

**(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 2023**



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 2023 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 2023, 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 VI.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.

<b><i>Key audit matter</i></b>	<b><i>How the matter is addressed in our audit</i></b>
<p>As of 31 December 2023, 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 VII 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, issued securities, derivative financial instruments, interest received from loans, interest on issued securities and profit/loss from derivative financial transactions 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 2023 are not in compliance with TCC and provisions of the Bank's articles of association in relation to financial reporting.

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güvenç, SMMM  
Partner

11 March 2024  
İstanbul, Türkiye

**DESTEK YATIRIM BANKASI A.Ş.**  
**UNCONSOLIDATED FINANCIAL REPORT AS OF AND**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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	Süleyman Türetken	
	<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

	<b>Page No</b>
<b>SECTION ONE</b>	
<b>General Information</b>	
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
<b>SECTION TWO</b>	
<b>Unconsolidated Financial Statements</b>	
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
<b>SECTION THREE</b>	
<b>Accounting Policies</b>	
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	18
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	21
X. Explanations on goodwill and other intangible assets	21
XI. Explanations on tangible assets	21
XII. Explanations on leasing transactions	22
XIII. Explanations on provisions, contingent assets and liabilities	23
XIV. Explanations on obligations related to employee rights	23
XV. Explanations on taxation	23
XVI. Explanations on borrowings	26
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
<b>SECTION FOUR</b>	
<b>Information Related to Financial Position and Risk Management</b>	
I. Explanations on capital	27
II. Explanations on credit risk	33
III. Explanations on currency risk	41
IV. Explanations on interest rate risk	43
V. Explanations on equity securities position risk	45
VI. Explanations on liquidity risk management and liquidity coverage ratio	46
VII. Explanations on leverage ratio	50
VIII. Explanations on presentation of financial assets and liabilities at fair values	50
IX. Explanations on the transactions carried out on behalf and account of other persons	52
X. Explanations on risk management	52
XI. Explanations on securitizations	65
XII. Explanations on market risk	65
XIII. Explanations on operational risk	65
XIV. Explanations on segment reporting	66
<b>SECTION FIVE</b>	
<b>Information and Disclosures on Unconsolidated Financial Statements</b>	
I. Explanations and notes related to assets of the balance sheet	68
II. Explanations and notes related to liabilities of the balance sheet	76
III. Explanations and notes related to off-balance sheet accounts	82
IV. Explanations and notes related to statement of profit or loss	86
V. Explanations and notes related to statement of changes in shareholders' equity	90
VI. Explanations and notes related to statement of cash flows	91
VII. Explanations and notes related to the risk group of the Bank	92
<b>SECTION SIX</b>	
<b>Other Explanations</b>	
I. Other explanations	94
II. Explanations and notes related to subsequent events	94
<b>SECTION SEVEN</b>	
<b>Independent Auditors' Report</b>	
I. Explanations on the independent auditors' report	94
II. Explanations and notes prepared by independent auditors	94

## DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (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 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 2023, the Bank’s paid-in capital is TL 350 million, and it has been divided into 350 million shares with a historical value of TL 1 each.

As of 31 December 2023, the main shareholders and their capital structure are as follows:

Name / Company	Shares	Ownership	Paid-in Capital	Unpaid Portion
Destek Finans Faktoring A.Ş.	349.999.996	99,99996	349.999.996	-
Altunç Kumova	1	0,00001	1	-
Özgür Akayoğlu	1	0,00001	1	-
Kerim Tosun	1	0,00001	1	-
Onur Kumova	1	0,00001	1	-
				-
<b>Total</b>	<b>300.000.000</b>	<b>100,00</b>	<b>300.000.000</b>	<b>-</b>

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 2023 (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
Süleyman Türetken	Independent Member and Member of Audit Committee	Bachelor	14.03.2021
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.

Süleyman Türetken was appointed as a member of the Board of Directors and Audit Committee on March 14, 2023, replacing Tuna Akyürek, who resigned from the positions of Board of Directors and Audit Committee membership.

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.	349.999.996	99,9999987	349.999.996	-

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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,

## DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (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 garamme 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

The Bank does not have any subsidiaries.

## **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 2023**

(Thousands of Turkish Lira (TL))

		Audited			Audited		
		Current Period			Prior Period		
		31 December 2023			31 December 2022		
ASSETS	Notes (5 - 1)	TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>913.341</b>	<b>526.516</b>	<b>1.439.857</b>	<b>311.500</b>	<b>223.306</b>	<b>534.806</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>4.292</b>	<b>448.787</b>	<b>453.079</b>	<b>84</b>	<b>180.112</b>	<b>180.196</b>
1.1.1 Cash and Balances at Central Bank	(1)	4.210	328.227	332.437	79	134.867	134.946
1.1.2 Banks	(4)	82	120.560	120.642	5	45.245	45.250
1.1.3 Money Market Placements		-	-	-	-	-	-
<b>1.2 Financial Assets Measured at Fair Value Through Profit or Loss</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1.2.1 Government Securities		-	-	-	-	-	-
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	-	-	-	-	-
<b>1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income</b>	<b>(5)</b>	<b>727.618</b>	<b>77.729</b>	<b>805.347</b>	<b>305.493</b>	<b>43.194</b>	<b>348.687</b>
1.3.1 Government Securities		725.687	77.729	803.416	305.493	43.194	348.687
1.3.2 Equity Securities		-	-	-	-	-	-
1.3.3 Other Financial Assets		1.931	-	1.931	-	-	-
<b>1.4 Derivative Financial Assets</b>	<b>(3)</b>	<b>181.431</b>	<b>-</b>	<b>181.431</b>	<b>5.923</b>	<b>-</b>	<b>5.923</b>
1.4.1 Derivative Financial Assets Measured at FVTPL		181.431	-	181.431	5.923	-	5.923
1.4.2 Derivative Financial Assets Measured at FVOCI		-	-	-	-	-	-
<b>II. FINANCIAL STATEMENTS MEASURED AT AMORTIZED COST (Net)</b>		<b>1.068.447</b>	<b>1.618.963</b>	<b>2.687.410</b>	<b>216.245</b>	<b>732.741</b>	<b>948.986</b>
<b>2.1 Loans</b>	<b>(6)</b>	<b>1.068.447</b>	<b>1.618.963</b>	<b>2.687.410</b>	<b>216.245</b>	<b>732.741</b>	<b>948.986</b>
<b>2.2 Receivables From Leasing Transactions</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.3 Factoring Receivables</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.4 Financial Assets Measured At Amortised Cost</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2.4.1 Government Securities		-	-	-	-	-	-
2.4.2 Other Financial Assets		-	-	-	-	-	-
<b>2.5 Non-Performing Loans</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.6 Expected Credit Loss (-)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3.1 Asset Held for Resale		-	-	-	-	-	-
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>IV. OWNERSHIP INVESTMENTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4.1 Associates (Net)</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1 Associates Consolidated by Using Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
<b>4.2 Subsidiaries (Net)</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.2.1 Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
<b>4.3 Investments in Joint-Ventures (Net)</b>	<b>(10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Joint-Ventures Consolidated by Using Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>	<b>(12)</b>	<b>38.660</b>	<b>-</b>	<b>38.660</b>	<b>4.365</b>	<b>-</b>	<b>4.365</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	<b>(13)</b>	<b>56.647</b>	<b>-</b>	<b>56.647</b>	<b>21.436</b>	<b>-</b>	<b>21.436</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		56.647	-	56.647	21.436	-	21.436
<b>VII. INVESTMENT PROPERTY (Net)</b>	<b>(14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSETS</b>	<b>(15)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. DEFERRED TAX ASSETS</b>	<b>(15)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. OTHER ASSETS</b>	<b>(17)</b>	<b>181.930</b>	<b>-</b>	<b>181.930</b>	<b>4.138</b>	<b>45.624</b>	<b>49.762</b>
<b>TOTAL ASSETS</b>		<b>2.259.025</b>	<b>2.145.479</b>	<b>4.404.504</b>	<b>557.684</b>	<b>1.001.671</b>	<b>1.559.355</b>

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 2023**

(Thousands of Turkish Lira (TL))

		Audited			Audited		
		Current Period			Prior Period		
		31 December 2023			31 December 2022		
LIABILITIES	Notes (5 - II)	TL	FC	Total	TL	FC	Total
<b>I. DEPOSIT</b>	<b>(1)</b>	-	-	-	-	-	-
<b>II. FUNDS BORROWED</b>	<b>(4)</b>	-	129.602	129.602	-	23.571	23.571
<b>III. MONEY MARKET FUNDS</b>	<b>(3)</b>	357.526	56.095	413.621	276.802	-	276.802
<b>IV. SECURITIES ISSUED</b>	<b>(4)</b>	-	1.837.769	1.837.769	-	673.196	673.196
4.1 Bills		-	-	-	-	386.498	386.498
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	1.837.769	1.837.769	-	286.698	286.698
<b>V. FUNDS</b>	<b>(4)</b>	63.457	217.488	280.945	20.083	104.349	124.432
5.1 Borrower Funds		63.457	217.488	280.945	20.083	104.349	124.432
5.2 Others		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT/LOSS</b>		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(2)</b>	50.685	-	50.685	960	-	960
7.1 Derivative Financial Liabilities Measured at FVTPL		50.685	-	50.685	960	-	960
7.2 Derivative Financial Liabilities Measured at FVOCI		-	-	-	-	-	-
<b>VIII. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>IX. LEASE PAYABLES (Net)</b>	<b>(6)</b>	-	-	-	-	-	-
<b>X. PROVISIONS</b>	<b>(8)</b>	63.804	26.518	90.322	9.937	11.707	21.644
10.1 General Provisions		42.377	26.397	68.774	8.443	11.707	20.150
10.2 Restructuring Provisions		-	-	-	-	-	-
10.3 Reserves for Employee Benefits		2.647	-	2.647	1.216	-	1.216
10.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.5 Other Provisions		18.780	121	18.901	278	-	278
<b>XI. CURRENT TAX LIABILITY</b>	<b>(9)</b>	109.832	-	109.832	22.081	-	22.081
<b>XII. DEFERRED TAX LIABILITY</b>	<b>(9)</b>	30.777	-	30.777	734	-	734
<b>XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	<b>(10)</b>	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>	<b>(11)</b>	-	-	-	-	-	-
14.1 Borrowings		-	-	-	-	-	-
14.2 Other Debt Instruments		-	-	-	-	-	-
<b>XV. OTHER LIABILITIES</b>	<b>(5)</b>	15.878	50.491	66.369	4.994	1.380	6.374
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(12)</b>	1.382.907	11.675	1.394.582	406.084	3.477	409.561
16.1 Paid-in Capital		350.000	-	350.000	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		(273)	-	(273)	(118)	-	(118)
16.4 Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss		7.992	11.675	19.667	15.390	3.477	18.867
16.5 Profit Reserves		4.541	-	4.541	768	-	768
16.5.1 Legal Reserves		4.541	-	4.541	768	-	768
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		-	-	-	-	-	-
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit Or Loss		1.020.647	-	1.020.647	90.044	-	90.044
16.6.1 Prior Periods' Profit/Loss		86.271	-	86.271	14.589	-	14.589
16.6.2 Current Period Net Profit/Loss		934.376	-	934.376	75.455	-	75.455
<b>TOTAL LIABILITIES</b>		<b>2.074.866</b>	<b>2.329.638</b>	<b>4.404.504</b>	<b>741.675</b>	<b>817.680</b>	<b>1.559.355</b>

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 2023

(Thousands of Turkish Lira (TL))

		Audited Current Period 31 December 2023			Audited Prior Period 31 December 2022		
	Notes (5 - III)	TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET LIABILITIES (I+II+III)</b>		<b>24,849,698</b>	<b>15,453,726</b>	<b>40,303,424</b>	<b>5,674,910</b>	<b>2,499,190</b>	<b>8,174,100</b>
<b>I. CONTINGENCIES</b>	<b>(1),(3)</b>	<b>2,066,919</b>	<b>22,059</b>	<b>2,088,978</b>	<b>617,826</b>	<b>4,416</b>	<b>622,242</b>
1.1 Letters Of Guarantee		2,066,919	22,059	2,088,978	617,826	4,416	622,242
1.1.1 Guarantees Subject to State Tender Law		611	22,059	22,670	60	4,416	4,476
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		2,066,308	-	2,066,308	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		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	<b>(1),(3)</b>	<b>7,297,999</b>	<b>1,003,843</b>	<b>8,301,842</b>	<b>2,553,154</b>	-	<b>2,553,154</b>
2.1 Irrevocable Commitments		1,004,744	1,003,843	2,008,587	-	-	-
2.1.1 Asset Purchase and Sales Commitments		1,004,744	1,003,843	2,008,587	-	-	-
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 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		6,293,255	-	6,293,255	2,553,154	-	2,553,154
2.2.1 Revocable Loan Granting Commitments		6,293,255	-	6,293,255	2,553,154	-	2,553,154
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL ASSETS</b>	<b>(2)</b>	<b>15,484,780</b>	<b>14,427,824</b>	<b>29,912,604</b>	<b>2,503,930</b>	<b>2,494,774</b>	<b>4,998,704</b>
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		15,484,780	14,427,824	29,912,604	2,503,930	2,494,774	4,998,704
3.2.1 Forward Foreign Currency Purchases/Sales		9,531,688	8,628,499	18,160,187	1,341,922	1,335,479	2,677,401
3.2.1.1 Forward Foreign Currency Purchases		6,301,747	2,972,596	9,274,343	1,341,922	-	1,341,922
3.2.1.2 Forward Foreign Currency Sales		3,229,941	5,655,903	8,885,844	-	1,335,479	1,335,479
3.2.2 Currency and Interest Rate Swaps		4,716,611	4,621,797	9,338,408	1,162,008	1,159,295	2,321,303
3.2.2.1 Currency Swaps-Purchases		796,896	3,826,966	4,623,862	-	1,159,295	1,159,295
3.2.2.2 Currency Swaps-Sales		3,919,715	794,831	4,714,546	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		1,236,481	1,177,528	2,414,009	-	-	-
3.2.4.1 Currency Futures-Purchases		1,236,481	-	1,236,481	-	-	-
3.2.4.2 Currency Futures-Sales		-	1,177,528	1,177,528	-	-	-
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>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>22,708,124</b>	<b>4,098,330</b>	<b>26,806,454</b>	<b>6,349,076</b>	<b>79,398</b>	<b>6,428,474</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>683,046</b>	<b>915,747</b>	<b>1,598,793</b>	<b>257,524</b>	<b>37,535</b>	<b>295,059</b>
4.1 Customers' Securities Held		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		-	856,652	856,652	-	-	-
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		683,046	59,095	742,141	257,524	37,535	295,059
<b>V. PLEDGED ITEMS</b>		<b>22,025,078</b>	<b>3,182,583</b>	<b>25,207,661</b>	<b>6,091,552</b>	<b>41,863</b>	<b>6,133,415</b>
5.1 Securities		-	-	-	-	-	-
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodities		-	-	-	-	-	-
5.4 Warranties		-	-	-	-	-	-
5.5 Real Estates		-	-	-	-	-	-
5.6 Other Pledged Items		22,025,078	3,182,583	25,207,661	6,091,552	41,863	6,133,415
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>		-	-	-	-	-	-
<b>TOAL OFF-BALANCE SHEET ITEMS (A+B)</b>		<b>47,557,822</b>	<b>19,552,056</b>	<b>67,109,878</b>	<b>12,023,986</b>	<b>2,578,588</b>	<b>14,602,574</b>

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 2023

(Thousands of Turkish Lira (TL))

			Audited Current Period	Audited Prior Period
		Notes	1 January- 31 December 2023	1 January- 31 December 2022
	INCOME AND EXPENSE ITEMS	(5 - IV)		
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(1)</b>	<b>485.941</b>	<b>146.233</b>
1.1	Interest Income on Loans		351.376	103.603
1.2	Interest Income on Reserve Requirements		-	-
1.3	Interest Income on Banks		19.116	8.485
1.4	Interest Income on Money Market Transactions		939	60
1.5	Interest Income from Securities Portfolio		114.452	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		114.452	34.068
1.5.3	Financial Assets Measured at Amortised Cost		-	-
1.6	Finance Lease Income		-	-
1.7	Other Interest Income		58	17
<b>II.</b>	<b>INTEREST EXPENSES (-)</b>	<b>(2)</b>	<b>201.217</b>	<b>34.688</b>
2.1	Interest Expenses on Deposits		-	-
2.2	Interest Expenses on Funds Borrowed		7.420	819
2.3	Interest Expense on Money Market Transactions		53.522	14.384
2.4	Interest Expenses on Securities Issued		97.150	18.754
2.5	Finance Lease Expenses		-	-
2.6	Other Interest Expenses		43.125	731
<b>III.</b>	<b>NET INTEREST INCOME/EXPENSES (I - II)</b>		<b>284.724</b>	<b>111.545</b>
<b>IV.</b>	<b>NET FEE AND COMMISSION INCOME/EXPENSES</b>		<b>10.669</b>	<b>4.345</b>
4.1	Fees and Commissions Received		19.628	5.574
4.1.1	Non-Cash Loans		16.152	3.489
4.1.2	Others	(12)	3.476	2.085
4.2	Fees and Commissions Paid		(8.959)	(1.229)
4.2.1	Non-Cash Loans		(3.242)	(263)
4.2.2	Others	(12)	(5.717)	(966)
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(3)</b>	<b>-</b>	<b>-</b>
<b>VI.</b>	<b>TRADING INCOME / LOSS (NET)</b>	<b>(4)</b>	<b>1.236.762</b>	<b>50.389</b>
6.1	Trading Gains / Losses on Securities		83.437	10.712
6.2	Trading Gains / Losses on Derivative Financial Instruments		322.123	(110.938)
6.3	Foreign Exchange Gains / Losses		831.202	150.615
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>1.124</b>	<b>134</b>
<b>VIII.</b>	<b>TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>1.533.279</b>	<b>166.413</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSS (-)</b>	<b>(6)</b>	<b>48.623</b>	<b>20.473</b>
<b>X.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>56.649</b>	<b>19.530</b>
<b>XI.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(7)</b>	<b>77.970</b>	<b>19.093</b>
<b>XII.</b>	<b>NET OPERATING INCOME / LOSS (VIII-IX-X-XI)</b>		<b>1.350.037</b>	<b>107.317</b>
<b>XIII.</b>	<b>INCOME RESULTED FROM MERGERS</b>		<b>-</b>	<b>-</b>
<b>XIV.</b>	<b>INCOME / LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>GAIN / LOSS ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XVI.</b>	<b>OPERATING PROFIT / LOSS BEFORE TAXES (XII+...+XV)</b>	<b>(8)</b>	<b>1.350.037</b>	<b>107.317</b>
<b>XVII.</b>	<b>TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	<b>(9)</b>	<b>415.661</b>	<b>31.862</b>
17.1	Current Tax Provision		385.551	31.128
17.2	Deferred Tax Income Effect (+)		30.110	734
17.3	Deferred Tax Expense Effect (-)		-	-
<b>XVIII.</b>	<b>NET PROFIT / LOSS FROM CONTINUED OPERATIONS (XVI±XVII)</b>	<b>(10)</b>	<b>934.376</b>	<b>75.455</b>
<b>XIX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XX.</b>	<b>EXPENSES ON DISCONTINUED OPERATING (-)</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XXI.</b>	<b>PROFIT / LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)</b>	<b>(8)</b>	<b>-</b>	<b>-</b>
<b>XXII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	<b>(9)</b>	<b>-</b>	<b>-</b>
22.1	Current Tax Provision		-	-
22.2	Deferred Tax Income Effect (+)		-	-
22.3	Deferred Tax Expense Effect (-)		-	-
<b>XXIII.</b>	<b>NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)</b>	<b>(10)</b>	<b>-</b>	<b>-</b>
<b>XXIV.</b>	<b>CURRENT NET PROFIT / LOSS (XVIII+XXIII)</b>	<b>(11)</b>	<b>934.376</b>	<b>75.455</b>
	Earning Profit/ Loss Per Share		2,6696	0,25152

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 2023**

(Thousands of Turkish Liras (TL))

	<b>Audited Current Period 1 January- 31 December 2023</b>	<b>Audited Prior Period 1 January- 31 December 2022</b>
<b>I. CURRENT PERIOD PROFIT/LOSS</b>	<b>934.376</b>	<b>75.455</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>645</b>	<b>18.803</b>
<b>2.1 Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss</b>	<b>(155)</b>	<b>(64)</b>
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	(221)	(85)
2.1.5 Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	66	21
<b>2.2 Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss</b>	<b>800</b>	<b>18.867</b>
2.2.1 Foreign Currency Exchange Differences	-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	1.142	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	(342)	(6.289)
<b>III. TOTAL OTHER COMPREHENSIVE INCOME (I+II)</b>	<b>935,021</b>	<b>94.258</b>

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 2023

(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															
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
Current Period															
1 January 2023 – 31 December 2023															
I.	Balance at the End of the Prior Period	300.000	-	-	-	-	(118)	-	-	18.867	-	768	14.589	75.455	409.561
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	-	-	-	-	(118)	-	-	18.867	-	768	14.589	75.455	409.561
IV.	Total Comprehensive Income	-	-	-	-	-	(155)	-	-	800	-	-	-	934.376	935.021
V.	Capital Increase by Cash	50.000	-	-	-	-	-	-	-	-	-	-	-	-	50.000
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	-	-	-	-	-	-	-	-	-	-	3.773	71.682	(75.455)	-
11.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	3.773	71.682	(75.455)	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+IV+.....+X+XI)		350.000	-	-	-	-	(273)	-	-	19.667	-	4.541	86.271	934.376	1.394.582

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 2023**

(Thousands of Turkish Lira (TL))

		Audited Current Period 1 January- 31 December 2023	Audited Prior Period 1 January- 31 December 2022
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1</b>	<b>Operating Profit Before Changes in Operating Assets and Liabilities</b>	<b>944.331</b>	<b>74.717</b>
1.1.1	Interests Received	471.849	125.736
1.1.2	Interests Paid	(179.016)	(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	(57.747)	(20.440)
1.1.8	Taxes Paid	(415.661)	(30.072)
1.1.9	Others	1.124.906	33.900
<b>1.2</b>	<b>Changes In Operating Assets and Liabilities</b>	<b>(1.645.649)</b>	<b>(503.851)</b>
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	(1.724.332)	(928.489)
1.2.4	Net (Increase) Decrease in Other Assets	(626.858)	(52.187)
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	101.740	23.571
1.2.9	Net Increase (Decrease) in Matured Payables	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	603.801	453.254
<b>I.</b>	<b>Net Cash Flow from Banking Operations</b>	<b>(701.318)</b>	<b>(429.134)</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II.</b>	<b>Net Cash Flow from Investing Activities</b>	<b>(562.258)</b>	<b>(356.198)</b>
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	(71.032)	(5.880)
2.4	Sales of Tangible Assets	-	-
2.5	Cash Paid for Purchase of Financial Assets Measured at FVOCI	(456.015)	(329.884)
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	(35.211)	(20.434)
<b>C.</b>	<b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>		
<b>III.</b>	<b>Net Cash Flow from Financing Activities</b>	<b>1.191.289</b>	<b>654.440</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued	1.141.289	654.440
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	-	-
3.3	Equity Instruments Issued	50.000	-
3.4	Dividends Paid	-	-
3.5	Payments for Finance Leases	-	-
3.6	Others	-	-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>25.988</b>	<b>1.955</b>
<b>V.</b>	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>	<b>(46.299)</b>	<b>(128.937)</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at Beginning of the Period</b>	<b>180.196</b>	<b>309.133</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the Period</b>	<b>133.897</b>	<b>180.196</b>

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 2023**

(Thousands of Turkish Lira (TL))

	Current Period 31 December 2023 (*)	Prior Period 31 December 2022
<b>I. DISTRIBUTION OF CURRENT YEAR PROFIT (1)</b>		
1.1 CURRENT YEAR PROFIT	1.350.037	107.317
1.2 TAXES AND DUTIES PAYABLE (-)	(415.661)	(31.862)
1.2.1 Corporate Tax (Income Tax)	(385.551)	(31.128)
1.2.2 Income Withholding Tax	-	-
1.2.3 Other Taxes and Duties	(30.110)	(734)
<b>A. NET PROFIT FOR THE YEAR (1.1 - 1.2)</b>	<b>934.376</b>	<b>75.455</b>
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 LEGAL RESERVES (-)	-	(3.773)
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-1.3+1.4+1.5)]</b>	<b>934.376</b>	<b>71.682</b>
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	-	71.682
1.12 OTHER RESERVES	-	-
1.13 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
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 (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 TO OWNERS OF ORDINARY SHARES	2,67	0,25
3.2 TO OWNERS OF ORDINARY SHARES (%)	267	25
3.3 TO OWNERS OF PRIVILEGED SHARES (full TL)	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>		
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.

(2) The profit distribution table for the previous period was finalized with the decision of the Ordinary General Assembly dated 30 March 2023, after the date of publication of the independently audited financial statements dated 31 December 2022. The amounts disclosed in the profit distribution table have been left pursuant to the decision of the general assembly.

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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 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 have been 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 applied to 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 BRSA dated 21 February 2022. With the approval of 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 2023 in comparison with the 31 December 2022 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 2023 are presented in comparison with the financial statements for the year ended 1 January 2022 - 31 December 2022.

**Additional paragraph for convenience translation to English:**

The differences between accounting principles, as described in the preceding paragraphs and accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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**

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/IFRS (together “BRSA Accounting and Financial Reporting Legislation) put into force by Public Oversight Board.

The changes to TAS/IFRS as of 1 January 2023, which have become effective, do not have a significant impact on the Bank's accounting policies, financial position, and performance. As of the date of finalization of the financial statements, the TAS/IFRS changes that have been published but not yet effective have been evaluated, and it has been determined that they will not have a significant impact on the Bank's accounting policies, financial position, and performance.

The effects of the earthquake disaster that occurred in Kahramanmaraş and surrounding provinces in February have been reviewed, and it has been assessed that there is no impact on the continuity of the financial statements that would significantly affect the Bank's financial position and performance.

Based on the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (POA), the Adjustment of Financial Statements of Companies Subject to Independent Audit for Inflation published by dated 23.11.2023, institutions or organizations authorized to regulate and supervise in their own fields are given the freedom to determine different transition dates for the implementation of inflation accounting. On December 12, 2023, the Banking Regulation and Supervision Agency (BRSA) decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated December 31, 2023 should not be subject to the inflation adjustment required within the scope of TMS 29. As a consequence, while preparing the financial statements as of 31 December 2023, 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 32% of the Bank's resources consist of equity as of the reporting date. 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(Thousands of Turkish Lira (TL))

---

**ACCOUNTING POLICIES (Continued)**

**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 181.431 classified as “Derivative Financial Assets at Fair Value Through Profit and Loss” and derivative financial liabilities of TL 50.685 as of 31 December 2023.

**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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(Thousands of Turkish Lira (TL))

---

**ACCOUNTING POLICIES (Continued)**

**VI. Explanations on financial assets (Continued)**

**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 2023 (31 December 2022: 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.

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 Securities” under “Financial Assets at Fair Value Through Other Comprehensive Income” in the financial statements is TL 803.416 (31 December 2022: TL 348.687), and the value of “Other Financial Assets” under “Financial Assets at Fair Value Through Other Comprehensive Income” in the financial statements is TL 1.931 as of 31 December 2023 (31 December 2022: None).

**ACCOUNTING POLICIES (Continued)**

**VI. Explanations on financial assets (Continued)**

**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 2023 and the Bank has loans amounting to TL 2.687.410 (31 December 2022: TL 948.986).

***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 can not 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").

The Bank applied to BRSA to set aside the provisions within the scope of the 10th, 11th, 13th, and 15th articles of the Provisions Regulation. The Bank 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. With the permission from 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 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 presented 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".

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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**

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.

The Bank has not any assets held for sale as of 31 December 2023 and 31 December 2022.

The Bank has not any fixed assets related to discontinued operations as of 31 December 2023 and 31 December 2022.

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 2022: 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 calculated 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Thousands of Turkish Lira (TL))

**ACCOUNTING POLICIES (Continued)**

**XI. Explanations on tangible assets (Continued)**

<b>Tangible Assets</b>	<b>Estimated Useful Lives (Years)</b>
Safe Boxes	50 years
Office Machinery	4-15 years
Special Cost Fees	5 years
Other Tangible Assets	3-10 years
Vehicles	2-5 years

**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.

**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 applies cost method, 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.

**ACCOUNTING POLICIES (Continued)**

**XII. Explanations on leasing transactions (Continued)**

**Lease liability (Continued)**

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.

**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**

As of 31 December 2023, the corporate tax rate is applied as 30% in the financial statements.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(Thousands of Turkish Lira (TL))

---

**ACCOUNTING POLICIES (Continued)**

**XV. Explanations on taxation (Continued)**

**1. Corporate Tax (Continued)**

In accordance with the Law No. 7394 published in the Official Gazette No. 31810 dated April 15, 2022, the corporate tax rate for banks has been determined as 25%, and this rate will start from the declarations that must be submitted as of July 1, 2022 and will be applied to corporate earnings for the accounting periods starting from January 1, 2022 has come into force to be implemented. However, with the publication of Law No. 7456 published in the Official Gazette No. 32249 dated July 15, 2023, the corporate tax rate for banks was determined as 30%. This rate became valid to be applied to corporate earnings for accounting periods starting from January 1, 2023, starting from declarations that must be submitted as of October 1, 2023.

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.

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.

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. However, with the Law No. 7456 published on July 15, 2023, this exception has been abolished for real estates to be acquired after the publication date of the decision; for the real estate acquisitions occurred before this date is sold after the effective date of the decision, 25% of the real estate sales gain will be exempt from corporate tax.

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

As of 31 December 2021, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/Ç of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting period including current period by 100% and the exceed in the increase in the current period by 10%.

However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(Thousands of Turkish Lira (TL))

---

**ACCOUNTING POLICIES (Continued)**

**XV. Explanations on taxation (Continued)**

**1. Corporate Tax (Continued)**

According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, are not subject to inflation adjustment, and for the 2023 accounting period; are not subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 are subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements are to be shown in previous years' profit/loss accounts and does not affect the corporate tax base. According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, it has become law that profit/loss differences arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including the provisional tax periods, do not be taken into account in determining the income of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

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

**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.

**2. Deferred Tax**

The Participation 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 BRSA concerning income taxes.

While preparation of the financial statements dated 31 December 2023, the Bank used a 30% tax rate for temporary differences expected to be realized or closed (31 December 2022: 25%).

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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Thousands of Turkish Lira (TL))

---

**ACCOUNTING POLICIES (Continued)**

**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 issued securities amounting to TL 1.837.769 as of 31 December 2023 (31 December 2022: TL 673.196).

For assets (qualifying assets) that take a substantial period of time 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.

**XVII. Explanations on issuance of equity securities**

There is not any equity securities issuance of the Bank as of 31 December 2023 and 31 December 2022.

**XVIII. Explanations on guarantees and acceptances**

There is not any guarantees and acceptances of the Bank as of 31 December 2023 and 31 December 2022.

**XIX. Explanations on government incentives**

There are not any government incentives of the Bank as of 31 December 2023 and 31 December 2022.

**XX. Explanations on related parties**

The Bank’s cash loans extended to related parties amounted to TL 2.551.259, while non-cash loans amounted to TL 3.898 as of 31 December 2023 (31 December 2022: TL 772.115 cash loans and 3.713 non-cash loans). In the balance sheet of the Bank as of 31 December 2023, there are TL 74 borrowed funds belonging to the related parties (31 December 2022: TL 13). As of 31 December 2023, the Bank has securities from related parties amounted to TL 1.085.446 (31 December 2022: TL 673.196). As of 31 December 2023, the Bank has derivative financial transactions worth TL 18.053.982 with related parties (31 December 2022: TL 2,677,401).

For the period ended 31 December 2023, the Bank has TL 317.648 interest income from loans extended to related parties, and TL 229 commission income (31 December 2022: TL 46.652 interest income from loans and TL 19 commission income). For the period ended on 31 December 2023, the Bank has an interest expense of TL 76,307 on securities issued from related parties (31 December 2022: TL 4,044 interest expense). For the period ended 31 December 2023, the Bank has a profit of TL 113,038 from derivative financial transactions with related parties (31 December 2022: TL 5,059 profit from derivative financial transactions).

**XXI. Explanations on segment reporting**

The Bank provides services in the fields of Corporate and Commercial Banking, Treasury and Financial Institutions and Investment Banking.

**XXII. Explanations on other disclosures**

There is no explanation regarding other disclosures.

**XXIII. Explanations on associates, subsidiaries, and joint ventures**

The Bank has not any associates, subsidiaries, and joint ventures.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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 1.364.706 and the capital adequacy standard ratio is 48,12% as of 31 December 2023. The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.

**a) Information on Equity Items:**

<b>Current Period</b>	<b>Amount</b>
<b>COMMON EQUITY TIER I CAPITAL</b>	
Paid-in Capital to be Entitled for Compensation after All Creditors	350.000
Share Premium	-
Reserves	4.541
Other Comprehensive Income according to TAS	19.394
Profit	1.020.647
Current Period’s Profit	934.376
Prior Periods’ Profit	86.271
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period’s Profit	-
<b>Common Equity Tier I Capital Before Deductions</b>	<b>1.394.582</b>
<b>Deductions From Common Equity Tier I Capital</b>	
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	781
Goodwill Netted off Deferred Tax Liability	-
Other Intangibles Netted off Deferred Tax Liability Except for Mortgage Servicing Rights	57.241
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	-
<b>Total Deductions from Common Equity Tier I Capital</b>	<b>58.022</b>
<b>Total Common Equity Tier I Capital</b>	<b>1.336.560</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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)**

<b>ADDITIONAL TIER I CAPITAL</b>	
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)	-
<b>Additional Tier I Capital before Deductions</b>	-
<b>Deductions from Additional Tier I Capital</b>	
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 (-)	-
<b>Items to be Deducted from Tier I Capital during the Transition Period</b>	
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 (-)	-
<b>Total Deductions from Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	-
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>1.336.560</b>
<b>TIER II CAPITAL</b>	
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)	28.146
<b>Total Deductions from Tier II Capital</b>	<b>28.146</b>
<b>Deductions from Tier II Capital</b>	
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 (-)	-
<b>Total Deductions from Tier II Capital</b>	-
<b>Total Tier II Capital</b>	<b>28.146</b>
<b>Total Equity (Total Tier I and Tier II Capital)</b>	<b>1.364.706</b>
<b>Total Tier I Capital and Tier II Capital (Total Equity)</b>	
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	-
<b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>	
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 2023**  
(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):**

<b>CAPITAL</b>	
Total Capital (Total of Tier I Capital and Tier II Capital)	1.364.706
Total Risk Weighted Assets	2.836.245
<b>CAPITAL ADEQUACY RATIOS</b>	
CET1 Capital Ratio (%)	47,12
Tier I Capital Ratio (%)	47,12
Capital Adequacy Ratio (%)	48,12
<b>BUFFERS</b>	
Total Additional CET1 Capital Requirement Ratio (a+b)	2,55
A) Capital Conservation Buffer Ratio (%)	2,50
B) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0,05
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%)	-
<b>Amounts Lower Than Excesses as per Deduction Rules</b>	
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	-
<b>Limits for Provisions Used in Tier II Capital Calculation</b>	
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	68.774
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	28.146
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	-
<b>Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)</b>	
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 2022 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 2023, the CBRT foreign exchange buying rate dated 31 December 2022 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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)**

Prior Period	Amount
<b>COMMON EQUITY TIER I CAPITAL</b>	
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	-
<b>Common Equity Tier I Capital Before Deductions</b>	<b>409.561</b>
<b>Deductions From Common Equity Tier I Capital</b>	
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	-
<b>Total Deductions from Common Equity Tier I Capital</b>	<b>21.441</b>
<b>Total Common Equity Tier I Capital</b>	<b>388.120</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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):**

<b>ADDITIONAL TIER I CAPITAL</b>	
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)	-
<b>Additional Tier I Capital before Deductions</b>	-
<b>Deductions from Additional Tier I Capital</b>	
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 (-)	-
<b>Items to be Deducted from Tier I Capital during the Transition Period</b>	-
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 (-)	-
<b>Total Deductions from Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	-
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>388.120</b>
<b>TIER II CAPITAL</b>	
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
<b>Total Deductions from Tier II Capital</b>	<b>8.260</b>
<b>Deductions from Tier II Capital</b>	
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 (-)	-
<b>Total Deductions from Tier II Capital</b>	-
<b>Total Tier II Capital</b>	<b>8.260</b>
<b>Total Equity (Total Tier I and Tier II Capital)</b>	<b>396.380</b>
<b>Total Tier I Capital and Tier II Capital (Total Equity)</b>	
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	-
<b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>	
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 2023**

(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):**

<b>CAPITAL</b>	
Total Capital (Total of Tier I Capital and Tier II Capital)	396.380
Total Risk Weighted Assets	694.973
<b>CAPITAL ADEQUACY RATIOS</b>	
CET1 Capital Ratio (%)	55,85
Tier I Capital Ratio (%)	55,85
Capital Adequacy Ratio (%)	57,03
<b>BUFFERS</b>	
Total Additional CET1 Capital Requirement Ratio (a+b+c)	2,50
a) Capital Conservation Buffer Ratio (%)	2,50
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 (%)	-
<b>Amounts Lower Than Excesses as per Deduction Rules</b>	
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	-
<b>Limits for Provisions Used in Tier II Capital Calculation</b>	
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	-
<b>Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)</b>	
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	-

<sup>(1)</sup> 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 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 not any non-performing loans or loans have close monitoring.

The Bank has a total cash exposure of TL 2.687.410 at 4 companies and a total non-cash exposure of TL 2.088.978 at 50 companies as of 31 December 2023. 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 2023**

(Thousands of Turkish Lira (TL))

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

**II. Explanations on Credit Risk (Continued)**

<b>Risk Categories</b>	<b>Current Period Risk Amount <sup>(1)</sup></b>	<b>Average Risk Amount <sup>(2)</sup></b>
Conditional and unconditional receivables from central governments and Central Banks	1.206.798	1.006.459
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	194.578	280.507
Conditional and unconditional receivables from corporates	3.517.996	2.171.573
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	221.617	84.226
<b>Total</b>	<b>5.140.989</b>	<b>3.542.765</b>

(1) Risk amounts are presented 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 2023  
(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 <sup>(1)</sup>																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
<b>Current Period</b>																		
1. Domestic	1.206.798	-	-	-	-	118.024	3.517.564	-	-	-	-	-	-	-	-	-	221.617	5.064.003
2. European Union (EU) Countries	-	-	-	-	-	11.976	-	-	-	-	-	-	-	-	-	-	-	11.976
3. OECD Countries <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Off-Shore Banking Regions	-	-	-	-	-	-	432	-	-	-	-	-	-	-	-	-	-	432
5. USA, Canada	-	-	-	-	-	64.578	-	-	-	-	-	-	-	-	-	-	-	64.578
6. Other Countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Associates, Subsidiaries and Joint – Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Unallocated Assets/Liabilities <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>9. Total</b>	<b>1.206.798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>194.578</b>	<b>3.517.996</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>221.617</b>	<b>5.140.989</b>

(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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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 (Continued)**

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

(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 2023 (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 <sup>(1)</sup>																	TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
<b>Agriculture</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Manufacturing</b>	-	-	-	-	-	-	723.447	-	-	-	-	-	-	-	-	-	-	722.052	1.395	723.447
Mining and Quarrying	-	-	-	-	-	-	885	-	-	-	-	-	-	-	-	-	-	885	-	885
Production	-	-	-	-	-	-	206.450	-	-	-	-	-	-	-	-	-	-	206.450	-	206.450
Electricity, Gas, Water	-	-	-	-	-	-	516.112	-	-	-	-	-	-	-	-	-	-	514.717	1.395	516.112
<b>Construction</b>	-	-	-	-	-	-	99.273	-	-	-	-	-	-	-	-	-	-	94.799	4.474	99.273
<b>Services</b>	1.206.798	-	-	-	-	194.578	2.695.276	-	-	-	-	-	-	-	-	-	-	2.142.817	1.953.835	4.096.652
Wholesale and Retail Trade	-	-	-	-	-	-	168.027	-	-	-	-	-	-	-	-	-	-	168.027	-	168.027
Accommodation and Dining	-	-	-	-	-	-	6.503	-	-	-	-	-	-	-	-	-	-	5.987	516	6.503
Transportation and Telecommunication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	1.206.798	-	-	-	-	194.578	2.508.218	-	-	-	-	-	-	-	-	-	-	1.956.275	1.953.319	3.909.594
Real Estate and Rental Services	-	-	-	-	-	-	11.164	-	-	-	-	-	-	-	-	-	-	11.164	-	11.164
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	1.364	-	-	-	-	-	-	-	-	-	-	1.364	-	1.364
<b>Other <sup>(2)</sup></b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	221.617	221.617	-	221.617
<b>Total</b>	1.206.798	-	-	-	-	194.578	3.517.996	-	-	-	-	-	-	-	-	-	221.617	3.181.285	1.959.704	5.140.989

(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

# DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (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 (Continued)

Prior Period	Risk Profile <sup>(1)</sup>																	TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
<b>Agriculture</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Manufacturing</b>	-	-	-	-	-	-	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
<b>Construction</b>	-	-	-	-	-	-	25.657	-	-	-	-	-	-	-	-	-	-	25.657	-	25.657
<b>Services</b>	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
<b>Other <sup>(2)</sup></b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.689	25.689	-	25.689
<b>Total</b>	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 2023**  
(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	388.481	43.062	-	-	775.255
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	76.657	1.930	35.000	71.875	9.116
Conditional and unconditional receivables from corporates	2.117.129	142.634	396.037	38.582	823.614
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	221.617	-	-	-	-
<b>Total</b>	<b>2.803.884</b>	<b>187.626</b>	<b>431.037</b>	<b>110.457</b>	<b>1.607.985</b>

Risk Categories Prior 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	-	-	-	-
<b>Total</b>	<b>746.719</b>	<b>95.696</b>	<b>178.590</b>	<b>130.344</b>	<b>432.560</b>

# DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (Thousands of Turkish Lira (TL))

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

#### II. Explanations on Credit Risk (Continued)

#### 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 k Weights	Deductions from Equity
1. Before Credit Risk Mitigation	1.206.798	-	1.317.789	-	-	1.336.394	-	1.175.008	-	105.000	-	-
2. After Credit Risk Mitigation	1.223.027	-	1.393.995	-	-	1.312.019	-	1.106.948	-	105.000	-	-

Risk Weights Prior Period	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other k 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. Credit quality of assets

Current Period		Gross carrying value as per TAS		Allowances/amortisation and impairments	Net value
		Defaulted	Non-defaulted		
1	Loans	-	2.687.410	(39.853)	2.647.557
2	Debt securities	-	805.347	-	805.347
3	Off-balance sheet exposures	-	2.088.978	(14.877)	2.074.101
4	<b>Total</b>	-	5.581.735	(54.730)	5.527.005

Prior Period		Gross carrying value as per TAS		Allowances/amortisation and impairments	Net value
		Defaulted	Non-defaulted		
1	Loans	-	948.986	(14.235)	934.751
2	Debt securities	-	348.687	-	348.687
3	Off-balance sheet exposures	-	622.242	(4.667)	617.575
4	<b>Total</b>	-	1.919.915	(18.902)	1.901.013

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Turkish Lira (TL))

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

## II. Explanations on Credit Risk (Continued)

## 6. 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 2023 and 31 December 2022.

## 7. 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	48.624	-	-	68.774

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

## 8. Exposures subject to countercyclical capital buffer

Country	RWAs of Banking Book for Private Sector Credit	RWAs of Trading Book	Total
Turkey	3.635.587	-	3.635.587
Germany	4.044	-	4.044
United States of America	64.578	-	64.578
United Kingdom	7.931	-	7.931
Malta	432	-	432

## 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.)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. Explanations on Currency Risk (Continued)

	USD	EUR
Balance sheet valuation rate	29,4382	32,5739
29 December 2023	29,4382	32,5739
28 December 2023	29,3374	32,4186
27 December 2023	29,2647	32,2421
26 December 2023	29,2108	32,1766
25 December 2023	29,1344	32,0726

Last 30-days arithmetical average rates;

1 USD	29,0552
1 EURO	31,7410

Information regarding the Bank's exchange rate risk

	EURO	USD	Other FC	Total
<b>31 December 2023:</b>				
<b>Assets</b>				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	165	328.062	-	328.227
Banks	26.990	81.083	12.487	120.560
Financial Assets Measured at Fair Value through Profit/Loss	-	-	-	-
Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	77.729	-	77.729
Loans	-	1.618.963	-	1.618.963
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	-	-	-	-
<b>Total Assets</b>	<b>27.155</b>	<b>2.105.837</b>	<b>12.487</b>	<b>2.145.479</b>
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Funds	568	55.527	-	56.095
Other Fundings	-	129.602	-	129.602
Securities Issued	-	1.837.769	-	1.837.769
Miscellaneous Payables	75	50.416	-	50.491
Derivative Financial Liabilities Held for Hedging Purpose	-	-	-	-
Other Liabilities	21.920	222.086	-	244.006
<b>Total Liabilities</b>	<b>22.563</b>	<b>2.295.400</b>	<b>-</b>	<b>2.317.963</b>
<b>Net On Balance Sheet Position</b>	<b>4.592</b>	<b>(189.563)</b>	<b>12.487</b>	<b>(172.484)</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>175.143</b>	<b>-</b>	<b>175.143</b>
Derivative Financial Assets	-	7.803.405	-	7.803.405
Derivative Financial Liabilities	-	7.628.262	-	7.628.262
Non-Cash Loans(*)	11.170	10.889	-	22.059
<b>31 December 2022:</b>				
<b>Total Assets</b>	<b>3</b>	<b>1.001.668</b>	<b>-</b>	<b>1.001.671</b>
<b>Total Liabilities</b>	<b>32</b>	<b>814.171</b>	<b>-</b>	<b>814.203</b>
<b>Net On Balance Sheet Position</b>	<b>(29)</b>	<b>187.497</b>	<b>-</b>	<b>187.468</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>(176.184)</b>	<b>-</b>	<b>(176.184)</b>
Derivative Assets	-	1.159.295	-	1.159.295
Derivative Liabilities	-	1.335.479	-	1.335.479
Non-Cash Loans	3.384	1.032	-	4.416

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(Thousands of Turkish Lira (TL))

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

**III. Explanations on Currency Risk (Continued)**

	<b>Increase in Exchange Rates</b>	<b>Effect on Profit/Loss</b>	<b>Effect on Shareholders' Equity</b>
USD	10% Increase	(2.610)	(1.442)
USD	10% Decrease	2.610	1.442
EUR	10% Increase	459	459
EUR	10% Decrease	(459)	(459)
Other FC	10% Increase	1.249	1.249
Other FC	10% Decrease	(1.249)	(1.249)

**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)*

	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing (*)</b>	<b>Total</b>
<b>31 December 2023:</b>							
<b>Assets</b>							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	319.182	-	-	-	-	13.255	332.437
Banks	-	-	-	-	-	120.642	120.642
Financial Assets Measured at Fair Value through Profit/Loss	-	-	-	-	-	-	-
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	1.931	-	697.546	105.870	-	805.347
Loans	2.542.260	55.000	90.150	-	-	-	2.687.410
Financial Assets Measured at Amortised Cost	-	-	-	-	-	-	-
Other Assets <sup>(1)</sup>	-	-	-	-	-	458.668	458.668
<b>Total Assets</b>	<b>2.861.442</b>	<b>56.931</b>	<b>90.150</b>	<b>697.546</b>	<b>105.870</b>	<b>592.565</b>	<b>4.404.504</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Funds	413.621	-	-	-	-	-	413.621
Miscellaneous Payables	-	-	-	-	-	63.883	63.883
Securities Issued	-	-	1.837.769	-	-	-	1.837.769
Other Fundings	31.064	98.538	-	-	-	-	129.602
Other Liabilities <sup>(2)</sup>	122.228	-	-	-	-	1.837.401	1.959.629
<b>Total Liabilities</b>	<b>566.913</b>	<b>98.538</b>	<b>1.837.769</b>	<b>-</b>	<b>-</b>	<b>1.901.284</b>	<b>4.404.504</b>
<b>On Balance Sheet Long Position</b>	<b>2.294.529</b>	<b>(41.607)</b>	<b>(1.747.619)</b>	<b>697.546</b>	<b>105.870</b>	<b>-</b>	<b>1.308.719</b>
<b>On Balance Sheet Short Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.308.719)</b>	<b>(1.308.719)</b>
<b>Off-Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-Balance Sheet Short Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Position</b>	<b>2.294.529</b>	<b>(41.607)</b>	<b>(1.747.619)</b>	<b>697.546</b>	<b>105.870</b>	<b>(1.308.719)</b>	<b>-</b>

<sup>(1)</sup> Tangible assets, intangible assets, derivative financial assets, and other assets are presented in the other assets line.

<sup>(2)</sup> 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 2023 (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
<b>31 December 2022:</b>							
<b>Assets</b>							
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 <sup>(1)</sup>	-	-	-	-	-	81.486	81.486
<b>Total Assets</b>	<b>898.022</b>	<b>21.194</b>	<b>242.245</b>	<b>85.823</b>	<b>185.256</b>	<b>126.815</b>	<b>1.559.355</b>
<b>Liabilities</b>							
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 <sup>(2)</sup>	38.698	-	-	-	-	542.686	581.384
<b>Total Liabilities</b>	<b>315.500</b>	<b>23.571</b>	<b>673.196</b>	<b>-</b>	<b>-</b>	<b>547.088</b>	<b>1.559.355</b>
<b>On Balance Sheet Long Position</b>	<b>582.522</b>	<b>(2.377)</b>	<b>(430.951)</b>	<b>85.823</b>	<b>185.256</b>	<b>-</b>	<b>420.273</b>
<b>On Balance Sheet Short Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(420.273)</b>	<b>(420.273)</b>
<b>Off-Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-Balance Sheet Short Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Position</b>	<b>582.522</b>	<b>(2.377)</b>	<b>(430.951)</b>	<b>85.823</b>	<b>185.256</b>	<b>(420.273)</b>	<b>-</b>

(1) Tangible assets, intangible assets, derivative financial assets, and other assets are presented 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 2023	EURO	USD	Yen	TL
<b>Assets</b>				
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	-	6,63	-	16,82
Loans	-	12,00	-	44,43
Financial Assets Measured at Amortised Cost	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Funds	1,00	2,00	1,50	42,82
Miscellaneous Payables	-	-	-	-
Securities Issued	-	9,68	-	-
Other Fundings	-	10,51	-	-
Other Liabilities	-	5,60	-	36,45

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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 (%) (Continued)**

31 December 2022	EURO	USD	Yen	TL
<b>Assets</b>				
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	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Funds	-	-	-	10,02
Miscellaneous Payables	-	-	-	-
Securities Issued	-	8,98	-	-
Other Fundings	-	9,53	-	-
Other Liabilities	-	4,75	-	21,00

**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)	(71.227) 66.057	(5,25)% 4,87%
2 EUR	200 (200)	- -	- -
3 USD	200 (200)	4.338 6.486	0,32% 0,48%
<b>Total (For Negative Shocks)</b>	-	<b>72.543</b>	<b>5,35%</b>
<b>Total (For Positive Shocks)</b>	-	<b>(66.889)</b>	<b>4,93%</b>

<sup>(1)</sup> 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 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 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 2023 and 31 December 2022.

**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.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

(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)**

**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 Measurement and Evaluation of Liquidity Adequacy of Banks", which came into force after being published by BRSA in the Official Gazette dated 1 November 2006 and numbered 26333, as of 1 June 2007 the weekly simple arithmetic average of the total liquidity adequacy ratios for the first maturity segment and the total liquidity adequacy ratio for the second maturity segment are 100% and 80%, respectively, the weekly simple arithmetic average of the foreign currency liquidity adequacy ratios for the first maturity segment and the foreign currency liquidity adequacy ratio for the second maturity segment cannot be less than eighty percent.

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 2023  
(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 2023	Demand <sup>(1)</sup>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and over	Undistributed <sup>(2)</sup>	Total
<b>Assets</b>								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	13.255	319.182	-	-	-	-	-	332.437
Banks	120.642	-	-	-	-	-	-	120.642
Financial Assets Measured at Fair Value through Profit/Loss	-	-	-	-	-	-	-	-
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	1.931	-	697.546	105.870	-	805.347
Loans	-	2.542.260	55.000	90.150	-	-	-	2.687.410
Financial Assets Measured at Amortised Cost	-	-	-	-	-	-	-	-
Other Assets <sup>(3)</sup>	-	-	-	-	-	-	458.668	458.668
<b>Total Assets</b>	<b>133.897</b>	<b>2.861.442</b>	<b>56.931</b>	<b>90.150</b>	<b>697.546</b>	<b>105.870</b>	<b>458.668</b>	<b>4.404.504</b>
<b>Liabilities</b>								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Other Fundings	-	31.064	98.538	-	-	-	-	129.602
Money Market Funds	-	413.621	-	-	-	-	-	413.621
Securities Issued	-	-	-	1.837.769	-	-	-	1.837.769
Miscellaneous Payables	63.883	-	-	-	-	-	-	63.883
Other Liabilities <sup>(4)</sup>	158.717	122.228	-	-	-	-	1.678.684	1.959.629
<b>Total Liabilities</b>	<b>222.600</b>	<b>566.913</b>	<b>98.538</b>	<b>1.837.769</b>	<b>-</b>	<b>-</b>	<b>1.678.684</b>	<b>4.404.504</b>
<b>Liquidity Gap</b>	<b>(88.703)</b>	<b>2.294.529</b>	<b>(41.607)</b>	<b>(1.747.619)</b>	<b>697.546</b>	<b>105.870</b>	<b>(1.220.016)</b>	
<b>31 December 2022</b>								
Total Assets	45.329	898.022	21.194	242.245	85.823	185.256	81.486	1.559.355
Total Liabilities	90.136	315.500	23.571	673.196	-	-	456.952	1.559.355

- (1) In the demand column, there are cash values, demand banks deposits, miscellaneous receivables excluding prepaid expenses, sundry debts, demand funds and other temporary assets.
- (2) In the unallocated column, "assets" include tangible fixed assets, intangible assets and other assets not presented 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 presented in the other assets line.
- (4) Derivative financial liabilities, provisions, funds, current tax liability, deferred tax liability and equity are presented in the 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 2023	Book Value	Gross Nominal Output	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Months	5 years and over
<b>Non-derivative financial liabilities</b>								
Funds borrowed	129.602	131.130	-	31.097	100.033	-	-	-
Money market borrowings	413.621	414.042	-	414.042	-	-	-	-
Issued securities	1.837.769	1.973.792	-	-	-	1.973.792	-	-
Funds	280.945	281.578	158.718	122.860	-	-	-	-
<b>Total</b>	<b>2.661.937</b>	<b>2.800.542</b>	<b>158.718</b>	<b>567.999</b>	<b>100.033</b>	<b>1.973.792</b>	<b>-</b>	<b>-</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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)**

**Remaining maturity of contractual financial liabilities (Continued)**

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
<b>Non-derivative financial liabilities</b>								
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	-	-	-	-
<b>Total</b>	<b>1.098.001</b>	<b>1.138.928</b>	<b>85.680</b>	<b>315.939</b>	<b>23.948</b>	<b>713.361</b>	<b>-</b>	<b>-</b>

**Maturity analysis of contingent liabilities and commitments**

31 December 2023	Demand <sup>(1)</sup>	Up to 1 month	1-3 months	3-12 months	1 – 5 years	5 years and over	Total
Contingencies	-	-	2.848	146.284	343.908	1.595.938	2.088.978
Irrevocable Commitments	-	-	2.008.587	-	-	-	2.008.587
Forward Asset Purchase-Sale Commitments	-	-	2.008.587	-	-	-	2.008.587
Share Capital Commitments to Associates and Subsidiaries	-	-	-	-	-	-	-
Loan Granting Commitments	-	-	-	-	-	-	-
Commitments for Cheque Payments	-	-	-	-	-	-	-
Commitments for Credit Card Limits	-	-	-	-	-	-	-
Commitments for Credit Cards and Banking Services Related Promotions	-	-	-	-	-	-	-
Other Irrevocable Commitments	-	-	-	-	-	-	-
Revocable Commitments	-	-	-	1.630.000	4.663.255	-	6.293.255
Revocable Loan Granting Commitments	-	-	-	1.630.000	4.663.255	-	6.293.255
Derivative Financial Instruments Held for Risk Management	-	-	-	-	-	-	-
Fair Value Hedges	-	-	-	-	-	-	-
Cash Flow Hedges	-	-	-	-	-	-	-
Forward Foreign Currency Purchases/Sales	-	1.697.932	6.168.876	22.045.796	-	-	29.912.604
Forward Foreign Currency Purchases	-	53.216	833.058	8.388.069	-	-	9.274.343
Forward Foreign Currency Sales	-	52.989	821.084	8.011.771	-	-	8.885.844
Other Forward Purchases/Sales	-	1.591.727	4.514.734	5.645.956	-	-	11.752.417
<b>Total</b>	<b>-</b>	<b>1.697.932</b>	<b>8.180.311</b>	<b>23.822.080</b>	<b>5.007.163</b>	<b>1.595.938</b>	<b>40.303.424</b>

31 December 2022	Demand <sup>(1)</sup>	Up to 1 month	1-3 months	3-12 months	1 – 5 years	5 years and over	Total
Contingencies	-	-	319	109.169	5.000	507.754	622.242
Irrevocable Commitments	-	-	-	-	-	-	-
Forward Asset Purchase-Sale Commitments	-	-	-	-	-	-	-
Share Capital Commitments to Associates and Subsidiaries	-	-	-	-	-	-	-
Loan Granting Commitments	-	-	-	-	-	-	-
Commitments for Cheque Payments	-	-	-	-	-	-	-
Commitments for Credit Card Limits	-	-	-	-	-	-	-
Commitments for Credit Cards and Banking Services Related Promotions	-	-	-	-	-	-	-
Other Irrevocable Commitments	-	-	-	-	-	-	-
Revocable Commitments	-	-	-	2.553.154	-	-	2.553.154
Revocable Loan Granting Commitments	-	-	-	2.553.154	-	-	2.553.154
Derivative Financial Instruments Held for Risk Management	-	-	-	-	-	-	-
Fair Value Hedges	-	-	-	-	-	-	-
Cash Flow Hedges	-	-	-	-	-	-	-
Forward Foreign Currency Purchases/Sales	-	4.436.493	224.578	337.633	-	-	4.998.704
Forward Foreign Currency Purchases	-	1.341.922	-	-	-	-	1.341.922
Forward Foreign Currency Sales	-	1.335.479	-	-	-	-	1.335.479
Other Forward Purchases/Sales	-	1.759.092	224.578	337.633	-	-	2.321.303
<b>Total</b>	<b>-</b>	<b>4.436.493</b>	<b>224.897</b>	<b>2.999.956</b>	<b>5.000</b>	<b>507.754</b>	<b>8.174.100</b>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Turkish Lira (TL))

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

## VII. Explanations on Leverage Ratio

The leverage ratio for 31 December 2023 calculated by the Bank is 13,51%, which is above the minimum legal rate of 3%.

	Current Period	Prior Period
	31 December 2023 <sup>(1)</sup>	31 December 2022 <sup>(1)</sup>
<b>On-balance sheet assets</b>		
1 On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	4.305.983	1.477.141
2 (Assets deducted in determining Tier I capital)	(50.572)	(18.450)
3 Total on-balance sheet risks (sum of lines 1 and 2)	4.255.411	1.458.691
<b>Derivative financial instruments and credit derivatives</b>		
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	725.361	34.167
6 Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	725.361	34.167
<b>Securities or commodity financing transactions (SCFT)</b>		
7 Risks from SCFT assets (excluding on-balance sheet)	750.978	-
8 Risks from brokerage activities related exposures	-	-
9 Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	750.978	-
<b>Other off-balance sheet transactions</b>		
10 Gross notional amounts of off-balance sheet transactions	3.996.927	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)	3.996.927	2.949.737
<b>Capital and total risks</b>		
13 Tier I capital	1.314.443	375.083
14 Total risks (sum of lines 3, 6, 9 and 12)	9.728.677	4.442.595
<b>Leverage ratio</b>		
15 Leverage ratio	13,51	8,26

<sup>(1)</sup> It is the average amount of three months.

## 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 2023.

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 2023. The fair values of other financial liabilities are assumed to approximate their carrying values due to their short-term nature.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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)**

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

	<b>Book Value</b>		<b>Fair Value</b>	
	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Financial Assets</b>				
Cash and cash equivalents and Central Bank	332.437	134.946	332.437	134.946
Banks	120.642	45.250	120.642	45.250
Money markets placements	-	-	-	-
Financial assets measured at fair value through other comprehensive income	805.347	348.687	805.347	348.687
Loans	2.687.410	948.986	2.686.844	948.986
Financial assets measured at amortised cost	-	-	-	-
<b>Financial Liabilities</b>				
Funds provided from other financial institutions	129.602	23.571	129.602	23.571
Money market borrowings	413.621	276.802	413.621	276.802
Securities issued	1.837.769	673.196	1.837.769	673.196
Funds	280.945	124.432	280.945	124.432
Sundry creditors	63.883	1.377	63.883	1.377
Payables from leasing transactions	-	-	-	-

**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).

<b>31 December 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>				
Financial Assets at Fair Value Through Other Comprehensive Income	805.347	-	-	805.347
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Derivative Financial Assets	-	181.431	-	181.431
<b>Total</b>	<b>805.347</b>	<b>181.431</b>	<b>-</b>	<b>986.778</b>
<b>Financial Liabilities</b>				
Derivative Financial Liabilities	-	50.685	-	50.685
<b>Total</b>	<b>-</b>	<b>50.685</b>	<b>-</b>	<b>50.685</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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 (Continued)**

<b>31 December 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>				
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	-	181.431
<b>Total</b>	<b>292.286</b>	<b>62.324</b>	<b>-</b>	<b>354.610</b>
<b>Financial Liabilities</b>				
Derivative Financial Liabilities	-	960	-	960
<b>Total</b>	<b>-</b>	<b>960</b>	<b>-</b>	<b>960</b>

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

None.

**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 and creating 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 (1<sup>st</sup> control level), risk management and internal control function (2<sup>nd</sup> control level), and internal audit (3<sup>rd</sup> 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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)**

**1. Risk Management Strategy (Continued)**

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.

**2. Overview of risk weighted amounts**

	Risk Weighted Amount		Minimum Capital Requirement
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	2.031.128	668.283	162.490
2 Of which standardized approach (SA)	2.031.128	668.283	162.490
3 Of which internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	239.000	4.141	19.120
Of which standardized approach for counterparty credit risk (SA-CCR)	239.000	4.141	19.120
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	-	-	-
Equity investments in funds – 1250% risk weighting approach	-	-	-
10 Settlement risk	-	-	-
11 Securitization exposures in banking book	-	-	-
13 Of which IRB ratings-based approach (RBA)	-	-	-
14 Of which IRB supervisory formula approach (SFA)	-	-	-
Standard Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market Risk	274.429	22.549	21.954
17 Of which standardized approach (SA)	274.429	22.549	21.954
18 Of which internal model approaches (IMM)	-	-	-
19 Operational Risk	291.688	-	23.335
20 Of which basic indicator approach	291.688	-	23.335
21 Of which standardized approach	-	-	-
22 Of which advanced measurement approach	-	-	-
Amounts below the thresholds for deduction from capital	-	-	-
23 (Subject to 250% risk weight)	-	-	-
24 Floor adjustments	-	-	-
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>2.836.245</b>	<b>694.973</b>	<b>226.899</b>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

(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 2023	Carrying values in financial statements prepared as per TAS within legal consolidation <sup>(1)</sup>	Items in accordance with TMS				
		Subject to credit risk	The counterparty credit risk	Securitization positions	Subject to market risk <sup>(2)</sup>	Not subject to capital requirements or subject to deduction from capital
<b>Assets</b>						
Cash and balances with the Central Bank	332.437	332.437	-	-	-	-
Money market receivables	120.642	120.642	-	-	-	-
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)	805.347	805.347	-	-	-	-
Derivative financial assets	-	-	-	-	-	-
Loans (net)	181.431	-	181.431	-	181.431	-
Assets held for sale and assets of discontinued operations (net)	2.687.410	2.687.410	-	-	-	-
Associates (net)	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-
Investments in Joint-Ventures (net)	-	-	-	-	-	-
Tangible assets (net)	-	-	-	-	-	-
Intangible assets (net)	38.660	38.660	-	-	-	-
Investment properties (net)	56.647	56.647	-	-	-	56.647
Tax asset	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	181.930	181.930	-	-	-	-
<b>Liabilities</b>	4.404.504	4.223.073	181.431	-	181.431	56.647
Deposits	-	-	-	-	-	-
Funds borrowed	129.602	-	-	-	-	129.602
Money markets balances	413.621	-	58.358	-	-	355.263
Issued securities	1.837.769	-	-	-	-	1.837.769
Funds	280.945	-	-	-	-	280.945
Financial liabilities at fair value through other comprehensive income	-	-	-	-	-	-
Derivative financial liabilities	50.685	-	50.685	-	50.685	-
Factoring liabilities	-	-	-	-	-	-
Debts from leasing transactions (net)	-	-	-	-	-	-
Provisions	90.322	-	-	-	-	90.322
Tax liability	109.832	-	-	-	-	109.832
Deferred tax liabilities	30.777	-	-	-	-	30.777
Liabilities for assets held for sale and discontinued operations (net)	-	-	-	-	-	-
Subordinated debts	-	-	-	-	-	-
Other liabilities	66.369	-	-	-	-	66.369
Shareholders' equity	1.394.582	-	-	-	-	1.394.582
<b>Total Liabilities</b>	4.404.504	-	109.043	-	50.685	4.295.461

<sup>(1)</sup> Represents the unconsolidated financial statements of the Bank.

<sup>(2)</sup> The amount of financial instruments in trading accounts which are evaluated in accordance with TAS are presented in the column "Subject to market risk" within the scope of "Regulation on Measurement and Evaluation of Capital Adequacy of Banks".

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

(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)

1. Differences and matching between accounting consolidation and legal consolidation (Continued)

	Carrying values in financial statements prepared as per TAS within legal consolidation <sup>(1)</sup>	Items in accordance with TMS				
		Subject to credit risk	The counterparty credit risk	Securitization positions	Subject to market risk <sup>(2)</sup>	Not subject to capital requirements or subject to deduction from capital
Prior Period – 31 December 2022						
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	-	-	-	-	-	-
	49.762	49.762	-	-	-	-
Total Assets	1.559.355	1.553.432	5.923	-	5.923	21.436
Liabilities						
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
	409.561	-	-	-	-	409.561
Total Liabilities	1.559.355	-	960	-	960	1.558.395

<sup>(1)</sup> Represents the unconsolidated financial statements of the Bank.

<sup>(2)</sup> The amount of financial instruments in trading accounts which are evaluated in accordance with TAS are presented in the column "Subject to market risk" within the scope of "Regulation on Measurement and Evaluation of Capital Adequacy of Banks".

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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**

<b>Current Period – 31 December 2023</b>	<b>Total</b>	<b>Subject to credit risk</b>	<b>Securitization positions</b>	<b>Subject to counterparty risk</b>	<b>Subject to market risk <sup>(1)</sup></b>
1. Carrying values of assets in accordance with TAS within legal consolidation	4.404.504	4.100.525	-	181.431	181.431
2. Carrying values of liabilities in accordance with TAS within legal consolidation	-	-	-	109.043	50.685
3. <b>Total net amount under legal consolidation</b>	<b>4.404.504</b>	<b>4.100.525</b>	<b>-</b>	<b>290.474</b>	<b>232.116</b>
4. Off-balance sheet items	2.088.978	1.040.464	-	-	-
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	<b>6.493.482</b>	<b>5.140.989</b>	<b>-</b>	<b>290.474</b>	<b>232.116</b>

(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.

<b>Prior Period – 31 December 2022</b>	<b>Total</b>	<b>Subject to credit risk</b>	<b>Securitization positions</b>	<b>Subject to counterparty risk</b>	<b>Subject to market risk <sup>(1)</sup></b>
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. <b>Total net amount under legal consolidation</b>	<b>1.559.355</b>	<b>1.273.423</b>	<b>-</b>	<b>6.883</b>	<b>6.883</b>
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	<b>2.181.597</b>	<b>1.583.909</b>	<b>-</b>	<b>6.883</b>	<b>6.883</b>

(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.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023  
(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)

- e) There is no breakdown of receivables by geographical regions, sector, and remaining maturity.
- f) There are no receivables, related provisions and write-off amounts on the basis of geographical regions and sectors.
- g) There is no breakdown of restructured receivables by whether provision has been allocated or not.

5. Overview of credit risk mitigation techniques

	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
Current Period							
1 Loans	2.681.003	92.436	92.436	-	-	-	-
2 Debt Instruments	755.792	-	-	-	-	-	-
3 Total	3.436.795	92.436	92.436	-	-	-	-
4 Overdue	-	-	-	-	-	-	-

	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
Prior Period							
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	1.206.798	-	1.206.798	-	-	-
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	78.588	231.982	78.588	115.990	66.400	2,95
7	Exposures to corporates	2.593.522	1.848.948	2.593.522	924.474	1.963.739	87,21
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	221.617	-	221.617	-	221.617	9,84
17	Equity shares investments	-	-	-	-	-	-
18	Total	4.100.525	2.080.930	4.100.525	1.040.464	2.251.756	100%

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023  
(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)

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

Prior 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%

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

Current Period												
Risk Class/Risk Weight	0%	10%	20%	25%	35%	50 <sup>(1)</sup> %	75%	100%	150%	250%	Other	Total Risk Amount <sup>(2)</sup>
Exposures to sovereigns and Central Banks	1.206.798	-	-	-	-	-	-	-	-	-	-	1.206.798
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	-	-	102.962	-	-	91.616	-	-	-	-	-	194.578
Exposures to corporates	16.229	-	1.291.033	-	-	1.220.403	-	885.331	-	105.000	-	3.517.996
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	-	-	-	-	-	-	-	221.617	-	-	-	221.617
Total	1.223.027	-	1.393.995	-	-	1.312.019	-	1.106.948	-	105.000	-	5.140.989

<sup>(1)</sup> Secured by real estate mortgages

<sup>(2)</sup> Total risk amount after CCF and CRM

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023  
(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: (Continued)

Prior Period												Total Risk Amount <sup>(2)</sup>
Risk Class/Risk Weight	0%	10%	20%	25%	35%	50 <sup>(1)</sup> %	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
<b>Total</b>	<b>456.197</b>	<b>-</b>	<b>446.008</b>	<b>-</b>	<b>-</b>	<b>219.594</b>	<b>-</b>	<b>462.110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.583.909</b>

<sup>(1)</sup> Secured by real estate mortgages

<sup>(2)</sup> 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 2023

(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)	180.503	239.808		1.4	588.434	237.424
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)				-	1.576	1.576
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions				-	-	-
6	<b>Total</b>						<b>239.000</b>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023  
(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: (Continued)

Prior 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				-	-	-
<b>6 Total</b>						<b>4.141</b>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023  
(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	588.434	11.950	29.061	6.718
4 Total subject to the CVA capital obligation	588.434	11.950	29.061	6.718

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

Current Period – 31 December 2023									
Risk Categories / Risk Weight	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure
Exposures to sovereigns and their Central Banks	93.237	-	-	-	-	-	-	-	93.237
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	-	-	-	-	-	-	-	-	-
Exposures to corporates	-	-	494.510	-	-	687	-	-	495.197
Retail exposures	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>93.237</b>	<b>-</b>	<b>494.510</b>	<b>-</b>	<b>-</b>	<b>687</b>	<b>-</b>	<b>-</b>	<b>588.434</b>

Prior 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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8.358</b>	<b>-</b>	<b>20.703</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.061</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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
<b>1 Exposures to QCCPs (total)</b>	<b>80.259</b>	<b>6.421</b>
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	80.259	6.421
3 (i) OTC derivatives	-	-
4 (ii) Exchange-traded derivatives	79.121	6.330
5 (iii) Securities financing transactions	1.138	91
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	-	-
<b>11 Exposures to non-QCCPs (total)</b>	<b>-</b>	<b>-</b>
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 2023  
(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 (Continued)

	Prior Period	
	EAD (post-CRM)	RWA
<b>1 Exposures to QCCPs (total)</b>	<b>4.598</b>	<b>368</b>
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	-	-
<b>11 Exposures to non-QCCPs (total)</b>	<b>-</b>	<b>-</b>
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	-	-

6. Collaterals Used for Counterparty Credit Risk

Current Period	Collateral for derivative transactions				Collateral for other	
	Fair value of collateral received		Fair value of collateral given			
	Segregated	Unsegregated	Segregated	Unsegregated	Fair value of collateral received	Fair value of collateral given
Cash-local currency	-	-	-	169.955	-	-
Cash-foreign currenc	-	-	-	-	-	-
Domestic sovereign debts	-	-	-	124.408	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	294.363	-	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

(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 2023 and 31 December 2022.

## XII. 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	Prior Period
	RWA	RWA
<b>Outright products</b>		
1 Interest rate risk (general and specific)	257.350	11.263
2 Equity risk (general and specific)	-	-
3 Foreign exchange risk	17.079	11.286
4 Commodity risk	-	-
<b>Options</b>		
5 Simplified approaches	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitization	-	-
<b>Total</b>	<b>274.429</b>	<b>22.549</b>

## 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 2023 has been TL 291.688 for the Bank.

	31 December 2021	31 December 2022	31 December 2023	Total/ No. of Years of Positive Gross Income	Rate %	Total
Gross Income	-	-	155.567	155.567	15	23.335
Value at Operational Risk (Total*12,5)						291.688

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Thousands of Turkish Lira (TL))

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

**XIV. Explanations on Segment Reporting**

The Bank provides services in the business lines of Commercial and Corporate Banking, Treasury and Financial Institutions and Investment Banking (Other).

Within the scope of commercial/corporate banking activities, providing non-cash loans to institutions and organizations operating in all economic sectors through commercial, investment and retail banking, opening letters of credit, financing sectors with national and international banking methods, advising domestic and foreign capital to invest in Turkey, It has the authority to operate in domestic and international capital and money markets, to operate in precious metal and metal exchanges, and to operate as an insurance agency.

Within the scope of its treasury activities, it carries out forward foreign exchange transactions, derivative transactions and securities transactions.

The Bank has built its structure on customer focus in order to meet the different financial needs of its customers.

	Commercial Banking	Treasury	Other	Total Operations of the Bank
<b>Current Period-31 December 2023</b>				
Net Interest Income	351.376	134.507	58	485.941
Net Interest Expense	-	(158.092)	(43.125)	(201.217)
<b>Net Interest Income</b>	<b>351.376</b>	<b>(23.585)</b>	<b>(43.067)</b>	<b>284.724</b>
Net Fees and Commissions Income	12.910	(2.563)	322	10.669
Dividend Income	-	-	-	-
Net Trading Income/Losses (Net)	-	1.236.762	-	1.236.762
Other Operating Income	-	-	1.124	1.124
<b>Total Operating Income</b>	<b>364.286</b>	<b>1.210.614</b>	<b>(41.621)</b>	<b>1.533.279</b>
Loan Provisions	-	-	(48.623)	(48.623)
Other Operating Expenses (*)	-	-	(134.619)	(134.619)
<b>Profit Before Tax</b>	<b>364.286</b>	<b>1.210.614</b>	<b>(224.863)</b>	<b>1.350.037</b>
Tax Provision	-	-	(415.661)	(415.661)
<b>Net Profit for The Period</b>	<b>364.286</b>	<b>1.210.614</b>	<b>(640.524)</b>	<b>934.376</b>
Segment Assets	2.687.410	1.439.857	277.237	4.404.504
Associates And Subsidiaries	-	-	-	-
Unallocated Assets	-	-	-	-
<b>Total Assets</b>	<b>2.687.410</b>	<b>1.439.857</b>	<b>277.237</b>	<b>4.404.504</b>
Segment Liabilities	280.945	2.431.677	297.300	3.009.922
Unallocated Liabilities	-	-	-	-
Shareholders' Equity	-	-	1.394.582	1.394.582
<b>Total Liabilities</b>	<b>280.945</b>	<b>2.431.677</b>	<b>1.691.882</b>	<b>4.404.504</b>

(\*) Other operating expenses include personnel expenses.

DESTEK YATIRIM BANKASI ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Turkish Lira (TL))

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XIV. Explanations on Segment Reporting (Continued)

	Commercial Banking	Treasury	Other	Total Operations of the Bank
<b>Prior Period-31 December 2022</b>				
Net Interest Income	103.603	42.613	17	146.233
Net Interest Expense	-	(33.957)	(731)	(34.688)
<b>Net Interest Income</b>	<b>103.603</b>	<b>8.656</b>	<b>(714)</b>	<b>111.545</b>
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
<b>Total Operating Income</b>	<b>106.829</b>	<b>60.175</b>	<b>(591)</b>	<b>166.413</b>
Loan Provisions	(10.598)	(323)	(9.552)	(20.473)
Other Operating Expenses (*)	-	-	(38.623)	(38.623)
<b>Profit Before Tax</b>	<b>96.231</b>	<b>59.852</b>	<b>(48.766)</b>	<b>107.317</b>
Tax Provision	-	-	(31.862)	(31.862)
<b>Net Profit for The Period</b>	<b>96.231</b>	<b>59.852</b>	<b>(80.628)</b>	<b>75.455</b>
Segment Assets	948.986	534.806	75.563	1.559.355
Associates And Subsidiaries	-	-	-	-
Unallocated Assets	-	-	-	-
<b>Total Assets</b>	<b>948.986</b>	<b>534.806</b>	<b>75.563</b>	<b>1.559.355</b>
Segment Liabilities	124.432	974.529	50.833	1.149.794
Unallocated Liabilities	-	-	-	-
Shareholders' Equity	-	-	409.561	409.561
<b>Total Liabilities</b>	<b>124.432</b>	<b>974.529</b>	<b>460.394</b>	<b>1.559.355</b>

(\*) Other operating expenses include personnel expenses.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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**

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Cash in TL/Foreign Currency	-	1.026	-	-
Central Bank of Turkey	4.210	327.201	79	134.867
Others	-	-	-	-
<b>Total</b>	<b>4.210</b>	<b>328.227</b>	<b>79</b>	<b>134.867</b>

**1.2. Balances with the Central Bank of Turkey**

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Unrestricted Demand Deposits	4.210	8.019	79	-
Unrestricted Time Deposits	-	-	-	-
Reserve Deposits	-	319.182	-	134.867
<b>Total</b>	<b>4.210</b>	<b>327.201</b>	<b>79</b>	<b>134.867</b>

**1.3. Reserve Deposits**

Banks established in Turkey or operating in Turkey by opening branches are subject to the Central Bank of the Republic of Turkey Communiqué on Required Reserves No. 2013/15. The amount to be found as a result of deducting the deductible items specified in the Communiqué from the total domestic liabilities of the banks and the deposits/borrower funds they accept from Turkey on behalf of their branches abroad constitute their liabilities subject to reserve requirements.

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 2023 (31 December 2022: 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 2023 (31 December 2022: 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 2023 and 31 December 2022.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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)**

**3. Information on Derivative Financial Assets**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Forward transactions	160.742	-	5.059	-
Swap transactions	20.689	-	864	-
Futures	-	-	-	-
Options	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>181.431</b>	<b>-</b>	<b>5.923</b>	<b>-</b>

**4. Information on Banks and Other Financial Institutions**

**4.1. Information on Banks and Other Financial Institutions**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Banks	82	120.560	5	45.245
<i>Domestic banks</i>	82	33	5	45.245
<i>Foreign banks</i>	-	120.527	-	-
<i>Foreign head offices and branches</i>	-	-	-	-
<b>Total</b>	<b>82</b>	<b>120.560</b>	<b>5</b>	<b>45.245</b>

	Unrestricted Amount	
	31 December 2023	31 December 2022
EU Countries	18.855	-
USA and Canada	101.672	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
Other	-	-
<b>Total</b>	<b>120.527</b>	<b>-</b>

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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. 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 2023		31 December 2022	
	TL	FC	TL	FC
Debt Securities	727.618	77.729	305.493	43.194
<i>Quoted on a stock exchange</i>	727.618	77.729	305.493	43.194
<i>Unquoted</i>	-	-	-	-
Share Certificates	-	-	-	-
<i>Quoted on a stock exchange</i>	-	-	-	-
<i>Unquoted</i>	-	-	-	-
Provision for impairment (-)	-	-	-	-
<b>Total</b>	<b>727.618</b>	<b>77.729</b>	<b>305.493</b>	<b>43.194</b>

**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 2023		31 December 2022	
	TL	FC	TL	FC
Assets subject to Repurchase Agreements	45.279	43.014	186.854	-
Collateralised/Blocked Assets	709.789	15.813	66.168	43.194
<b>Total</b>	<b>755.068</b>	<b>58.827</b>	<b>253.022</b>	<b>43.194</b>

**6. Information on Loans**

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

	31 December 2023		31 December 2022	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct lendings to shareholders	2.551.259	300	772.115	211
Corporates	2.551.259	300	772.115	211
Individuals	-	-	-	-
Indirect lendings to shareholders	-	-	-	-
Loans to employees	-	-	-	-
<b>Total</b>	<b>2.551.259</b>	<b>300</b>	<b>772.115</b>	<b>211</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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)**

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

<b>Current Period</b>				
	<b>Standard Loans</b>	<b>Loans Under Close Monitoring</b>		
		<b>Not Included in Restructured Loans</b>	<b>Restructured</b>	
			<b>Changes in Conditions of Contract</b>	<b>Refinancing</b>
Loans	2.687.410	-	-	-
<i>Working Capital Loans</i>	-	-	-	-
<i>Export Loans</i>	-	-	-	-
<i>Import Loans</i>	-	-	-	-
<i>Loans to Financial Sector</i>	2.551.259	-	-	-
<i>Consumer Loans</i>	-	-	-	-
<i>Credit Cards</i>	-	-	-	-
<i>Others</i>	136.151	-	-	-
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>2.687.410</b>	-	-	-

  

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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)**

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

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
General Provisions	68.774	-	20.150	-
12-month ECL	-	-	-	-
Significant Increase in Credit Risk	-	-	-	-
<b>Total</b>	<b>68.774</b>	<b>-</b>	<b>20.150</b>	<b>-</b>

**Number of changes of payment plan extension**

None.

**Extended period with payment plan change**

None.

**6.3. Maturity analysis of cash loans**

	Current Period	Loans Under Close Monitoring	
	Standard Loans	Not Restructured	Restructured
Short-Term Loans	2.687.410	-	-
Medium and Long-Term Loans	-	-	-
<b>Total</b>	<b>2.687.410</b>	<b>-</b>	<b>-</b>

	Prior Period	Loans Under Close Monitoring	
	Standard Loans	Not Restructured	Restructured
Short-Term Loans	909.245	-	-
Medium and Long-Term Loans	39.741	-	-
<b>Total</b>	<b>948.986</b>	<b>-</b>	<b>-</b>

**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 2023**  
(Thousands of Turkish Lira (TL))

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

**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**

There is not any as of December 31, 2023.

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

**6.6. Allocation of loans by customers**

	31 December 2023	31 December 2022
Public	-	-
Private	2.687.410	948.986
<b>Total</b>	<b>2.687.410</b>	<b>948.986</b>

**6.7. Allocation of domestic and foreign loans**

	31 December 2023	31 December 2022
Domestic Loans	2.687.410	948.986
Foreign Loans	-	-
<b>Total</b>	<b>2.687.410</b>	<b>948.986</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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 2023 and 31 December 2022.

**8. Investments in Associates (Net)**

The Bank has not any associates as of 31 December 2023 and 31 December 2022.

**9. Investments in Subsidiaries**

The Bank has not any subsidiaries as of 31 December 2023 and 31 December 2022.

**10. Information on Investments in Joint-Ventures**

The Bank has not any joint-ventures as of 31 December 2023 and 31 December 2022.

**11. Information on Lease Receivables (net)**

The Bank has not any lease receivables as of 31 December 2023 and 31 December 2022.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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**

	<b>Machinery, plant, and equipment</b>	<b>Inventories</b>	<b>Vehicles</b>	<b>Right-of use assets</b>	<b>Other</b>	<b>Total</b>
<b>Prior Period</b>						
Cost	-	3.062	1.872	533	-	5.467
Accumulated depreciation (-)	-	(684)	(409)	(9)	-	(1.102)
<b>Net book value</b>	-	<b>2.378</b>	<b>1.463</b>	<b>524</b>	-	<b>4.365</b>
<b>Current Period</b>						
<b>Net book value at beginning of the period</b>	-	<b>2.378</b>	<b>1.463</b>	<b>524</b>	-	<b>4.365</b>
Additions	-	18.567	19.035	247	-	37.849
Capitalized finance costs	-	-	-	-	-	-
Disposals (-), net	-	-	-	-	-	-
Depreciation charge (-)	-	(2.693)	(749)	(112)	-	(3.554)
End of period cost	-	21.629	20.907	780	-	43.316
Accumulated depreciation at the end of the period (-)	-	(3.377)	(1.158)	(121)	-	(4.656)
<b>Net book value at the end of the period</b>	-	<b>18.252</b>	<b>19.749</b>	<b>659</b>	-	<b>38.660</b>

**13. Information on Intangible Assets**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Net book value at the beginning of the period</b>	<b>21.436</b>	<b>1.002</b>
Movements during the period	38.425	21.625
Internally generated intangibles	-	-
Disposals (-), net	-	-
Amortization charge (-)	(3.214)	(1.191)
<b>Net book value at the end of the period</b>	<b>56.647</b>	<b>21.436</b>

**14. Information on Investment Property**

The Bank does not have any investment properties as of 31 December 2023 and 31 December 2022.

**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 2023 (31 December 2022: 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 2022: None) as of 31 December 2023.

**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 2023 and 31 December 2022.

**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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Thousands of Turkish Lira (TL))

**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 2023		31 December 2022	
	TL	FC	TL	FC
Forward transactions	47.370	-	-	-
Swap transactions	3.315	-	960	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>50.685</b>	<b>-</b>	<b>960</b>	<b>-</b>

**3. Funds Borrowed**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
<b>Domestic Transactions</b>	<b>357.526</b>	<b>55.534</b>	<b>276.802</b>	<b>-</b>
Financial Institutions and Organizations	355.247	-	276.802	-
Other Institutions and Organizations	82	39.262	-	-
Individuals	2.197	16.272	-	-
<b>Foreign Transactions</b>	<b>-</b>	<b>561</b>	<b>-</b>	<b>-</b>
Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	561	-	-
Individuals	-	-	-	-
<b>Total</b>	<b>357.526</b>	<b>56.095</b>	<b>276.802</b>	<b>-</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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 2023		31 December 2022	
	TL	FC	TL	FC
From Central Bank of the Republic of Turkey	-	-	-	-
From domestic banks and institutions	-	-	-	-
From foreign banks, institutions, and funds	-	129.602	-	23.571
<b>Total</b>	<b>-</b>	<b>129.602</b>	<b>-</b>	<b>23.571</b>

**4.2 Maturity structure of funds borrowed**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Short-term	-	129.602	-	23.571
Medium and long-term	-	-	-	-
<b>Total</b>	<b>-</b>	<b>129.602</b>	<b>-</b>	<b>23.571</b>

**4.3 Information on securities issued (Net)**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Bank Bonds	-	-	-	386.498
Bonds	-	1.837.769	-	286.698
<b>Total</b>	<b>-</b>	<b>1.837.769</b>	<b>-</b>	<b>673.196</b>

**4.4 Explanations on funds**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Local organizations	32.996	188.001	20.083	104.349
Foreign organizations	30.461	29.487	-	-
<b>Total</b>	<b>63.457</b>	<b>217.488</b>	<b>20.083</b>	<b>104.349</b>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

(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)

## 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 2023 and 31 December 2022.

Within the framework of BRSA's circular numbered 24049440.010.06.02[5/1]-1 and dated 2 February 2015, other liabilities include foreign exchange purchase/sale amounts which transfer has not been completed on 31 December 2023 and transfer account balances which transfer transactions brokered.

## 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 2023, the Bank's lease transactions with contract expiry dates longer than 1 year (31 December 2022: 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 2023 and 31 December 2022.

## 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 BRSA on 21 February 2022. In this context, the Bank has calculated general loan provision amounting to TL 68.774 for the First Group Loans and Receivables for the year ended 31 December 2023 (31 December 2022: TL 20.150).

## 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 2023 and 31 December 2022.

## 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 2023	31 December 2022
Net discount rate	1,56%	2%
Inflation rate	28%	9,80%
Interest rate	30%	12%

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

(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)

## 8.3. Reserve for employee benefits (Continued)

	31 December 2023	31 December 2022
Provision for employee termination benefits	565	232
Provision for vacation pay	2.082	984
Provision for bonuses	-	-
Provision for premiums and dividends	-	-
<b>Total</b>	<b>2.647</b>	<b>1.216</b>

	1 January – 31 December 2023	1 – January 31 December 2022
Opening balance	231	69
Interest cost	20	12
Service cost	93	65
Dismissal cost	-	-
Current term payments	-	-
Actuarial gains/(losses) on employee benefits	221	86
<b>Total</b>	<b>565</b>	<b>232</b>

## 8.4. Information on Other Provisions

	31 December 2023	31 December 2022
Spot transaction	4.023	-
Expense provisions	14.878	278
<b>Total</b>	<b>18.901</b>	<b>278</b>

## 9. Information on Tax Liabilities

## 9.1. Current tax liabilities

There is a corporate tax liability of TL 100.971 after deducting the temporary taxes paid during the year from the corporate tax as of 31 December 2023 (31 December 2022: TL 19.465).

## 9.2. Taxes payable

	31 December 2023	31 December 2022
Corporate Taxes Payable	100.971	19.465
Taxation on Securities Income	251	68
Taxation on Real Estates Income	-	-
Banking Insurance Transaction Tax	3.340	647
Foreign Exchange Transaction Tax	28	33
Value Added Tax Payable	400	199
Others <sup>(1)</sup>	1.672	586
<b>Total</b>	<b>106.662</b>	<b>20.998</b>

(1) TL 1,572 of the other item is income tax deducted from wages (31 December 2022: TL 555), TL 40 is stamp duty deducted from allowance (31 December 2022: TL 16), TL 25 is income tax to be paid (31 December 2022: TL 15), TL 35 consists of other items.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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)**

**9.3. Premiums**

	31 December 2023	31 December 2022
Social Security Premiums-Employees	-	-
Social Security Premiums-Employer	2.995	1.006
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	175	77
Others	-	-
<b>Total</b>	<b>3.170</b>	<b>1.083</b>

**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 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 calculated a net deferred tax liability of TL 30.777 and reflected it to its financial statements (31 December 2022: TL 734).

	31 December 2023		31 December 2022	
	Temporary Differences Based on Deferred Tax	Deferred Tax Amount	Temporary Differences Based on Deferred Tax	Deferred Tax Amount
Unearned income	2.486	746	1.615	404
Employee benefits	2.647	794	1.216	304
Derivative transactions rediscount	50.685	15.206	960	239
Fixed assets	27.057	8.117	-	-
Other	1.212	363	277	70
<b>Total Deferred Tax Asset</b>	<b>84.087</b>	<b>25.226</b>	<b>4.068</b>	<b>1.017</b>
Derivative transactions	(181.235)	(54.370)	(5.923)	(1.481)
Depreciation	(5.622)	(1.633)	(1.080)	(270)
Other	-	-	-	-
<b>Total Deferred Tax Liability</b>	<b>(186.857)</b>	<b>(56.003)</b>	<b>(7.003)</b>	<b>(1.751)</b>
<b>Deferred tax asset/(liability), net</b>	<b>(102.770)</b>	<b>(30.777)</b>	<b>(2.935)</b>	<b>(734)</b>

  

	1 January- 31 December 2023	1 January- 31 December 2022
As of 1 January	(734)	-
Current period income/(expense)	(30.110)	(755)
Deferred tax accounted under equity	66	21
<b>Deferred Tax Liability</b>	<b>(30.777)</b>	<b>(734)</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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 2023 and 31 December 2022.

**11. Information on Subordinated Debt Instruments**

The Bank has no subordinated loans as of 31 December 2023 and 31 December 2022.

**12. Information on Shareholders' Equity**

**12.1. Paid-in capital**

	31 December 2023	31 December 2022
Common Shares	350.000	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 2023 and 31 December 2022.

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

As of 31 December 2023, the paid-in capital of the Bank has been increased by TL 50,000 in cash, pursuant to the decision of the Extraordinary General Assembly dated 14.06.2023 (31 December 2022: None).

**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 2023 and 31 December 2022.

**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 2023 and 31 December 2022.

**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 2023 and 31 December 2022.

**12.8. Information on marketable securities revaluation reserve**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Other Comprehensive Income	7.992	11.675	15.390	3.477
<i>Valuation difference</i>	7.992	11.675	15.390	3.477
<i>Foreign exchange difference</i>	-	-	-	-
<b>Total</b>	<b>7.992</b>	<b>11.675</b>	<b>15.390</b>	<b>3.477</b>

**12.9. Explanations on profit reserves**

Based on the Ordinary General Assembly resolutions dated 30 March 2023, the Bank transferred TL 3.773 to legal reserves and TL 71.682 to retained earnings of the previous year's profit amounting to TL 75.455.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Turkish Lira (TL))

**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 2023 (31 December 2022: None).

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

	31 December 2023	31 December 2022
Letters of Guarantee	2.088.978	622.242
Bills of Exchange and Acceptances	-	-
Letters of Credit	-	-
Other guarantees and sureties	-	-
<b>Total</b>	<b>2.088.978</b>	<b>622.242</b>

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

	31 December 2023	31 December 2022
Performance Bonds	1.994.054	548.888
Provisional Letters of Guarantee	83.194	69.592
Advance Letters of Guarantee	9.438	3.762
Letters of Guarantee Given to Customs	2.292	-
Letters of Guarantee Given for Cash Loans	-	-
Other Letters of Guarantee	-	-
<b>Total</b>	<b>2.088.978</b>	<b>622.242</b>

**1.4. Non-cash loans****1.4.1 Non-cash loans totals**

	31 December 2023	31 December 2022
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	2.088.978	622.242
<b>Total</b>	<b>2.088.978</b>	<b>622.242</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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)**

**i. Non-cash loans sectoral risk concentrations**

	31 December 2023			
	TL	%	FC	%
<b>Agriculture</b>	-	-	-	-
Farming and raising livestock	-	-	-	-
Forestry	-	-	-	-
Fishery	-	-	-	-
<b>Industry</b>	<b>1.344.103</b>	<b>65,03</b>	<b>4.393</b>	<b>19,91</b>
Mining and quarry	1.769	0,08	-	-
Manufacturing	412.899	19,98	-	-
Electricity, gas, and water	929.435	44,97	-	-
<b>Construction</b>	<b>189.598</b>	<b>9,17</b>	<b>14.087</b>	<b>63,86</b>
<b>Service</b>	<b>530.490</b>	<b>25,67</b>	<b>3.579</b>	<b>16,23</b>
Wholesale and retail trade	226.054	10,94	-	-
Hotel and food services	11.974	0,58	1.625	7,37
Transportation and communication	-	-	-	-
Financial institutions	270.133	13,07	1.954	8,86
Real estate and leasing services	22.329	1,08	-	-
Self-employment services	-	-	-	-
Educational services	-	-	-	-
Health and social services	-	-	-	-
<b>Other</b>	<b>2.728</b>	<b>0,13</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2.066.919</b>	<b>100,00</b>	<b>22.059</b>	<b>100,00</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Thousands of Turkish Lira (TL))

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

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

**1.5 Non-cash loans (Continued)**

**ii. Non-cash loans sectoral risk concentrations (Continued)**

	31 December 2022			
	TL	%	FC	%
<b>Agriculture</b>	-	-	-	-
Farming and raising livestock	-	-	-	-
Forestry	-	-	-	-
Fishery	-	-	-	-
<b>Industry</b>	<b>410.409</b>	<b>66.42</b>	-	-
Mining and quarry	1.000	0.16	-	-
Manufacturing	232.509	37.63	-	-
Electricity, gas, and water	176.900	28.63	-	-
<b>Construction</b>	<b>51.313</b>	<b>8.31</b>	-	-
<b>Service</b>	<b>151.237</b>	<b>24.48</b>	<b>4.416</b>	<b>100</b>
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	-	-	-	-
<b>Other</b>	<b>4.867</b>	<b>0.79</b>	-	-
<b>Total</b>	<b>617.826</b>	<b>100.00</b>	<b>4.416</b>	<b>100.00</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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 2023	31 December 2022
<b>Hedging Derivative Financial Instruments</b>	-	-
<b>Derivative Financial Instruments held for Risk Management</b>	-	-
Transactions for Fair Value Hedge	-	-
Transactions for Cash Flow Hedge	-	-
Transactions for Foreign Net Investment Hedge	-	-
<b>Trading Transactions</b>	<b>29.912.604</b>	<b>4.998.704</b>
<b>Foreign Currency related Derivative Transactions (I)</b>	<b>29.912.604</b>	<b>4.998.704</b>
Forward Foreign Currency Transactions-Buy	9.274.343	1.341.922
Forward Foreign Currency Transactions-Sell	8.885.844	1.335.479
Foreign Currency Swap-Buy	4.623.862	1.159.295
Foreign Currency Swap-Sell	4.714.546	1.162.008
Foreign Currency Options-Buy	-	-
Foreign Currency Options-Sell	-	-
Foreign Currency Futures-Buy	1.236.481	-
Foreign Currency Futures-Sell	1.177.528	-
<b>Interest Rate related Derivative Transactions (II)</b>	-	-
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	-	-
<b>Other Trading Derivatives (III)</b>	-	-
<b>B. Total Trading Derivatives (I+II+III)</b>	<b>29.912.604</b>	<b>4.998.704</b>
<b>Total Derivative Transactions (A+B)</b>	<b>29.912.604</b>	<b>4.998.704</b>

**3. Information on Contingent Liabilities and Assets**

The Bank has no contingent liabilities and assets as of 31 December 2023 and 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 2023 and 31 December 2022.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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**

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Interest income received from loans	207.448	143.928	75.783	27.820
<i>Short-Term Loans</i>	203.955	143.928	71.267	27.820
<i>Medium And Long-Term Loans</i>	3.493	-	4.516	-
<i>Loans Under Follow-Up</i>	-	-	-	-
<i>Premiums Received from Resource Utilization Support Fund</i>	-	-	-	-
<b>Total</b>	<b>207.448</b>	<b>143.928</b>	<b>75.783</b>	<b>27.820</b>

**1.2. Information on interest income from banks**

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Central Bank of Turkey	-	98	-	-
Domestic Banks	16.674	2.344	8.447	38
Foreign Banks	-	-	-	-
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>16.674</b>	<b>2.442</b>	<b>8.447</b>	<b>38</b>

**1.3. Information on interest income from securities portfolio**

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Financial assets measured at fair value through profit and loss	-	-	-	-
Financial assets measured at fair value through other comprehensive income	107.948	6.504	34.068	-
<b>Total</b>	<b>107.948</b>	<b>6.504</b>	<b>34.068</b>	<b>-</b>

**1.4 Interest income received from associates and subsidiaries**

The Bank has not any interest income received from associates and subsidiaries for the periods ended 31 December 2023 and 31 December 2022.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	-	-	-	-
From domestic banks	-	-	-	-
From foreign banks	-	7.420	-	819
Foreign head office and branches	-	-	-	-
<b>Total</b>	<b>-</b>	<b>7.420</b>	<b>-</b>	<b>819</b>

**2.2. Information on interest expenses to associates and subsidiaries**

The Bank has no associates and subsidiaries for the periods ended 31 December 2023 and 31 December 2022.

**2.3. Information on interest on securities issued**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Interests paid on issued securities	-	97.150	-	18.754
<b>Total</b>	<b>-</b>	<b>97.150</b>	<b>-</b>	<b>18.754</b>

**2.4. Information on interest on money market transactions**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Interest on Takasbank market transactions	45.553	-	3.644	-
Repurchase agreements	7.786	183	10.740	-
<b>Total</b>	<b>53.339</b>	<b>183</b>	<b>14.384</b>	<b>-</b>

**3. Information on Dividend Income**

The Bank does not have dividend income for the periods ended 31 December 2023 and 31 December 2022.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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)**

	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Income</b>	<b>28.283.833</b>	<b>470.286</b>
Trading Account Income	83.437	10.712
Gains from Derivative Financial Instruments	3.731.823	80.383
Foreign Exchange Gains	24.468.573	379.191
<b>Losses (-)</b>	<b>27.047.071</b>	<b>419.897</b>
Trading Account Losses	-	-
Losses from Derivative Financial Instruments	3.409.700	191.321
Foreign Exchange Losses	23.637.371	228.576
<b>Net Trading Income/Losses</b>	<b>1.236.762</b>	<b>50.389</b>

**5. Information on Other Operating Income**

The Bank's other operating income amounting to TL 1.124 for the period ended 31 December 2023, TL 150 consists of previous years' adjustments, TL 22 consists of cancellations of leave and severance provision, TL 952 consists of other income (31 December 2022: TL 134).

**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 BRSA on 21 February 2022.

	<b>31 December 2023</b>	<b>31 December 2022</b>
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	48.623	20.151
Impairment Losses on Securities	-	322
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	-	-
<b>Total</b>	<b>48.623</b>	<b>20.473</b>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

(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

	31 December 2023	31 December 2022
Provisions for Severance Pay	135	78
Reserve for Employee Termination Benefits	-	-
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	3.554	878
Depreciation Expenses of Tangible Assets	-	-
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	3.214	1.191
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	60.112	10.570
Other Operating Expenses	2.100	1.211
<i>Operational Lease related Expenses</i>	3.692	1.303
<i>Tax expense</i>	6.468	2.194
<i>Communication Expenses</i>	1.289	1.598
<i>IT Expenses</i>	20.276	2.277
<i>Other</i>	26.287	1.987
Loss on Sale of Assets	-	-
Other Expenses <sup>(1)</sup>	10.955	6.376
<b>Total</b>	<b>77.970</b>	<b>19.093</b>

<sup>(1)</sup> For the period ended 31 December 2023, other expenses consist of TL 615 from TBB participation fee, TL 8,496 from audit and consultancy expenses, TL 1,550 from membership fees and TL 294 from other expenses. The other part of other operating expenses consists of TL 1,511 aid and donations, TL 1,476 representation and hosting, TL 13,795 non-legally accepted expenses, TL 3,503 advertising and announcement expenses and TL 6,002 other operating expenses (For the period ended 31 December 2022, other expenses consist of TL 2,253 from TBB participation fee, TL 797 from writing off pre-operational VAT assets, TL 3,012 from audit and consultancy expenses, and the other part, TL 255 included in other operating expenses, consists of heating and lighting expenses, TL 344 from advertising expenses and TL 1,388 from other operating expenses).

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

The Bank's profit before tax from continuing operations was TL 1.350.037 for the period ended 31 December 2023 (31 December 2022: TL 107.317). 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 415.661 for the year ended 31 December 2023 (31 December 2022: TL 31.862). The Bank has no discontinued operations.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(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)**

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

<b>Reconciliation of tax provision</b>	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Profit/(loss) before tax	1.350.037	107.317
<b>Applicable tax rate</b>	30%	25%
Calculated tax	405.011	26.829
Nonallowable charges effect	20.814	11.417
Other	(10.164)	(6.384)
<b>Tax provision</b>	<b>415.661</b>	<b>31.862</b>

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

The Bank's profit before tax from continuing operations was TL 1.350.037 for the year ended 31 December 2023 (31 December 2022: TL 107.317). The tax expense arising from the Bank's continuing operations is TL 415.661 (31 December 2022: TL 31.862). For the year ended 31 December 2023, the Bank earned a net profit of TL 934.376 (31 December 2022: TL 75.455).

**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**

The Bank concentrates on loans, buying and selling securities, foreign currency transactions and providing non-cash loans against collateral for commercial activities in practice. Accordingly, net interest income, capital market transaction profits, foreign exchange profits and commission income from non-cash loans have an important place in the Bank's income statement.

**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 30 March 2023, the Bank transferred TL 3.773 to legal reserves and TL 71.682 to retained earnings of the previous year's profit amounting to TL 75.455. 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 4.541 (31 December 2022: TL 768) and consist of the amount transferred from previous years' profits in the current period.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Thousands of Turkish Lira (TL))

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

**V. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)**

The Bank has recognized the actuarial difference amounting to TL (273) arising from the changes in actuarial assumptions used in the calculation of the provision for employment termination benefits (31 December 2022: TL 118) under total comprehensive income.

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

**1. Information on Statement of Cash Flows**

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**

	1 January 2023	1 January 2022
<b>Cash</b>	-	-
Cash on Hands	-	-
Foreign Currencies	-	-
<b>Cash Equivalents</b>	<b>180.196</b>	<b>309.133</b>
CBRT	134.946	-
Banks	45.250	309.133
<b>Total</b>	<b>180.196</b>	<b>309.133</b>

**Cash and cash equivalents at the end of the period**

	31 December 2023	31 December 2022
<b>Cash</b>	<b>1.026</b>	-
Cash on Hands	1.026	-
Foreign Currencies	-	-
<b>Cash Equivalents</b>	<b>132.871</b>	<b>180.196</b>
CBRT	12.229	134.946
Banks	120.642	45.250
<b>Total</b>	<b>133.897</b>	<b>180.196</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(Thousands of Turkish Lira (TL))

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

**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**

**Current Period:**

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	-	-	772.115	211	-	3.502
Closing balance	-	-	2.551.259	300	-	3.598
Interest and commissions income	-	-	317.781	3	22	71

**Prior Period:**

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	211	-	3.502
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	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Derivates						
Beginning balance	-	-	2.677.401	-	-	-
Closing balance	-	-	18.053.982	2.677.401	-	-
Total profit/loss	-	-	113.038	5.059	-	-

3. Securities issued 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	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Securities issued	-	-	-	-	1.085.446	673.196
Interest expense	-	-	-	-	76.307	4.044

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(Thousands of Turkish Lira (TL))

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

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

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

Salaries and benefits paid to the Bank's top management amount to TL 7.444 end of 31 December 2023 (31 December 2022: TL 3.187).

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

	<b>1 January – 31 December 2023</b>	<b>1 January – 31 December 2022</b>
Independent audit fee for the reporting period	3.671	496
Fee for tax advisory services	144	69
Fee for other assurance services	-	-
Fees for services other than independent auditing	-	-
<b>Total</b>	<b>3.815</b>	<b>565</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**  
(Thousands of Turkish Lira (TL))

**SECTION SIX****I. OTHER EXPLANATIONS**

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

	<b>Number of Branches</b>	<b>Number of Employees</b>			
Domestic Branches	1	72			
			<b>Country</b>		
Foreign Representative Offices	-	-	-	<b>Total Assets</b>	<b>Legal Capital</b>
Foreign Branches	-	-	-	-	-
Off-shore Branches	-	-	-	-	-

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

With the board decision dated January 11, 2024 and numbered 10825, BRSA determined the transition date for banks, financial leasing, factoring, financing, savings financing and asset management companies to the application of "TMS 29 Financial Reporting Standard in High Inflation Economies" as January 1, 2025.

**SECTION SEVEN****INDEPENDENT AUDITORS' REPORT****I. EXPLANATIONS ON THE INDEPENDENT AUDITORS' REPORT**

The unconsolidated financial statements of the Bank as of 31 December 2023, have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditors' report dated 11 March 2024 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.