies and a total non-cash exposure of TL 622.242 thousand at 31 companies as of 31 December 2022. Therefore, the shares of cash and non-cash receivables of the Bank’s consist of top 100 and top 200 cash and non-cash loan customers, in the total balance sheet and off-balance sheet assets are 100% and 100%, respectively.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Credit Risk (Continued)

Risk Categories	Current Period Risk Amount ⁽¹⁾	Average Risk Amount ⁽²⁾
Conditional and unconditional receivables from central governments and Central Banks	456.197	219.446
Conditional and unconditional receivables from regional or local governments	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	34.823	11.179
Conditional and unconditional receivables from corporates	1.067.200	662.380
Conditional and unconditional receivables from retail portfolios	-	-
Conditional and unconditional receivables secured by mortgages	-	-
Past due receivables	-	-
Receivables defined under high-risk category by BRSA	-	-
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Stock transactions	-	-
Other receivables	25.689	27.601
Total	1.583.909	920.606

(1) Risk amounts are given after credit conversion and credit risk mitigation.

(2) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Credit Risk (Continued)

1. Profile of significant exposures in major regions

	Risk Categories ⁽¹⁾																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Current Period																		
1. Domestic	456.197	-	-	-	-	34.823	1.067.200	-	-	-	-	-	-	-	-	-	25.689	1.583.909
2. European Union (EU) Countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. OECD Countries ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. USA, Canada	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Other Countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Associates, Subsidiaries and Joint – Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Unallocated Assets/Liabilities ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Total	456.197	-	-	-	-	34.823	1.067.200	-	-	-	-	-	-	-	-	-	25.689	1.583.909

⁽¹⁾ Risk classes in the Regulation on Measurement and Assessment of Capital Adequacy of Banks will be taken into consideration. Risk amounts after credit conversion and credit risk mitigation are given.

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

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

1- Conditional and unconditional receivables from central governments and Central Banks

2- Conditional and unconditional receivables from regional or local governments

3- Conditional and unconditional receivables from administrative bodies and non-commercial enterprises

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 houses

7- Conditional and unconditional receivables from corporates

8- Conditional and unconditional receivables from retail portfolios

9- Conditional and unconditional receivables secured by mortgages

10- Past due receivables

11- Receivables defined under high-risk category by BRSA

12- Securities collateralized by mortgages

13- Securitization positions

14- Short-term receivables from banks, brokerage houses and corporates

15- Investments similar to collective investment funds

16- Stock transactions

17- Other receivables

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Credit Risk (Continued)

2. Risk profile by sectors or counterparties

Current Period	Risk Profile ⁽¹⁾																	TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	205.244	-	-	-	-	-	-	-	-	-	205.244	-	-	205.244
Mining and Quarrying	-	-	-	-	-	-	500	-	-	-	-	-	-	-	-	-	500	-	-	500
Production	-	-	-	-	-	-	116.294	-	-	-	-	-	-	-	-	-	116.294	-	-	116.294
Electricity, Gas, Water	-	-	-	-	-	-	88.450	-	-	-	-	-	-	-	-	-	88.450	-	-	88.450
Construction	-	-	-	-	-	-	25.657	-	-	-	-	-	-	-	-	-	25.657	-	-	25.657
Services	456.197	-	-	-	-	34.823	836.299	-	-	-	-	-	-	-	-	-	631.195	696.124	1.327.319	
Wholesale and Retail Trade	-	-	-	-	-	-	156.413	-	-	-	-	-	-	-	-	-	156.413	-	-	156.413
Accommodation and Dining	-	-	-	-	-	-	38.447	-	-	-	-	-	-	-	-	-	37.931	516	38.447	
Transportation and Telecommunication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	456.197	-	-	-	-	34.823	626.326	-	-	-	-	-	-	-	-	-	421.738	695.608	1.117.346	
Real Estate and Rental Services	-	-	-	-	-	-	12.679	-	-	-	-	-	-	-	-	-	12.679	-	-	12.679
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	2.434	-	-	-	-	-	-	-	-	-	2.434	-	-	2.434
Other ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.689	25.689	-	25.689
Total	456.197	-	-	-	-	34.823	1.067.200	-	-	-	-	-	-	-	-	-	25.689	887.785	696.124	1.583.909

(1) Risk classes in the Regulation on Measurement and Assessment of Capital Adequacy of Banks will be taken into consideration. Risk amounts after credit conversion and credit risk mitigation are given.

(2) Loans extended to holdings are presented in other line.

- 1- Conditional and unconditional receivables from central governments and Central Banks
- 2- Conditional and unconditional receivables from regional or local governments
- 3- Conditional and unconditional receivables from administrative bodies and non-commercial enterprises
- 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 houses
- 7- Conditional and unconditional receivables from corporates
- 8- Conditional and unconditional receivables from retail portfolios
- 9- Conditional and unconditional receivables secured by mortgages
- 10- Past due receivables
- 11- Receivables defined under high-risk category by BRSA
- 12- Securities collateralized by mortgages
- 13- Securitization positions
- 14- Short-term receivables from banks, brokerage houses and corporates
- 15- Investments similar to collective investment funds
- 16- Stock transactions
- 17- Other receivables

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Credit Risk (Continued)

3. Analysis of Maturity-Bearing Risks According to Remaining Maturities

Risk Categories Current Period	Term to Maturity				
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Conditional and unconditional receivables from central governments and Central Banks	112.824	57.911	146.480	-	138.982
Conditional and unconditional receivables from regional or local governments	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	33.127	-	-	-	1.696
Conditional and unconditional receivables from corporates	575.079	37.785	32.110	130.344	291.882
Conditional and unconditional receivables from retail portfolios	-	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	-	-
Past due receivables	-	-	-	-	-
Receivables defined under high-risk category by BRSA	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Stock transactions	-	-	-	-	-
Other receivables	25.689	-	-	-	-
Total	746.719	95.696	178.590	130.344	432.560

4. Information on Risk Categories

There is no credit rating agency and export credit agency assigned by the Bank.

Credit Risk by Risk Weights

Risk Weights Current Period	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other Risk Weights	Deductions from Equity
1. Before Credit Risk Mitigation	456.197	-	398.683	-	-	219.594	-	509.435	-	-	-	21.441
2. After Credit Risk Mitigation	456.197	-	446.008	-	-	219.594	-	462.110	-	-	-	21.441

5. Amounts of impaired loans and non-performing loans, value adjustments and provisions, explanations on value adjustments and provisions during the period, separately by sectors or counterparty type

The Bank has no overdue loans as of 31 December 2022 and 31 December 2021.

6. Reconciliation of changes in value adjustments and provisions for impaired loans

Information on movements in value adjustments and provisions:

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
Specific Provision	-	-	-	-	-
General Provision	-	20.150	-	-	20.150

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on Credit Risk (Continued)

7. Exposures subject to countercyclical capital buffer

The Bank has no country risk. For this reason, bank-specific cyclical capital buffer has not been calculated within the scope of the “Regulation on Capital Protection and Countercyclical Capital Buffers” and its sub-regulations.

III. Explanations on Currency Risk

Currency risk: Due to all foreign currency assets and liabilities of the Bank; it expresses the probability of loss that may occur as a result of fluctuations in exchange rates.

Currency risks are calculated monthly in the currency risk table within the scope of the Standard Method, and the results are reported to the relevant official authorities and the Bank’s management. Currency risk is also taken into account in the calculation of the Capital Adequacy Standard Ratio as a part of the general market risk.

The currency risk as a component of Market Risk is managed in accordance with all legal regulations and risk limits and early warning limits determined by the Board of Directors.

The Bank’s effective exchange rates at the date of the balance sheet and for the last five working days of the period announced by the Bank in TL are as follows:

(All rates below are presented in full TL.)

	USD	EUR
Balance sheet valuation rate	18,6983	19,9349
30 December 2022	18,6983	19,9349
29 December 2022	18,6964	19,8946
28 December 2022	18,6813	19,9087
27 December 2022	18,6649	19,8324
26 December 2022	18,6592	19,8044

Last 30-days arithmetical average rates;

1 USD	18,6406
1 EURO	19,7435

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. Explanations on Currency Risk (Continued)

	EURO	USD	Other FC	Total
31 December 2022:				
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	134.867	-	134.867
Banks	3	45.242	-	45.245
Financial Assets Measured at Fair Value through Profit/Loss	-	-	-	-
Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	43.194	-	43.194
Loans	-	732.741	-	732.741
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	-	-	-	-
Derivative Financial Assets Held for Hedging Purpose	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	-	45.624	-	45.624
Total Assets	3	1.001.668	-	1.001.671
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Funds	-	-	-	-
Other Fundings	-	23.571	-	23.571
Securities Issued	-	673.196	-	673.196
Miscellaneous Payables	7	1.373	-	1.380
Derivative Financial Liabilities Held for Hedging Purpose	-	-	-	-
Other Liabilities	25	116.031	-	116.056
Total Liabilities	32	814.171	-	814.203
Net On Balance Sheet Position	(29)	187.497	-	187.468
Net Off-Balance Sheet Position	-	(176.184)	-	(176.184)
Derivative Financial Assets	-	1.159.295	-	1.159.295
Derivative Financial Liabilities	-	1.335.479	-	1.335.479
Non-Cash Loans	3.384	1.032	-	4.416
31 December 2021:				
Total Assets	-	-	-	-
Total Liabilities	-	-	-	-
Net On Balance Sheet Position	-	-	-	-
Net Off-Balance Sheet Position	-	-	-	-
Derivative Assets	-	-	-	-
Derivative Liabilities	-	-	-	-
Non-Cash Loans	-	-	-	-

(*) Non-cash loans are not included in the total of "Net Off-Balance Account Position".

Currency Risk Sensitivity:

	Increase in Exchange Rates	Effect on Profit/Loss	Effect on Shareholders' Equity
USD	10% Increase	1.131	-
USD	10% Decrease	(1.131)	-
EUR	10% Increase	3	-
EUR	10% Decrease	(3)	-

The Bank has no foreign currency assets or liabilities as of 31 December 2021.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. Explanations on Interest Rate Risk

Interest rate risk: it represents the probability of loss in the Bank's capital or revenues due to movements in interest rates.

Interest sensitivity regarding asset and liability items and off-balance sheet items in the bank's balance sheet is measured and evaluated by the Asset-Liability Committee.

The Bank has regulated matters such as measurement, analysis, and reporting regarding the management of interest rate risk through procedures.

The effect of the interest rate risk of the Bank in the current period on net income and equity was very low.

Interest rate sensitivity of assets, liabilities, and off-balance sheet items
(Based on Repricing Dates)

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
31 December 2022:							
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	134.867	-	-	-	-	79	134.946
Banks	-	-	-	-	-	45.250	45.250
Financial Assets Measured at Fair Value through Profit/Loss	-	-	-	-	-	-	-
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	21.194	56.414	85.823	185.256	-	348.687
Loans	763.155	-	185.831	-	-	-	948.986
Financial Assets Measured at Amortised Cost	-	-	-	-	-	-	-
Other Assets ⁽¹⁾	-	-	-	-	-	81.486	81.486
Total Assets	898.022	21.194	242.245	85.823	185.256	126.815	1.559.355
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Funds	276.802	-	-	-	-	-	276.802
Miscellaneous Payables	-	-	-	-	-	4.402	4.402
Securities Issued	-	-	673.196	-	-	-	673.196
Other Fundings	-	23.571	-	-	-	-	23.571
Other Liabilities ⁽²⁾	38.698	-	-	-	-	542.686	581.384
Total Liabilities	315.500	23.571	673.196	-	-	547.088	1.559.355
On Balance Sheet Long Position	582.522	(2.377)	(430.951)	85.823	185.256	-	420.273
On Balance Sheet Short Position	-	-	-	-	-	(420.273)	(420.273)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	582.522	(2.377)	(430.951)	85.823	185.256	(420.273)	-

⁽¹⁾ Tangible assets, intangible assets, derivative financial assets, and other assets are shown in the other assets line.

⁽²⁾ Derivative financial liabilities, funds, other liabilities, provisions, current tax liability, deferred tax liability and equity are presented in the other liabilities line.

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. Explanations on Interest Rate Risk (Continued)

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
31 December 2021:							
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	-	-
Banks	309.126	-	-	-	-	7	309.133
Financial Assets Measured at Fair Value through Profit/Loss	-	-	-	-	-	-	-
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Financial Assets Measured at Amortised Cost	-	-	-	-	-	-	-
Other Assets ⁽¹⁾	-	-	-	-	-	8.154	8.154
Total Assets	309.126	-	-	-	-	8.161	317.287
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Funds	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	-	-	-	-	-	-	-
Other Fundings	-	-	-	-	-	-	-
Other Liabilities ⁽²⁾	-	-	-	-	-	317.287	317.287
Total Liabilities	-	-	-	-	-	317.287	317.287
On Balance Sheet Long Position	309.126	-	-	-	-	-	309.126
On Balance Sheet Short Position	-	-	-	-	-	(309.126)	(309.126)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	309.126	-	-	-	-	(309.126)	-

(1) Tangible assets, intangible assets, derivative financial assets, and other assets are shown in the other assets line.

(2) Derivative financial liabilities, funds, other liabilities, provisions, current tax liability, deferred tax liability and equity are presented in the other liabilities line.

Average Interest Rates on Monetary Financial Instruments (%)

31 December 2022	EURO	USD	Yen	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	-	-	-
Financial Assets Measured at Fair Value through Profit/Loss	-	-	-	-
Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	6,62	-	10,56
Loans	-	14,00	-	31,12
Financial Assets Measured at Amortised Cost	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Funds	-	-	-	10,02
Miscellaneous Payables	-	8,98	-	-
Securities Issued	-	9,53	-	-
Other Fundings	-	4,75	-	21,00

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. Explanation on Interest Rate Risk (Continued)

Average Interest Rates on Monetary Financial Instruments (%)

31 December 2021	EURO	USD	Yen	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	-	-	26,35
Financial Assets Measured at Fair Value through Profit/Loss	-	-	-	-
Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-
Loans	-	-	-	-
Financial Assets Measured at Amortised Cost	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Funds	-	-	-	-
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	-	-	-	-

Interest rate risk on banking accounts

Economic value differences due to the interest rate instabilities calculated according to “Regulation on Measurement and Evaluation of Interest Rate Risk on Banking Book as per Standard Shock Method” are presented below for each currency.

Current Period- Currency	Applied Shock (+/- x base points) (1)	Gains / Losses	Gains/Equity- Losses/Equity
1 TL	500 (400)	(13.252) 12.320	(3,34%) 3,11%
2 EUR	200 (200)	- -	- -
3 USD	200 (200)	409 4.544	0,10% 1,15%
Total (For Negative Shocks)	-	16.864	4,26%
Total (For Positive Shocks)	-	(12.843)	(3,24%)

(1) Separate lines are used for each shock applied to a currency with different severity and direction.

V. Explanations on Equity Securities Position Risk

The bank does not have an equity securities position.

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio

a) Information on liquidity risk management, including the bank's risk capacity, responsibilities and structure of liquidity risk management, reporting of liquidity risk within the bank, communication of liquidity risk strategy, policies, and practices with the board of directors and business lines:

The Bank manages its liquidity risk in such a way as to ensure that it remains above the minimum limits in all regulations regarding liquidity risk published by the BRSA and below the risk appetite approved by the Board of Directors. Regarding the management of liquidity risk, the Bank ensures that measurement, monitoring, limitation, stress testing and scenario analysis studies are carried out in line with the structure and complexity of its activities, and the results are reported regularly. The Bank's liquidity risk management; strategically owned by the Board of Directors and the Assets and Liabilities Committee (APKO); The Bank's liquidity situation is discussed at weekly ALCO meetings and reported to the Board of Directors with monthly risk assessment reports. Overruns are monitored by the Risk Management Department through the liquidity risk appetite, limit and early warning values determined by the Bank's Board of Directors, and necessary notifications are made to the relevant management levels.

Pursuant to the fifth paragraph of Article 4 of the Regulation on Banks' Liquidity Coverage Ratio Calculation, it has been decided to apply the consolidated and unconsolidated total and foreign currency liquidity coverage ratios for development and investment banks as zero percent until the contrary is determined by the BRSA, and in this context, compliance with the legal ratio is not sought.

b) Information on the degree of centralization of liquidity management and funding strategy and the functioning of the Bank and its subsidiaries:

There is no centralization approach between the Bank's subsidiaries and the Bank's own liquidity.

c) Information on the Bank's funding strategy, including policies regarding the diversity of funding sources and durations:

Since the Bank's funding sources are in the status of an investment bank, it is limited to non-deposit sources, and the Bank's main objective is to diversify its funding sources over time. For this purpose, both the expansion of the investor base and the diversification of borrowing markets have been determined as a priority. The assets of the bank are considerably higher than the liabilities, and the funding source is the borrowings that can be made from the interbank money market. Relatively long-term funding opportunities from foreign banks and borrowing opportunities from organized markets will also be possible.

d) Information on liquidity management on the basis of currencies constituting at least five percent of the Bank's total liabilities:

The Bank has no liabilities as of 31 December 2022 and 31 December 2021.

e) Information on the liquidity risk mitigation techniques used:

The Bank will create a liquidity buffer in line with its internal liquidity targeting and monitor the relevant data daily in order to meet possible resource outflows. In order to reduce the risk, it is essential to diversify resources, prevent possible concentration in payment dates and observe active-passive maturity matching.

f) Explanation on the use of the stress test:

The issue of carrying out measurement, monitoring, limiting, stress testing and scenario analysis studies in line with the structure and complexity of the positions regarding the management of liquidity risk and reporting them to the Board of Directors is stipulated in the Risk Management Procedure.

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

g) General information on the liquidity contingency plan:

Liquidity Emergency Action Plan determined the actions that can be taken to be prepared for the financial emergency to manage the liquidity problems that the Bank may encounter and to protect the Bank's assets and reputation for the cases where there is a risk of the Bank's liquid assets falling to a level that cannot meet short-term liabilities, making it difficult for the Bank to continue its normal activities and banking operations.

h) Liquidity Coverage Ratio

In accordance with the Regulation on Banks' Liquidity Coverage Ratio Calculation, the consolidated and unconsolidated total liquidity coverage ratio cannot be less than 100%, and the consolidated and unconsolidated foreign currency liquidity coverage ratio cannot be less than 80%. With the decision of the BRSA, it has been decided to apply the consolidated and unconsolidated total and foreign currency liquidity coverage ratios as 0% for development and investment banks until the Board determines otherwise.

The liquidity coverage ratio is calculated by dividing high-quality liquid assets by the net cash outflows in a one-month maturity window.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Maturity analysis of assets and liabilities according to remaining maturities:

31 December 2022	Demand ⁽¹⁾	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and over	Undistributed ⁽²⁾	Total
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	79	134.867	-	-	-	-	-	134.946
Banks	45.250	-	-	-	-	-	-	45.250
Financial Assets Measured at Fair Value through Profit/Loss	-	-	-	-	-	-	-	-
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	21.194	56.414	85.823	185.256	-	348.687
Loans	-	763.155	-	185.831	-	-	-	948.986
Financial Assets Measured at Amortised Cost	-	-	-	-	-	-	-	-
Other Assets ⁽³⁾	-	-	-	-	-	-	81.486	81.486
Total Assets	45.329	898.022	21.194	242.245	85.823	185.256	81.486	1.559.355
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Other Fundings	-	-	23.571	-	-	-	-	23.571
Money Market Funds	-	276.802	-	-	-	-	-	276.802
Securities Issued	-	-	-	673.196	-	-	-	673.196
Miscellaneous Payables	4.402	-	-	-	-	-	-	4.402
Other Liabilities ⁽⁴⁾	85.734	38.698	-	-	-	-	456.952	581.384
Total Liabilities	90.136	315.500	23.571	673.196	-	-	456.952	1.559.355
Liquidity Gap	(44.807)	582.522	(2.377)	(430.971)	85.823	185.256	(375.466)	-
31 December 2021								
Total Assets	7	308.681	-	-	-	-	8.599	317.287
Total Liabilities	-	-	-	-	-	-	317.287	317.287

(1) In the demand column, there are cash values, demand banks deposits, miscellaneous receivables excluding prepaid expenses, sundry debts, demand funds and temporary accounts owed.

(2) In the unallocated column, "assets" include tangible fixed assets, intangible assets and other assets not shown elsewhere. Provisions from liabilities, current tax liability, deferred tax liability and shareholders' equity are presented in the unallocated column.

(3) Tangible assets, intangible assets and other assets are shown in the other assets line.

(4) Provisions are presented in the current tax liability, deferred tax liability and equity, other liabilities line.

Remaining maturity of contractual financial liabilities

Contractual maturity analysis of liabilities according to remaining maturities shows the undiscounted principal and interest cash outflows of the Bank's financial liabilities as per their earliest likely contractual maturities.

31 December 2022	Book Value	Gross Nominal Output	Demand	Up to 1 Months	1-3 Months	3-12 Months	1-5 Months	5 years and over
Non-derivative financial liabilities								
Funds provided from other financial institutions	23.571	23.948	-	-	23.948	-	-	-
Money market borrowings	276.802	276.878	-	276.878	-	-	-	-
Issued securities	673.196	713.361	-	-	-	713.361	-	-
Funds	124.432	124.741	85.680	39.061	-	-	-	-
Total	1.098.001	1.138.928	85.680	315.939	23.948	713.361	-	-

There are no contractual financial liabilities as of 31 December 2021.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VII. Explanations on Leverage Ratio

The leverage ratio for December 2022 calculated by the Bank is 8,26%, which is above the minimum legal rate of 3%.

	Current Period
	31 December 2022
On-balance sheet assets	
1 On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	1.477.141
2 (Assets deducted in determining Tier I capital)	(18.450)
3 Total on-balance sheet risks (sum of lines 1 and 2)	1.458.691
Derivative financial instruments and credit derivatives	
4 Replacement cost associated with all derivative instruments and credit derivatives	-
5 Add-on amounts for PFE associated with all derivative instruments and credit derivatives	34.167
6 Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	34.167
Securities or commodity financing transactions (SCFT)	
7 Risks from SCFT assets (excluding on-balance sheet)	-
8 Risks from brokerage activities related exposures	-
9 Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	-
Other off-balance sheet transactions	
10 Gross notional amounts of off-balance sheet transactions	2.949.737
11 (Adjustments for conversion to credit equivalent amounts)	-
12 Total risks of off-balance sheet items (sum of lines 10 and 11)	2.949.737
Capital and total risks	
13 Tier I capital	375.083
14 Total risks (sum of lines 3, 6, 9 and 12)	4.442.595
Leverage ratio	
15 Leverage ratio	8,26

(1) It is the average amount of three months.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VIII. Explanations on Presentation of Financial Assets and Liabilities at Fair Values

The fair value of financial assets measured at amortized cost is determined on the basis of quoted market prices or, where such prices cannot be determined, quoted market prices for other securities subject to redemption with the same characteristics in terms of interest, maturity, and other similar conditions.

Banks are recognized at amortized cost in the financial statements, and it is assumed that their fair values approximate their carrying values due to their short-term nature. The discount rates used in the fair value calculation of the loans granted are the interest rates prevailing in the markets for the relevant loan type as of 31 December 2022.

The fair values of the funds are assumed to approximate their carrying values due to their short-term nature. The discount rates used in the fair value calculation of funds obtained from other financial institutions are the interest rates prevailing in the markets for the type of loan used as of 31 December 2022. The fair values of other financial liabilities are assumed to approximate their carrying values due to their short-term nature.

The following table summarizes the carrying amount and fair value of the Bank's financial assets and liabilities.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets				
Cash and cash equivalents and Central Bank	134.946	-	134.946	-
Banks	45.250	309.133	45.250	309.133
Money markets placements	-	-	-	-
Financial assets measured at fair value through other comprehensive income	348.687	-	348.687	-
Loans	948.986	-	948.986	-
Financial assets measured at amortised cost	-	-	-	-
Financial Liabilities				
Funds provided from other financial institutions	23.571	-	23.571	-
Money market borrowings	276.802	-	276.802	-
Securities issued	673.196	-	673.196	-
Funds	124.432	-	124.432	-
Sundry creditors	1.377	-	1.377	-
Payables from leasing transactions	-	-	-	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VIII. Explanations on Presentation of Financial Assets and Liabilities at Fair Values (Continued)

Classification of fair value measurement

The following table summarizes the valuation methods of financial instruments measured at fair value.

Valuation methods according to levels are defined as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2022	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Assets at Fair Value Through Other Comprehensive Income	292.286	56.401	-	348.687
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Derivative Financial Assets	-	5.923	-	5.923
Total	292.286	62.324	-	354.610

Financial Liabilities

Derivative Financial Liabilities	-	960	-	960
Total	-	960	-	960

IX. Explanations on the Transactions Carried Out on Behalf and Account of Other Persons

None.

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

X. Explanations on Risk Management

The notes under this caption are prepared as per the “Regulation on Risk Management Disclosures” published in the Official Gazette No. 29511 dated 23 October 2015.

a) Risk Management Strategy and Weighted Amounts

1. Risk Management Strategy

Bank’s risk management approach: fulfilling all requirements for the establishment and operation of a healthy risk management system, including human resources, information technology infrastructure, risk assessment models, regulations, procedures, application instructions and reports, to create an integrated risk management based on risk and return. For this, policies, procedures, and limits have been established and risk management activities have been established and defined in accordance with internal and external legislation. The Bank established the system and infrastructure for the measurement and management of the risks it is exposed to, in line with its risk profile and operating environment. Duties, authorities, and responsibilities within the scope of the risk management system are carried out in accordance with the legislation and internal procedures.

It is the responsibility of the Bank’s Board of Directors to establish the risk management system and monitor its effectiveness. The Board of Directors carries out its oversight responsibility through the Audit Committee and other relevant committees.

It is essential that the activities continue in a way that does not exceed the determined internal and legal capital limits and the risk appetite limits determined by the Board of Directors. In risk management, a triple line of defense approach is used, consisting of operational officers (1st control level), risk management and internal control function (2nd control level), and internal audit (3rd control level).

Risk appetite is defined as the level of risk that the Bank is willing to bear to achieve its objectives, taking into account its risk capacity.

Risk appetite limits and early warning values, which are early warning indicators, which are one of the most important parts of the Bank’s risk management system, have been approved by the Board of Directors. These limits are monitored and reported at the triple control level.

Regular audits and controls are carried out to determine that all processes are carried out in accordance with the Bank’s policies and procedures, within the procedures and principles determined by the Board of Directors, and that they are accurately reported to the senior management.

The activities carried out by the departments within the scope of internal systems are used as a tool to identify weaknesses in risk management processes, policies, and procedures, and to identify transactions contrary to the said limit, policy, and procedures. In this context, the Internal Audit Department, Internal Control Department and Risk Management Department, which operate directly under the Board of Directors, continue their activities in coordination with the executive units.

Monthly evaluations are made to identify, measure, and manage risks, and the results are shared with the Board of Directors within the scope of risk management activities.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

X. Explanations on Risk Management (Continued)

a) Risk Management Strategy and Weighted Amounts (Continued)

2. Overview of risk weighted amounts

	Risk Weighted Amount	Minimum Capital Requirement
	Current Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	668.283	53.463
2 Of which standardized approach (SA)	668.283	53.463
3 Of which internal rating-based (IRB) approach	-	-
4 Counterparty credit risk	4.141	331
5 Of which standardized approach for counterparty credit risk (SA-CCR)	4.141	331
6 Of which internal model method (IMM)	-	-
7 Equity position in banking book under basic risk weighting or internal rating-based	-	-
8 Equity investments in funds – look-through approach	-	-
9 Equity investments in funds – mandate-based approach	-	-
10 Equity investments in funds – 1250% risk weighting approach	-	-
11 Settlement risk	-	-
12 Securitization exposures in banking book	-	-
13 Of which IRB ratings-based approach (RBA)	-	-
14 Of which IRB supervisory formula approach (SFA)	-	-
15 Standard Of which SA/simplified supervisory formula approach (SSFA)	-	-
16 Market Risk	22.549	1.804
17 Of which standardized approach (SA)	22.549	1.804
18 Of which internal model approaches (IMM)	-	-
19 Operational Risk	-	-
20 Of which basic indicator approach	-	-
21 Of which standardized approach	-	-
22 Of which advanced measurement approach	-	-
23 Amounts below the thresholds for deduction from capital (Subject to 250% risk weight)	-	-
24 Floor adjustments	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	694.973	55.598

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

X. Explanations on Risk Management (Continued)

b. Linkages Between the Financial Statements and Risk Amounts

1. Differences and matching between accounting consolidation and legal consolidation

Current Period – 31 December 2022	Carrying values in financial statements prepared as per TAS within legal consolidation ⁽¹⁾	Items in accordance with TMS				
		Subject to credit risk	The counterparty credit risk	Securitization positions	Subject to market risk ⁽²⁾	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and balances with the Central Bank	134.946	134.946	-	-	-	-
Money market receivables	45.250	45.250	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Financial assets measured at amortised cost (net)	348.687	348.687	-	-	-	-
Derivative financial assets	-	-	-	-	-	-
Loans (net)	5.923	-	5.923	-	5.923	-
Assets held for sale and assets of discontinued operations (net)	948.986	948.986	-	-	-	-
Associates (net)	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-
Investments in Joint-Ventures (net)	-	-	-	-	-	-
Tangible assets (net)	-	-	-	-	-	-
Intangible assets (net)	4.365	4.365	-	-	-	-
Investment properties (net)	21.436	21.436	-	-	-	21.436
Tax asset	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	49.762	49.762	-	-	-	-
Liabilities	1.559.355	1.553.432	5.923	-	5.923	21.436
Deposits	-	-	-	-	-	-
Funds borrowed	-	-	-	-	-	-
Money markets balances	23.571	-	-	-	-	23.571
Issued securities	276.802	-	-	-	-	276.802
Funds	673.196	-	-	-	-	673.196
Financial liabilities at fair value through other comprehensive income	124.432	-	-	-	-	124.432
Derivative financial liabilities	-	-	-	-	-	-
Factoring liabilities	960	-	960	-	960	-
Debts from leasing transactions (net)	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Tax liability	21.644	-	-	-	-	21.644
Deferred tax liabilities	22.081	-	-	-	-	22.081
Liabilities for assets held for sale and discontinued operations (net)	734	-	-	-	-	734
Subordinated debts	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Shareholders' equity	6.374	-	-	-	-	6.374
Total Liabilities	409.561	-	-	-	-	409.561
	1.559.355	-	960	-	960	1.558.395

⁽¹⁾ Represents the unconsolidated financial statements of the Bank.

⁽²⁾ In the column "Subject to market risk", the values of financial instruments in trading accounts within the scope of "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", evaluated in accordance with TAS, are presented.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

X. Explanations on Risk Management (Continued)

b. Linkages Between the Financial Statements and Risk Amounts (Continued)

2. Main sources of differences between the risk amounts and carrying values in financial statements prepared as per TAS

Current Period – 31 December 2022	Total	Subject to credit risk	Securitization positions	Subject to counterparty risk	Subject to market risk ⁽¹⁾
1. Carrying values of assets in accordance with TAS within legal consolidation	1.559.355	1.273.423	-	5.923	5.923
2. Carrying values of liabilities in accordance with TAS within legal consolidation	-	-	-	960	960
3. Total net amount under legal consolidation	1.559.355	1.273.423	-	6.883	6.883
4. Off-balance sheet items	622.242	310.486	-	-	-
5. Valuation differences	-	-	-	-	-
6. Differences arising from netting of differences (other than line 2)	-	-	-	-	-
7. Differences arising from consideration of provisions	-	-	-	-	-
8. Differences arising from the applications of the BRSA	-	-	-	-	-
9. Differences due to risk reduction	-	-	-	-	-
10. Risk balances	2.181.597	1.583.909	-	6.883	6.883

⁽¹⁾ In the line of risk amounts, the amount subject to market risk arising from the capital requirement calculated for the financial instruments and currency risk in the trading accounts in accordance with the “Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks” is included.

3. Explanations on the differences between the amounts valued in accordance with TAS and the risk amounts

a) Differences between the amounts valued in accordance with TAS and the risk amounts

There is no significant difference between the financial statement values of assets and liabilities and the values included in the capital adequacy calculation.

c. Credit Risk Explanations

1. Credit quality of assets

None.

2. Changes in non-performing loans and debt securities

None.

3. Additional disclosures about the credit quality of assets

- There are no receivables that are past due and impaired.
- There is no part of the overdue receivables (over 90 days) that is not considered as provision.
- There is no method used in determining the provision amount.
- There are no restructured receivables.
- There is no breakdown of receivables by geographical regions, sector, and remaining maturity.
- There are no receivables, related provisions and write-off amounts on the basis of geographical regions and sectors.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

X. Explanations on Risk Management (Continued)

c. Credit Risk Explanations (Continued)

3. Additional disclosures about the credit quality of assets (Continued)

h) Breakdown of restructured receivables by whether provision has been allocated or not

None.

5. Overview of credit risk mitigation techniques

Current Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1 Loans	928.488	39.850	39.850	-	-	-	-
2 Debt Instruments	292.286	-	-	-	-	-	-
3 Total	1.220.774	39.850	39.850	-	-	-	-
4 Overdue	-	-	-	-	-	-	-

6. Standard Approach - Credit risk exposure and credit risk mitigation effects

Current Period		Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk Weighted Amount and Intensity of Risk Weighted Amount	
Risk Class		On-balance sheet amount	Off balance sheet amount	On-balance sheet amount	Off- balance sheet amount	Risk Weighted Amount	Intensity of Risk Weighted Amount
1	Exposures to sovereigns and Central Banks	456.197	-	456.197	-	-	-
2	Exposures to regional and local governments	-	-	-	-	-	-
3	Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	33.127	3.393	33.127	1.696	7.473	1.13
7	Exposures to corporates	758.410	617.581	758.410	308.790	627.946	94.98
8	Retail exposures	-	-	-	-	-	-
9	Exposures secured by residential property	-	-	-	-	-	-
10	Exposures secured by commercial property	-	-	-	-	-	-
11	Overdue items	-	-	-	-	-	-
12	Exposures in high-risk categories	-	-	-	-	-	-
13	Collateralized securities	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-
16	Other exposures	25.689	-	25.689	-	25.689	3.89
17	Equity shares investments	-	-	-	-	-	-
18	Total	1.273.423	620.974	1.273.423	310.486	661.108	100%

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

X. Explanations on Risk Management (Continued)

c. Credit Risk Explanations (Continued)

7. Standard Approach – Receivables according to risk classes and risk weights:

Current Period												Total Risk Amount ⁽²⁾
Risk Class/Risk Weight	0%	10%	20%	25%	35%	50 ⁽¹⁾ %	75%	100%	150%	250%	Other	
Exposures to sovereigns and Central Banks	456.197	-	-	-	-	-	-	-	-	-	-	456.197
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	33.126	-	-	1.697	-	-	-	-	-	34.823
Exposures to corporates	-	-	412.882	-	-	217.897	-	436.421	-	-	-	1.067.200
Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
Exposures secured by residential property	-	-	-	-	-	-	-	-	-	-	-	-
Exposures secured by commercial property	-	-	-	-	-	-	-	-	-	-	-	-
Overdue items	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in high-risk categories	-	-	-	-	-	-	-	-	-	-	-	-
Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Equity shares investments	-	-	-	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	25.689	-	-	-	25.689
Total	456.197	-	446.008	-	-	219.594	-	462.110	-	-	-	1.583.909

⁽¹⁾ Secured by real estate mortgages

⁽²⁾ Total risk amount after CCF and CRM

d. Explanations on Counterparty Credit Risk (“CCR”)

1. General qualitative information on credit risk

Counterparty credit risk is defined as the risk that a counterparty to a transaction that imposes obligations on both parties will default before the last payment in the cash flow of that transaction.

Counterparty risk is realized during the financing of over-the-counter derivative financial instruments and securities transactions such as repos. In the Bank, counterparty credit risk management is primarily carried out by applying the limits approved by the Board of Directors on an institution/organization basis.

Capital requirement is calculated for counterparty credit risk arising from the transactions in trading accounts as detailed below:

- Over-the-counter derivative financial instruments and credit derivatives,
- Securities or commodity-based securities or commodity lending or borrowing transactions and repo and reverse repo agreements included in the trading portfolio,
- Securities transactions on credit and transactions with long settlement periods.

Replacement cost is measured and managed using yield curves whose current value reflects the market.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

X. Explanations on Risk Management (Continued)

d. Explanations on Counterparty Credit Risk ("CCR") (Continued)

2. Evaluation of counterparty credit risk according to measurement methods:

Current Period	Replacement Cost	Potential Credit Risk Amount	EEPE	Alpha Used for Competing Regulatory EAD	EAD Post- CRM	Risk Weighted Amounts
1 Standardized Approach - CCR (for derivatives)	5.923	14.835		1.4	29.061	4.141
2 Internal Model Method (for derivatives, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)				-	-	-
3 Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)				-	-	-
4 Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)				-	-	-
5 Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions				-	-	-
6 Total						4.141

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

X. Explanations on Risk Management (Continued)

d. Explanations on Counterparty Credit Risk (“CCR”) (Continued)

3. Capital requirement for credit valuation adjustment (CVA):

	Current Period		Prior Period	
	EAD post- CRM	RWA	EAD post- CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation	-	-	-	-
1 (i) VaR component (including the 3×multiplier)	-	-	-	-
2 (ii) Stressed VaR component (including the 3×multiplier)	-	-	-	-
3 All portfolios subject to the Standardised CVA capital obligation	29.061	6.718	-	-
4 Total subject to the CVA capital obligation	29.061	6.718	-	-

4. Standard approach-CCR exposures by risk class and risk weights

Current Period – 31 December 2022									
Risk Categories / Risk Weight	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure
Exposures to sovereigns and their Central Banks	8.358	-	-	-	-	-	-	-	8.358
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	868	-	-	-	-	-	868
Exposures to corporates	-	-	19.835	-	-	-	-	-	19.835
Retail exposures	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	8.358	-	20.703	-	-	-	-	-	29.061

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

X. Explanations on Risk Management (Continued)

d. Explanations on Counterparty Credit Risk ("CCR") (Continued)

5. Exposures to central counterparties

	Current Period	
	EAD (post-CRM)	RWA
1 Exposures to QCCPs (total)	4.598	368
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	4.598	368
3 (i) OTC derivatives	-	-
4 (ii) Exchange-traded derivatives	742	59
5 (iii) Securities financing transactions	3.856	309
6 (iv) Netting sets where cross-product netting has been approved	-	-
7 Segregated initial margin	-	-
8 Non-segregated initial margin	-	-
9 Pre-funded default fund contributions	-	-
10 Unfunded default fund contributions	-	-
11 Exposures to non-QCCPs (total)	-	-
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13 (i) OTC derivatives	-	-
14 (ii) Exchange-traded derivatives	-	-
15 (iii) Securities financing transactions	-	-
16 (iv) Netting sets where cross-product netting has been approved	-	-
17 Segregated initial margin	-	-
18 Non-segregated initial margin	-	-
19 Pre-funded default fund contributions	-	-
20 Unpaid default fund contributions	-	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. Explanations on Securitizations

The Bank has no securitization transactions as of 31 December 2022 and 31 December 2021.

XIII. Explanations on Market risk**1. Qualitative information on market risk**

Bank's policies on market risk management are determined by the Treasury Policy. With the said policy, the issues related to the management of the risks arising from the activities carried out by the Treasury Departments and the implementation procedures regarding the transactions are determined.

The priority is to ensure that the risks faced by the Bank are within the limits required by the legislation and proportionate to the Bank's risk appetite. The Bank's risk appetite is determined by the Board of Directors. There are internal "risk limits" determined according to the Bank's portfolio structure and risk appetite, and compliance with these limits is monitored by control officers determined according to the triple control level.

The processes related to the allocation and management of treasury limits have been determined within the framework of the policies related to the Treasury Limits Allocation and Management Procedure.

The calculation of the amount subject to market risk at the bank is based on the Capital Adequacy Measurement and Standardized Approach within the framework of the Regulation on the Evaluation of the Financial Statements.

2. Standardised Approach

	Current Period
	RWA
Outright products	
1 Interest rate risk (general and specific)	11.263
2 Equity risk (general and specific)	-
3 Foreign exchange risk	11.286
4 Commodity risk	-
Options	
5 Simplified approaches	-
6 Delta-plus method	-
7 Scenario approach	-
8 Securitization	-
Total	22.549

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XIII. Explanations on Operational Risk

The value at operational risk is calculated according to the basic indicator approach as of “Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks”. The value is, 15% of the Banks' gross income for the last three years multiplied with 12,5. Annual gross income consists of net interest income and net non-interest income as of year-end. If the annual gross income amount is negative or zero for the last three years, the amount subject to operational risk is not calculated. Therefore, the amount subject to operational risk in the calculation of capital adequacy ratio throughout 2022 has been “0” for the Bank.

XIV. Explanations on Segment Reporting

The Bank plans to operate in the fields of Corporate and Commercial Banking, Treasury and Financial Institutions and Investment Banking, and mainly carried out Corporate and Commercial Banking activities in the period from 25 February 2022 to the balance sheet date, after starting to its operations.

	Commercial Banking	Treasury	Other	Total Operations of the Bank
Current Period				
Net Interest Income	103.603	42.613	17	146.233
Net Interest Expense	-	(33.957)	(731)	(34.688)
Net Interest Income	103.603	8.656	(714)	111.545
Net Fees and Commissions Income	3.226	1.130	(11)	4.345
Dividend Income	-	-	-	-
Net Trading Income/Losses (Net)	-	50.389	-	50.389
Other Operating Income	-	-	134	134
Total Operating Income	106.829	60.175	(591)	166.413
Loan Provisions	(10.598)	(323)	(9.552)	(20.473)
Other Operating Expenses (*)	-	-	(38.623)	(38.623)
Profit Before Tax	96.231	59.852	(48.766)	107.317
Tax Provision	-	-	(31.862)	(31.862)
Net Profit for The Period	96.231	59.852	(80.628)	75.455
Segment Assets	948.986	534.806	75.563	1.559.355
Associates And Subsidiaries	-	-	-	-
Unallocated Assets	-	-	-	-
Total Assets	948.986	534.806	75.563	1.559.355
Segment Liabilities	124.432	974.529	50.833	1.149.794
Unallocated Liabilities	-	-	-	-
Shareholders' Equity	-	-	409.561	409.561
Total Liabilities	124.432	974.529	460.394	1.559.355

(*) Other operating expenses include personnel expenses.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

SECTION FIVE

INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS OF THE BALANCE SHEET

1. Information on Cash and Balances with Central Bank

1.1. Cash and Balances with Central Bank

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	-	-	-	-
Central Bank of Turkey	79	134.867	-	-
Others	-	-	-	-
Total	79	134.867	-	-

1.2. Balances with the Central Bank of Turkey

The 1,5% commission applied to foreign currency required reserves was increased to 5% as of 22 July 2022. However, within the scope of the Communiqués No. 2021/14, 2021/16, 2022/7 and 2022/11 issued by the CBRT, within the scope of the conversion to Turkish lira deposit/participation accounts, the conversion rates for real persons and legal entities were increased to 10% as of 15 April 2022, the conversion rate for real persons was increased to 10% and the conversion rate for legal entities was increased to 20% as of 8 July 2022, as of 2 September 2022, it has been decided that no commission will be applied to banks whose real and legal person conversion rates separately reach 20% as of the obligation date; however, banks that reach the target values on the specified dates and fall below the target again in the following periods will be charged commission for the periods when they fall below the target.

Moreover, with the official letter dated 31 August 2022 and numbered Z-TCMB.72919021-010.07.01-1579 shared by the CBRT, it was decided to apply an annual commission of 3% on the required reserve amount to be established for foreign currency deposit/participation fund liabilities, except for banks whose TL deposit/participation fund share is above 50% in both real and legal person deposits/participation funds separately, as of the liability date of 2 September 2022.

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Unrestricted Demand Deposits	79	-	-	-
Unrestricted Time Deposits	-	-	-	-
Reserve Deposits	-	134.867	-	-
Total	79	134.867	-	-

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

**INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

I. EXPLANATIONS AND NOTES RELATED TO ASSETS OF THE BALANCE SHEET (Continued)

1. Information on Cash and Balances with Central Bank (Continued)

1.3. Reserve Deposits

With the CBRT Decision No. 2022-24 dated 23 April 2022, it is one of the main duties of the Central Bank as stipulated in Article 4 of the Central Bank Law No. 1211 to impose reserve requirements on eligible on-balance sheet or off-balance sheet items of banks and other financial institutions. Required reserves, which had been applied to the liability side of the balance sheets, were started to be applied to the asset side of the balance sheets to strengthen the macroprudential policy set.

Within the scope of the "Communiqué on Supporting Conversion to Turkish Lira Deposit and Participation Accounts" numbered 2021/14, the rate of conversion from FX deposit accounts denominated in USD, EUR and GBP and participation fund accounts denominated in foreign currency to TL time deposits and participation accounts is 10% for real persons and legal entities as of 15 April 2022; 10% for real persons and 20% for legal entities as of 8 July 2022 obligation date and 20% for real persons and 20% for legal entities as of 2 September 2022 obligation date, banks will not be charged an annual commission on the portion up to the amount required to be held for their obligations until the end of 2022.

The required reserve rates for TL liabilities vary between 3% and 8% for TL deposits and other liabilities according to their maturities as of 31 December 2022 (31 December 2021: 3% and 8% for all TL liabilities); the reserve rates for foreign currency liabilities vary between 5% and 26% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2022 (31 December 2021: 5% and 26% for all foreign currency liabilities).

2. Information on Financial Assets at Fair Value Through Profit/Loss Subject to Repurchase Agreements and Provided as Collateral/Blocked

The Bank does not have financial assets at fair value through profit or loss, which are subject to repo transactions, and financial assets that are given as collateral/blocked, so the table is not included as of 31 December 2022 and 31 December 2021.

3. Information on Derivative Financial Assets

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Forward transactions	5.059	-	-	-
Swap transactions	864	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Others	-	-	-	-
Total	5.923	-	-	-

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

**INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

I. EXPLANATIONS AND NOTES RELATED TO ASSETS OF THE BALANCE SHEET (Continued)

4. Information on Banks and Other Financial Institutions

4.1. Information on Banks and Other Financial Institutions

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Banks	5	45.245	309.133	-
<i>Domestic banks</i>	5	45.245	309.133	-
<i>Foreign banks</i>	-	-	-	-
<i>Foreign head offices and branches</i>	-	-	-	-
Total	5	45.245	309.133	-

	Unrestricted Amount	
	31 December 2022	31 December 2021
EU Countries	-	-
USA and Canada	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
Other	-	-
Total	-	-

(*) OECD countries other than the EU countries, USA, and Canada

5. Information on Financial Assets Measured at Fair Value Through Profit or Loss

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

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Debt Securities	305.493	43.194	-	-
<i>Quoted on a stock exchange</i>	305.493	43.194	-	-
<i>Unquoted</i>	-	-	-	-
Share Certificates	-	-	-	-
<i>Quoted on a stock exchange</i>	-	-	-	-
<i>Unquoted</i>	-	-	-	-
Provision for impairment (-)	-	-	-	-
Total	305.493	43.194	-	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Thousands of Turkish Lira (TL))

INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS OF THE BALANCE SHEET (Continued)

5.2. Financial assets at fair value through other comprehensive income to repurchase agreements
information on the subject and given as collateral/blocked

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Assets subject to Repurchase Agreements	186.854	-	-	-
Collateralised/Blocked Assets	66.168	43.194	-	-
Total	253.022	43.194	-	-

6. Information on Loans

6.1. Loans and advances to shareholders and employees of the Bank

	31 December 2022		31 December 2021	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct lendings to shareholders	772.115	-	-	-
Corporates	772.115	-	-	-
Individuals	-	-	-	-
Indirect lendings to shareholders	-	-	-	-
Loans to employees	-	-	-	-
Total	772.115	-	-	-

6.2. Performing loans and loans under follow-up including restructured loans, and provisions allocated for such loans

		Loans Under Close Monitoring		
		Standard Loans	Not Included in Restructured Loans	Restructured Changes in Conditions of Contract Refinancing
Loans	948.986	-	-	-
Working Capital Loans	-	-	-	-
Export Loans	-	-	-	-
Import Loans	-	-	-	-
Loans to Financial Sector	772.115	-	-	-
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
Others	176.871	-	-	-
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	948.986	-	-	-

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

**INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

I. EXPLANATIONS AND NOTES RELATED TO ASSETS OF THE BALANCE SHEET (Continued)

6. Information on Loans (Continued)

	Standard Loans	Loans Under Close Monitoring
General Provisions	20.150	-
12-month ECL	-	-
Significant Increase in Credit Risk	-	-
Total	20.150	-

Number of changes of payment plan extension

None.

Extended period with payment plan change

None.

The Bank has no cash loans given as of 31 December 2021.

6.3. Maturity analysis of cash loans

		Loans Under Close Monitoring	
	Standard Loans	Not Restructured	Restructured
Short-Term Loans	909.245	-	-
Medium and Long-Term Loans	39.741	-	-
Total	948.986	-	-

6.4. Consumer loans, retail credit cards, personnel loans, and personnel credit cards

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
(Thousands of Turkish Lira (TL))

**INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

I. EXPLANATIONS AND NOTES RELATED TO ASSETS OF THE BALANCE SHEET (Continued)

6. Information on Loans (Continued)

6.5. Installment based commercial loans and corporate credit cards

	Short Term	Medium and Long Term	Total
31 December 2022:			
Assets			
Installment-based Commercial Loans – TL	92.065	39.741	131.806
Real Estate Loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	92.065	39.741	131.806
Others	-	-	-
Installment-based Commercial Loans - FC-indexed	-	-	-
Real Estate Loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Others	-	-	-
Installment-based Commercial Loans – FC	-	-	-
Real Estate Loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other Assets	-	-	-
Total Assets	92.065	39.741	131.806

6.6. Allocation of loans by customers

	Current Period	Prior Period
Public	-	-
Private	948.986	-
Total	948.986	-

6.7. Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	948.986	-
Foreign Loans	-	-
Total	948.986	-

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
(Thousands of Turkish Lira (TL))

**INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

I. EXPLANATIONS AND NOTES RELATED TO ASSETS OF THE BALANCE SHEET (Continued)

6.8. Loans to associates and subsidiaries

None.

6.9. Specific provisions for loans or default (stage three) provisions

None.

6.10. Information on non-performing loans and loans restructured

None.

Information on movements in non-performing loans groups

None.

Information on non-performing loans arising from foreign currency loans

None.

6.11. Gross and net non-performing loans as per customer categories

None.

7. Financial Assets Measured at Amortised Cost

The Bank does not have any financial assets measured at amortised cost excluding loans as of 31 December 2022 and 31 December 2021.

8. Investments in Associates (Net)

The Bank has no associates as of 31 December 2022 and 31 December 2021.

9. Investments in Subsidiaries

The Bank has no subsidiaries as of 31 December 2022 and 31 December 2021.

10. Information on Investments in Joint-Ventures

The Bank has no joint-ventures as of 31 December 2022 and 31 December 2021.

11. Information on Lease Receivables (net)

The Bank has no lease receivables as of 31 December 2022 and 31 December 2021.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
(Thousands of Turkish Lira (TL))

**INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

I. EXPLANATIONS AND NOTES RELATED TO ASSETS OF THE BALANCE SHEET (Continued)

12. Information on Tangible Assets

	Machinery, plant, and equipment	Furniture and Fixtures	Vehicles	Right-of use assets	Other	Total
Prior Period						
Cost	-	1.694	394	-	-	2.088
Accumulated depreciation (-)	-	(198)	(26)	-	-	(224)
Net book value	-	1.496	368	-	-	1.864
Current Period						
Net book value at beginning of the period		1.496	368	-	-	1.864
Additions	-	1.368	1.478	533	-	3.379
Capitalized finance costs	-	-	-	-	-	-
Disposals (-), net	-	-	-	-	-	-
Depreciation charge (-)	-	(486)	(383)	(9)	-	(878)
End of period cost	-	3.062	1.872	533	-	5.467
Accumulated depreciation at the end of the period (-)	-	(684)	(409)	(9)	-	(1.102)
Net book value at the end of the period	-	2.378	1.463	524	-	4.365

13. Information on Intangible Assets

	Current Period	Prior Period
Net book value at the beginning of the period	1.002	-
Movements during the period	21.625	-
Internally generated intangibles	-	-
Disposals (-), net	-	-
Amortization charge (-)	(1.191)	-
Net book value at the end of the period	21.436	-

14. Information on Investment Property

The Bank does not have any investment properties as of 31 December 2022 and 31 December 2021.

15. Information on Tax Assets

15.1. Information on Current Tax Assets

The Bank does not have any current tax assets as of 31 December 2022 (31 December 2021: None).

15.2. Amount of deferred tax assets reflected in the balance sheet in terms of deductible temporary differences, tax losses and tax deductions and exemptions.

The Bank does not have any deferred tax assets (31 December 2021: None) as of 31 December 2022.

16. Information on Assets Held for Sale and Discontinued Operations

The Bank does not have any assets held for sale and discontinued operations as of 31 December 2022 and 31 December 2021 (31 December 2021: None).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS OF THE BALANCE SHEET (Continued)

17. Information on Other Assets

- 17.1. If the other assets item of the balance sheet exceeds 10% of the balance sheet total excluding the commitments in off-balance sheet accounts, the names and amounts of the sub-accounts that make up at least 20% of them

Other assets of the balance sheet do not exceed 10% of the balance sheet total.

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES OF THE BALANCE SHEET

The explanations and footnotes regarding the liability accounts of the unconsolidated balance sheet prepared by the Bank are given below.

1. Maturity profile of deposits

The Bank is not authorized to collect deposits since it is an investment bank.

2. Derivative Financial Liabilities

- 2.1. Negative differences table for derivative financial liabilities regarding the fair value difference through profit or loss

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Forward transactions	-	-	-	-
Swap transactions	960	-	-	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	960	-	-	-

3. Funds Borrowed

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Domestic Transactions	276.802	-	-	-
Financial Institutions and Organizations	276.802	-	-	-
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
Foreign Transactions	-	-	-	-
Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
Total	276.802	-	-	-

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

**INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES OF THE BALANCE SHEET
(Continued)**

4. Information on Banks and Other Financial Institutions

4.1 Information on banks and other financial institutions:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
From Central Bank of the Republic of Turkey	-	-	-	-
From domestic banks and institutions	-	-	-	-
From foreign banks, institutions, and funds	-	23.571	-	-
Total	-	23.571	-	-

4.2 Maturity structure of funds borrowed

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Short-term	-	23.571	-	-
Medium and long-term	-	-	-	-
Total	-	23.571	-	-

4.3 Information on securities issued (Net)

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Bank Bonds	-	386.498	-	-
Bonds	-	286.698	-	-
Total	-	673.196	-	-

The Bank issued a financing bond with a nominal amount of USD 15.000.000 (full amount) and a maturity of 366 days for qualified investors abroad on 3 October 2022.

4.4 Explanations on funds

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Local organizations	20.083	104.349	-	-
Foreign organizations	-	-	-	-
Total	20.083	104.349	-	-

5. If the other liabilities item of the balance sheet exceeds 10% of the balance sheet total excluding off-balance sheet commitments, the names and amounts of the sub-accounts that make up at least 20% of them

The Bank's other liabilities do not exceed 10% of the balance sheet total, excluding off-balance sheet commitments as of 31 December 2022 and 31 December 2021.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES OF THE BALANCE SHEET
(Continued)

6. Information on Lease Payables (Net)

The differences between operating leases and finance leases have been eliminated with the "TFRS 16 Leases" Standard which is effective as of 1 January 2019, and the lease transactions are carried out by the lessees. "Lease Liabilities" as a liability under "Lease Liabilities" as of 31 December 2022, the Bank's lease transactions with contract expiry dates longer than 1 year (31 December 2021: None).

7. Information on Derivative Financial Liabilities Held for Hedging

The Bank does not have any derivative financial instruments held for hedging as of 31 December 2022 and 31 December 2021.

8. Explanations about Provisions

8.1 General loans provisions

The Bank calculates its provisions within the scope of Articles 10, 11, 13 and 15 of the Provisions Regulation, not with the expected credit losses method established in accordance with TFRS 9, based on the permission obtained from the BRSA on 21 February 2022. In this context, the Bank has calculated general loan provision amounting to TL 20.150 for the First Group Loans and Receivables for the year ended 31 December 2022 (31 December 2021: None).

8.2. Provisions for foreign exchange differences on foreign currency indexed loans and finance lease receivables

The Bank does not have provisions for foreign exchange differences on foreign currency indexed loans and finance lease receivables as of 31 December 2022 and 31 December 2021.

8.3. Reserve for employee benefits

According to the laws in force, the Bank is obliged to make a certain lump sum payment to employees whose employment is terminated due to retirement or for reasons other than resignation and behaviors specified in the Labor Law. The said payment amounts are calculated based on the severance pay ceiling valid as of the balance sheet date. The provision for severance pay is calculated according to the net present value of the future liabilities due to retirement of all employees and reflected in the financial statements.

	31 December 2022	31 December 2021
Net discount rate	2%	17.50%
Inflation rate	9.80%	21.50%
Interest rate	12%	3.40%

	31 December 2022	31 December 2021
Provision for employee termination benefits	232	144
Provision for vacation pay	984	154
Provision for bonuses	-	-
Provision for premiums and dividends	-	-
Total	1.216	298

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES OF THE BALANCE SHEET
(Continued)

8.4. Information on Other Provisions

For the year ended 31 December 2022, The Bank recognized a provision amounting to TL 278 in its financial statements, and the provisions consist of provisions for payments to be made to vendor (31 December 2021: None).

9. Information on Tax Liabilities

9.1. Current tax liabilities

There is a corporate tax liability of TL 19.465 after deducting the temporary taxes paid during the year from the corporate tax as of 31 December 2022 (31 December 2021: TL 1.974).

9.2. Taxes payable

	31 December 2022	31 December 2021
Corporate Taxes Payable	19.465	1.974
Taxation on Securities Income	68	-
Taxation on Real Estates Income	-	-
Banking Insurance Transaction Tax	647	-
Foreign Exchange Transaction Tax	33	-
Value Added Tax Payable	199	(760)
Others ⁽¹⁾	586	148
Total	20.998	1.362

⁽¹⁾ TL 573 of other item consists of income tax payable (31 December 2021: TL 144), TL 13 portion consists of stamp tax payable (31 December 2021: TL 4).

9.3. Premiums

	31 December 2022	31 December 2021
Social Security Premiums-Employees	-	-
Social Security Premiums-Employer	1.006	156
Bank Pension Fund Premium-Employees	-	-
Bank Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	-	-
Unemployment Insurance-Employer	77	13
Others	-	-
Total	1.083	169

9.4. Deferred Tax Liability

9.4.1. Amount of deferred tax liability reflected in the balance sheet in terms of deductible temporary differences, tax losses and tax deductions and exemptions.

The Bank has calculated the deferred tax asset or liability over the differences arising from the timing differences between the accounting policies and valuation principles applied and the tax legislation and reflected them in the accompanying financial statements. The Bank has calculated a net deferred tax liability of TL 734 and reflected it to its financial statements (31 December 2021: TL 22).

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

**INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES OF THE BALANCE SHEET
(Continued)**

10. Information on Liabilities for Assets Held for Sale and Assets of Discontinued Operations

The Bank does not have any liabilities for assets held for sale and assets of discontinued operations as of 31 December 2022 and 31 December 2021.

11. Information on Subordinated Debt Instruments

The Bank has no subordinated loans as of 31 December 2022 and 31 December 2021.

12. Information on Shareholders' Equity

12.1. Paid-in capital

	31 December 2022	31 December 2021
Common Shares	300.000	300.000

12.2. Paid-in capital amount, explanation of whether the registered capital system is applied in the Bank and the commercial capital ceiling if this system is applied

The registered capital system of the Bank is not implemented as of 31 December 2022 and 31 December 2021.

12.3. Capital increases in current period and other information on the capital increased by resources

The Bank has no capital increase as of 31 December 2022 and 31 December 2021.

12.4. Information on the part of capital reserves added to the capital in the current period

No capital increases from the capital reserves in the current period.

12.5. Capital commitments up to the end of the last financial year and the following period, the overall purpose of those commitments and the estimated resources required for those commitments

The Bank has no capital commitments as of 31 December 2022 and 31 December 2021.

12.6. Possible effect of estimations made for the parent Bank's revenues, profitability and liquidity on equity considering prior period indicators and uncertainties

There is no possible effect of estimations made for the parent Bank's revenues, profitability and liquidity on equity considering prior period indicators and uncertainties as of 31 December 2022 and 31 December 2021.

12.7. Summary Information on privileges given to stocks representing the capital

The Bank does not have privileges given to stocks representing the capital as of 31 December 2022 and 31 December 2021.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES OF THE BALANCE SHEET
(Continued)

12.8. Information on marketable securities revaluation reserve

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Other Comprehensive Income	15.390	3.477	-	-
<i>Valuation difference</i>	<i>15.390</i>	<i>3.477</i>	-	-
<i>Foreign exchange difference</i>	-	-	-	-
Total	15.390	3.477	-	-

12.9. Explanations on profit reserves

The Bank transferred TL 768 of the previous year's profit amounting to TL 15.357 to legal reserves and TL 14.589 to retained earnings based on the Ordinary General Assembly resolutions dated 15 March 2022.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

Explanations and footnotes related to unconsolidated off-balance sheet accounts issued by the Bank are given below.

1. Explanations on Off-Balance Sheet Commitments

1.1. The amounts and types of irrevocable credit commitments

The Bank has no irrevocable loan commitments as of 31 December 2022 (31 December 2021: None).

1.2. Non-cash loans, including guarantees, bank endorsements, and financial guarantees and other letters of credit

	31 December 2022	31 December 2021
Letters of Guarantee	622.242	-
Bills of Exchange and Acceptances	-	-
Letters of Credit	-	-
Other guarantees and sureties	-	-
Total	622.242	-

1.3. Performance guarantees, temporary guarantees, sureties, and similar transactions

	31 December 2022	31 December 2021
Performance Bonds	548.888	-
Provisional Letters of Guarantee	69.592	-
Advance Letters of Guarantee	3.762	-
Letters of Guarantee Given to Customs	-	-
Letters of Guarantee Given for Cash Loans	-	-
Other Letters of Guarantee	-	-
Total	622.242	-

1.4. Non-cash loans

1.4.1 Non-cash loans totals

	31 December 2022	31 December 2021
Non-Cash Loans against Cash Risks	-	-
<i>With Original Maturity of 1 Year or Less</i>	-	-
<i>With Original Maturity of More Than 1 Year</i>	-	-
Other Non-Cash Loans	622.242	-
Total	622.242	-

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

**INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

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

1.4 Non-cash loans (Continued)

1.4.2. Non-cash loans sectoral risk concentrations

	31 December 2022			
	TL	%	FC	%
Agriculture	-	-	-	-
Farming and raising livestock	-	-	-	-
Forestry	-	-	-	-
Fishery	-	-	-	-
Industry	410.409	66.42	-	-
Mining and quarry	1.000	0.16	-	-
Manufacturing	232.509	37.63	-	-
Electricity, gas, and water	176.900	28.63	-	-
Construction	51.313	8.31	-	-
Service	151.237	24.48	4.416	100
Wholesale and retail trade	102.754	16.63	-	-
Hotel and food services	11.974	1.94	1.032	23.37
Transportation and communication	-	-	-	-
Financial institutions	11.152	1.81	3.384	76.63
Real estate and leasing services	25.357	4.10	-	-
Self-employment services	-	-	-	-
Educational services	-	-	-	-
Health and social services	-	-	-	-
Other	4.867	0.79	-	-
Total	617.826	100	4.416	100

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
(Thousands of Turkish Lira (TL))

**INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

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

2. Information on Financial Derivative Instruments

	31 December 2022	31 December 2021
Hedging Derivative Financial Instruments	-	-
Derivative Financial Instruments held for Risk Management	-	-
Transactions for Fair Value Hedge	-	-
Transactions for Cash Flow Hedge	-	-
Transactions for Foreign Net Investment Hedge	-	-
Trading Transactions	4.998.704	-
Foreign Currency related Derivative Transactions (I)	4.998.704	-
Forward Foreign Currency Transactions-Buy	1.341.922	-
Forward Foreign Currency Transactions-Sell	1.335.479	-
Foreign Currency Swap-Buy	1.159.295	-
Foreign Currency Swap-Sell	1.162.008	-
Foreign Currency Options-Buy	-	-
Foreign Currency Options-Sell	-	-
Foreign Currency Futures-Buy	-	-
Foreign Currency Futures-Sell	-	-
Interest Rate related Derivative Transactions (II)	-	-
Interest Rate Swap-Buy	-	-
Interest Rate Swap-Sell	-	-
Interest Rate Options-Buy	-	-
Interest Rate Options-Sell	-	-
Securities Options-Buy	-	-
Securities Options-Sell	-	-
Interest Rate Futures-Buy	-	-
Interest Rate Futures-Sell	-	-
Other Trading Derivatives (III)	-	-
B. Total Trading Derivatives (I+II+III)	4.998.704	-
Total Derivative Transactions (A+B)	4.998.704	-

3. Information on Contingent Liabilities and Assets

The Bank has no contingent liabilities and assets as of 31 December 2022.

4. Information on the services provided on behalf of others

The Bank has no services provided on behalf of others as of 31 December 2022 and 31 December 2021.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

IV. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF PROFIT OR LOSS

The explanations and footnotes related to the unconsolidated income statement prepared by the Bank are given below.

1. Interest income

1.1. Information on interest income from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest income received from loans	75.783	27.820	-	-
<i>Short-Term Loans</i>	71.267	27.820	-	-
<i>Medium And Long-Term Loans</i>	4.516	-	-	-
<i>Loans Under Follow-Up</i>	-	-	-	-
<i>Premiums Received from Resource Utilization Support Fund</i>	-	-	-	-
Total	75.783	27.820	-	-

1.2. Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks	8.447	38	26.579	-
Foreign Banks	-	-	-	-
Foreign Head Offices and Branches	-	-	-	-
Total	8.447	38	26.579	-

1.3. Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial assets measured at fair value through profit and loss	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	34.068	-	-
Total	-	34.068	-	-

1.4 Interest income received from associates and subsidiaries

The Bank has no associates and subsidiaries for the periods ended 31 December 2022 and 31 December 2021.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

IV. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF PROFIT OR LOSS (Continued)

2. Interest expenses

2.1. Information on interest expense on borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	-	-	-	-
From domestic banks	-	-	-	-
From foreign banks	-	819	-	-
Foreign head office and branches	-	-	-	-
Total	-	819	-	-

2.2. Information on interest expenses to associates and subsidiaries

The Bank has no associates and subsidiaries for the periods ended 31 December 2022 and 31 December 2021.

2.3. Information on interest on securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interests paid on issued securities	-	18.754	-	-
Total	-	18.754	-	-

2.4. Information on interest on money market transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Takasbank market transactions	3.644	-	-	-
Repurchase agreements	10.740	-	-	-
Total	14.384	-	-	-

3. Information on Dividend Income

The Bank does not have dividend income for the periods ended 31 December 2022 and 31 December 2021.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

IV. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF PROFIT OR LOSS (Continued)

4. Information on Trading Income/Losses (Net)

	Current Period	Prior Period
Income	470.286	-
Trading Account Income	10.712	-
Gains from Derivative Financial Instruments	80.383	-
Foreign Exchange Gains	379.191	26
Losses (-)	419.897	-
Trading Account Losses	-	-
Losses from Derivative Financial Instruments	191.321	-
Foreign Exchange Losses	228.576	34
Net Trading Income/Losses	50.389	(8)

5. Information on Other Operating Income

The other operating income of the Bank for the accounting period ending on 31 December 2022 amounting to TL 134 consist of TL 109 of prior years' adjustments and TL 25 of other income (31 December 2021: TL 62).

6. Expected Credit Losses

The Bank calculates its provisions within the scope of Articles 10, 11, 13 and 15 of the Provisions Regulation, not with the expected credit losses method established by TFRS 9, based on the permission obtained from the BRSA on 21 February 2022.

	Current Period	Prior Period
12-Month ECL (Stage 1)	-	-
Lifetime ECL Significant Increase in Credit Risk (Stage 2)	-	-
Lifetime ECL Impaired Credits (Stage 3)	-	-
12-Month ECL (Stage 1)	-	-
General Provisions	20.150	-
Impairment Losses on Securities	323	-
Financial Assets Measured at Fair Value through Profit/Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Impairment Losses on Associates, Subsidiaries and Joint ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Others	-	-
Total	20.473	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

IV. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF PROFIT OR LOSS (Continued)

7. Information on Other Operating Expenses

	Current Period	Prior Period
Provisions for Severance Pay	78	69
Reserve for Employee Termination Benefits	-	-
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	878	224
Depreciation Expenses of Tangible Assets	-	-
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	1.191	108
Amortisation Expenses of Intangible Assets	-	-
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses of Right-of-use Assets	-	-
Impairment Losses on Assets Held for Sale	8.583	2.295
Other Operating Expenses	1.211	428
<i>Operational Lease related Expenses</i>	<i>1.303</i>	<i>939</i>
<i>Tax expense</i>	<i>2.194</i>	<i>6</i>
<i>Communication Expenses</i>	<i>1.598</i>	<i>29</i>
<i>IT Expenses</i>	<i>2.277</i>	<i>893</i>
Loss on Sale of Assets	-	-
Other Expenses ⁽¹⁾	8.363	141
Total	19.093	2.837

⁽¹⁾ Other expenses amounting to TL 2.253 consist of one-time payment made as TBB participation share, TL 797 consist of write-off of pre-operational VAT assets, TL 3.012 consist of audit and consultancy expenses, TL 150 consist of Takasbank membership fees, TL 621 consist of other operating expenses and TL 1.530 consist of other expenses.

8. Information on Profit/Loss Before Taxes from Continued and Discontinued Operations

The Bank's profit before tax from continuing operations was TL 107.317 for the accounting period ending on 31 December 2022 (31 December 2021: TL 20.481). The Bank has no discontinued operations.

9. Information on Provision for Taxes from Continued and Discontinued Operations

The Bank recorded a tax charge of TL 31.862 for the year ended 31 December 2022 (31 December 2021: TL 5.124). The Bank has no discontinued operations.

10. Information on Net Profit/Loss from Continued and Discontinued Operations

The Bank's profit before tax from continuing operations was TL 107.317 for the year ended 31 December 2022 (31 December 2021: TL 20.481). The tax expense arising from the Bank's continuing operations is TL 31.862 (31 December 2021: TL 5.124). For the year ended 31 December 2022, the Bank earned a net profit of TL 75.455 (31 December 2021: TL 15.357).

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
(Thousands of Turkish Lira (TL))

**INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

IV. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF PROFIT OR LOSS (Continued)

11. Information on Net Profit/Loss

11.1. The nature and amount of the items if disclosure of the nature, size and recurrence rate of income and expense items arising from ordinary banking transactions is necessary to understand the Bank's performance during the period

Since the Bank started its operations as of 25 February 2022, the nature, size and recurrence rates of income and expense items arising from ordinary banking transactions are not at a significant level in terms of understanding the Bank's performance during the period.

11.2. The necessary information covering the relevant periods if there is a possibility that a change in an estimation related to financial statement items will have an impact on profit or loss, and likely to affect subsequent periods

There is no change in the estimates made regarding the financial statements.

12. If other items in the income statement exceed 10% of the income statement total, sub-accounts that make up at least 20% of these items

Other items in the income statement do not exceed 10% of the income statement total.

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

Legal reserves are divided into first and second reserves in the Turkish Commercial Code ("TCC"). The first legal reserves are separated from profit at the rate of 5% until the total reserves reach 20% of the paid-in capital. Secondary legal reserves are set aside at the rate of 10% over cash profit distributions exceeding 5% of the paid-in capital. Based on the Ordinary General Assembly resolutions dated 15 March 2022, the Bank transferred TL 768 of the previous year's profit amounting to TL 15,357 to legal reserves and TL 14.589 to retained earnings. As of the preparation date of these financial statements, the Bank's annual Ordinary General Assembly meeting has not been held yet. As of the balance sheet date, profit reserves are TL 768 (31 December 2021: None) and consist of the amount transferred from previous years' profits in the current period. The Bank has recognized the actuarial difference amounting to TL (118) arising from the changes in actuarial assumptions used in the calculation of the provision for employment termination benefits (31 December 2021: TL 54) under total comprehensive income.

VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

1. Information on Cash Flow Statement

For the purposes of the cash flow statement, cash includes cash effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank of Turkey; and cash equivalents include interbank money market placements, time deposits at banks with original maturity periods of less than three months and investments on marketable securities other than common stocks.

Cash and cash equivalents at the beginning of the period

	31 December 2022	31 December 2021
Cash	-	-
Cash on Hands	-	-
Foreign Currencies	-	-
Cash Equivalents	309.133	-
CBRT	-	-
Banks	309.133	-
Total	309.133	-

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(Thousands of Turkish Lira (TL))

**INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

**VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS
(Continued)**

Cash and cash equivalents at the end of the period

	31 December 2022	31 December 2021
Cash	-	-
Cash on Hands	-	-
Foreign Currencies	-	-
Cash Equivalents	180.196	309.133
CBRT	134.946	-
Banks	45.250	309.133
Total	180.196	309.133

VII. EXPLANATIONS AND NOTES RELATED TO RISK GROUP OF THE BANK

1. The volume of transactions related to the risk group of the Bank, unfinished loan, and deposit transactions at the end of the period, and income and expenses for the period

a) Explanations Related to Risk Group of the Bank

Risk Group	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans	-	-	-	-	-	-
Beginning balance	-	-	-	-	-	-
Closing balance	-	-	772.115	3.713	-	-
Interest and commissions income	-	-	46.652	19	-	-

2. Forward transactions, option contracts and other similar contracts made with the Bank risk group

Risk Group	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Derivates	-	-	-	-	-	-
Beginning balance	-	-	-	-	-	-
Closing balance	-	-	2.677.401	-	-	-
Total profit/loss	-	-	5.059	-	-	-

The Bank has derivative transactions amounting to USD 71.423 with the risk group it is included in as of 31 December 2022 (31 December 2021: None).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Thousands of Turkish Lira (TL))

INFORMATION AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

VII. EXPLANATIONS AND NOTES RELATED TO THE RISK GROUP OF THE BANK (Continued)

3. Information regarding benefits provided to the Bank's top management

Salaries and benefits paid to the Bank's top management amount to TL 3.187 end of 31 December 2022 (31 December 2021: TL 613).

4. Announcement of the fees related to the services received from the independent auditor or independent audit firm:

	31 December 2022	31 December 2021
Independent audit fee for the reporting period	496	-
Fee for tax advisory services	69	-
Fee for other assurance services	-	-
Fees for services other than independent auditing	-	-
Total	565	-

SECTION SIX

I. OTHER EXPLANATIONS

Domestic, foreign, and offshore branches or equity investments, and foreign representative offices

	Number of Branches	Number of Employees			
Domestic Branches	1	40			
			Country		
Foreign Representative Offices	-	-	-		
				Total Assets	Legal Capital
Foreign Branches	-	-	-	-	-
Off-shore Branches	-	-	-	-	-

II. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

On 6 February 2023, due to the earthquakes centered in Kahramanmaraş, which affected many provinces and shook our entire country, it was decided to declare a state of emergency for three months in the provinces of Adana, Adıyaman, Diyarbakır, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye and Şanlıurfa in accordance with the Official Gazette No. 32098 dated 8 February 2023.

Developments regarding this natural disaster are being closely monitored and efforts to determine the situation are ongoing.

SECTION SEVEN

INDEPENDENT AUDITORS' REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITORS' REPORT

The unconsolidated financial statements of the Bank as of 31 December 2022, have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditors' report dated 28 February 2023 is presented at the beginning of this report.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

There are no other significant footnotes and explanations related to the operations of the Bank that is not mentioned above.