

*(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND  
FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE SECTION 3.1.a)*

**STANDARD CHARTERED  
YATIRIM BANKASI TRK A..**

**Publicly Announced Unconsolidated Financial  
Statements and Related Disclosures Together with  
Independent Auditor’s Limited Review Report At 30  
September 2022**

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**(Convenience Translation of the Independent Auditors' Report Originally Issued in Turkish, See Note I in Section Three)**

## **Review Report on Interim Financial Information**

To the Board of Directors of Standard Chartered Yatırım Bankası Türk A.Ş.

### **Introduction**

We have reviewed the accompanying unconsolidated statements of financial position of Standard Chartered Yatırım Bankası Türk A.Ş. (the "Bank") at 30 September 2022 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the financial information for the nine-month period then ended. The Bank Management is responsible for the preparation and fair presentation of these interim financial information in accordance with the "Banking Regulation and Supervision Agency (BRSA) Accounting and Reporting Legislation" which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and Turkish Accounting Standard 34 "Interim Financial Reporting" principles for those matters not regulated by aforementioned legislations. Our responsibility is to express a conclusion on these interim unconsolidated financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information do not present fairly in all material respects, the unconsolidated financial position of the Bank at 30 September 2022, and its unconsolidated financial performance and its unconsolidated cash flows for the nine-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.



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#### **Report on Other Legal and Regulatory Requirements**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information provided in the interim activity report included in section seven of the accompanying interim financial information is not consistent, in all material respects, with the reviewed interim financial information and explanatory notes.

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

As explained in detail in Note I of Section Three, there are differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Financial Reporting Legislation and the accounting principles generally accepted in countries, in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS"), including non application of IAS 29 Financial Reporting in Hyperinflation Economies. The effect of such differences has not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited



Tolga Özkan, SMMM  
Partner

November 14, 2022  
Istanbul, Turkey

## (CONVENIENT TRANSLATION)

STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş. UNCONSOLIDATED FINANCIAL  
REPORT AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

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The unconsolidated financial report as at and for the nine-month period ended 30 September 2022, prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INTERIM ACTIVITY REPORT

The unconsolidated financial statements and related disclosures and footnotes in auditors' review report 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 guidance and in compliance with the financial records of our Bank. Unless otherwise stated, the accompanying unconsolidated financial report is presented in thousands of Turkish Lira (TL) and has been subjected to review and presented attached.



**Karin FLINSPACH**  
Chairperson of the  
Board of Directors



**Marc Daniel LEAVER**  
Board Member Responsible for Financial Reporting  
and Member of the Audit Committee



**Kaşif ATUN**  
General Manager



**Belma ÖZMEN**  
Member of the Board of Directors and  
Chairperson of the Audit Committee



**Gülin EROL**  
Finance Manager

The authorized contact person for questions on this financial report:

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## **SECTION ONE**

### **GENERAL INFORMATION ABOUT THE BANK**

**I. Bank’s foundation date, start-up status, history about the changes in this mentioned status:**

Standard Chartered Yatırım Bankası Türk A.., (hereinafter referred to as “Standard Chartered Bank” or “the Bank”), was established in accordance with the Law on Encouragement of Foreign Capital (Law No: 6224) on 9 January 1990 upon statement number 7075 issued by the Undersecretariat of the State Planning Organization on 18 August 1989; statement number 57797 issued by the Ministry of State on August 18, 1989 and a statement number 14502 issued by the Cabinet of Ministers on 1 September 1989 in accordance with the articles numbered 4 and 8 of the Banking Law numbered 3182. The Bank acquired Credit Lyonnais İstanbul, Turkey, Central Branch (“Credit Lyonnais” or “Branch”) with all of its asset and liabilities (excluding deposits) on 18 March 2004.

On 28 December 2007, the title of the Bank “Calyon Bank Türk A..” was changed to “Calyon Yatırım Bankası Türk A..”.

After obtaining the approval of the Banking Regulation and Supervision Agency, dated 6 February 2010 for the amendment of articles of association, the title of the Bank has been changed to “Credit Agricole Yatırım Bankası Türk A..” in the Extraordinary General Meeting held on 26 February 2010, which was held as per the decision of the Board of Directors dated 9 December 2009. This change of title has been registered in the Trade Registry Gazette on 8 March 2010 numbered 7516.

In accordance with the Banking Law Article 18 and upon approval from the Banking Regulation and Supervision Agency through its letter dated 19 October 2012 with the number B.02.1.BDK.0.12.00.00.11.01-21 395, the shareholding structure of the Bank was acquired by Standard Chartered Bank and its affiliates on 4 November 2012.

As approved by the Banking Regulation and Supervision Agency statement dated 8 November 2012 B.02.1BDK.0.12.00.0011.1 – No. 22391 and the statement issued by Republic of Turkey Ministry of Customs and Commerce dated 20 November 2012 and numbered B.21.0.İTG.0.03.00.01/431.02-46310-1186464-87507274 and as approved and amended in the Articles of Association of the Bank, its trade name under Article 3 was amended from “Credit Agricole Yatırım Bankası Türk A..” to “Standard Chartered Yatırım Bankası Türk A..”. Such amendment was approved at the Extraordinary Shareholders General Meeting held on 22 November 2012 and was published on Turkish Trade Registry Gazette on 30 November 2012.

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

The paid-in capital of the Bank is TL 40,126. This capital is divided into 40,126,000 registered shares with a nominal value of 1 full TL. The controlling shareholder of the Bank is Standard Chartered Bank Limited.

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**GENERAL INFORMATION ABOUT THE BANK (Continued)**

**III Explanation on the Board of Directors, members of the audit committee, president and executive vice presidents, if available, and the shares of the Bank they possess (if any):**

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
<b>Chairperson of the Board of Directors:</b>	Karin Flinspach	President	Graduate
<b>Vice Chairman:</b>	Folkert Lodewijk Ramon Van Wickevoort Crommelin	Vice President	Undergraduate
<b>Members of Board:</b>	Kaşif Atun	Member and General Manager	Graduate
	Belma Özmen	Member	Undergraduate
	Marc Daniel Leaver (*)	Member of the Board of responsible for Financial Reporting	Undergraduate
<b>Audit Committee:</b>	Belma Özmen	President	Undergraduate
	Marc Daniel Leaver (*)	Member	Undergraduate
<b>General Manager:</b>	Kaşif Atun	General Manager	Graduate

The Bank's chairperson and members of the board of directors, the members of the audit committee, general manager and vice general do not hold any shareholding in the Bank.

(\*): With the decision of our Bank's Board of Directors dated 19/09/2022 and numbered 55/2022, Byung Sung YOON, who served as a Member of the Board of Directors in charge of Financial Reporting and a Member of the Audit Committee of our Bank, and the aforementioned, it was decided to accept his resignation from the committee memberships, to appoint Marc Daniel LEAVER as a Member of the Board of Directors in accordance with Article 363 of the Turkish Commercial Code, and to appoint him as a Member of the Board of Directors in Charge of Financial Reporting and a Member of the Audit Committee.

**IV. Information on shareholders having control shares:**

<u>Name /Commercial title</u>	<u>Share amounts</u>	<u>Share percentage</u>	<u>Paid-in capital</u>	<u>Unpaid portion</u>
Standard Chartered Bank	Partial	99.99%	40,126	-
Standard Chartered Bank UK Holdings Limited	Partial	0.00%	0,00	-
SCMB Overseas Limited	Partial	0.00%	0,00	-
Standard Chartered Africa Limited	Partial	0.00%	0,00	-
Standard Chartered Holdings (International) B.V.	Partial	0.00%	0,00	-
<b>TOTAL</b>	<b>All</b>	<b>100.00%</b>	<b>40,126</b>	<b>-</b>

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

The Bank does not accept client deposits based on its investment bank status. The Bank holds an investment bank licence and operates mainly on Transaction Banking trade financing support and Origination and Client Coverage lending and Treasury services. As of 30 September 2022, the number of employees in the Bank is 30 (31 December 2021: 32).

**VI. Explanations on institutions, which are not subject to the difference between Communique on preparation of Banks' Consolidated Financial Statements and consolidation operations based on TAS, and institutions which are subject to full consolidation or proportional consolidation, reduced from equity or not included in these three methods:**

None.

**VII. Explanations Current or potential, actual or legal obstacles before the immediate transfer of the equity of subsidiaries with the Bank or repayment of debts:**

None.



**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**BALANCE SHEET AS OF 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**SECTION TWO**  
**UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK**

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Note (Section Five)	Reviewed Current Period (30.09.2022)			Audited Prior Period (31.12.2021)		
ASSESTS			TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (NET)		174,520	2,666	177,186	153,046	225	153,271
1.1.	Cash and Cash Equivalents		174,360	2,666	177,026	152,886	225	153,111
1.1.1.	Cash and Balances with Central Bank	(I.1.1.)	65	-	65	72	-	72
1.1.2.	Banks	(I.1.3.)	135,384	2,666	138,050	20,168	225	20,393
1.1.3.	Money Markets	(I.1.1.)	38,911	-	38,911	132,646	-	132,646
1.2.	Financial Assets Measured at Fair Value Through Profit or Loss	(I.1.2.)	-	-	-	-	-	-
1.2.1.	Government Securities		-	-	-	-	-	-
1.2.2.	Equity Securities		-	-	-	-	-	-
1.2.3.	Other Financial Assets		-	-	-	-	-	-
1.3.	Financial Assets Measured at Fair Value Through Other Comprehensive Income	(I.1.5.)	160	-	160	160	-	160
1.3.1.	Government Securities		-	-	-	-	-	-
1.3.2.	Equity Securities		-	-	-	-	-	-
1.3.3.	Other Financial Assets		160	-	160	160	-	160
1.4.	Derivative Financial Assets		-	-	-	-	-	-
1.4.1.	Derivative Financial Assets Measured at Fair Value Through Profit or Loss		-	-	-	-	-	-
1.4.2.	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)	(I.1.6.)	-	-	-	-	-	-
2.1.	Loans	(I.2.)	-	-	-	-	-	-
2.2.	Lease Receivables	(I.1.7.)	-	-	-	-	-	-
2.3.	Factoring Receivables		-	-	-	-	-	-
2.4.	Financial Assets Measured At Amortized Cost		-	-	-	-	-	-
2.4.1	Government Securities		-	-	-	-	-	-
2.4.2	Other Financial Assets		-	-	-	-	-	-
2.5.	Non-Performing Loans	(I.2.10.)	17	-	17	17	-	17
2.6.	Specific Provisions (-)	(I.2.9.)	(17)	-	(17)	(17)	-	(17)
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I.6.)	-	-	-	-	-	-
3.1.	Held for Sale Purpose		-	-	-	-	-	-
3.2.	Related to Discontinued Operations		-	-	-	-	-	-
IV.	EQUITY INVESTMENTS		-	-	-	-	-	-
4.1.	Investments in Associates (Net)	(I.3.1.)	-	-	-	-	-	-
4.1.1.	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2.	Unconsolidated Associates		-	-	-	-	-	-
4.2.	Subsidiaries (Net)	(I.3.2.)	-	-	-	-	-	-
4.2.1.	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2.	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3.	Joint Ventures (Net)	(I.3.3.)	-	-	-	-	-	-
4.3.1.	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2.	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	PROPERTY AND EQUIPMENT (Net)		5,857	-	5,857	5,069	-	5,069
VI.	INTANGIBLE ASSETS (Net)		261	-	261	357	-	357
6.1.	Goodwill		-	-	-	-	-	-
6.2.	Other		261	-	261	357	-	357
VII.	INVESTMENT PROPERTY (Net)	(I.4.)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET		-	-	-	-	-	-
IX.	DEFERRED TAX ASSET	(I.5.)	3,873	-	3,873	2,105	-	2,105
X.	OTHER ASSETS	(I.7.)	4,978	28,792	33,770	306	16,394	16,700
	TOTAL ASSETS		189,489	31,458	220,947	160,883	16,619	177,502

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

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**BALANCE SHEET AS OF 30 SEPTEMBER 2022**

( Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”). )

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Note (Section Five)	Reviewed Current Period (30.09.2022)			Audited Prior Period (31.12.2021)		
LIABILITIES AND EQUITY			TP	FC	Total	TP	FC	Total
I.	DEPOSITS	(II.1.)	-	-	-	-	-	-
II.	FUNDS BORROWED	(II.3.)	-	-	-	-	-	-
III.	MONEY MARKETS		-	-	-	-	-	-
IV.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1.	Bills		-	-	-	-	-	-
4.2.	Asset Backed Securities		-	-	-	-	-	-
4.3.	Bonds		-	-	-	-	-	-
V.	FUNDS		-	-	-	-	-	-
5.1.	Borrower Funds		-	-	-	-	-	-
5.2.	Other		-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	(II.2.)	-	-	-	-	-	-
7.1.	Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	-	-	-	-	-
7.2.	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	FACTORING LIABILITIES		-	-	-	-	-	-
IX.	LEASE LIABILITIES (Net)	(II.5.)	169	-	169	234	-	234
X.	PROVISIONS		20,850	400	21,250	12,916	658	13,574
10.1.	General Provision	(II.7.1.)	2,571	-	2,571	555	-	555
10.2.	Restructuring Provisions		-	-	-	-	-	-
10.3.	Reserve for Employee Benefits	(II.7.5.)	18,279	(400)	18,679	12,361	-	12,361
10.4.	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.5.	Other Provisions		-	-	-	-	658	658
XI.	CURRENT TAX LIABILITY	(II.8.1.)	3,905	-	3,905	9,220	-	9,220
XII.	DEFERRED TAX LIABILITY	(II.8.2.)	-	-	-	-	-	-
XIII.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(II.9.)	-	-	-	-	-	-
13.1.	Held for Sale Purpose		-	-	-	-	-	-
13.2.	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS		-	-	-	-	-	-
14.1.	Loans		-	-	-	-	-	-
14.2.	Other Debt Instruments		-	-	-	-	-	-
XV.	OTHER LIABILITIES	(II.4.)	335	6,210	6,545	810	2,987	3,797
XVI.	SHAREHOLDERS' EQUITY		189,078	-	189,078	150,677	-	150,677
16.1.	Paid-in capital	(II.10.1.)	40,126	-	40,126	40,126	-	40,126
16.2.	Capital Reserves		5,913	-	5,913	5,913	-	5,913
16.2.1.	Share Premium		-	-	-	-	-	-
16.2.2.	Share Cancellation Profits		-	-	-	-	-	-
16.2.3.	Other Capital Reserves		5,913	-	5,913	5,913	-	5,913
16.3.	Accumulated Other Comprehensive Income or Loss that will not be Reclassified to Profit or Loss		(1,025)	-	(1,025)	(38)	-	(38)
16.4.	Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss		-	-	-	-	-	-
16.5.	Profit Reserves		51,718	-	51,718	51,718	-	51,718
16.5.1.	Legal Reserves		9,416	-	9,416	9,416	-	9,416
16.5.2.	Status Reserves		-	-	-	-	-	-
16.5.3.	Extraordinary Reserves		42,302	-	42,302	42,302	-	42,302
16.5.4.	Other Profit Reserves		-	-	-	-	-	-
16.6.	Profit or (Loss)		92,346	-	92,346	52,958	-	52,958
16.6.1.	Prior Periods' Profit or (Loss)		52,468	-	52,468	13,841	-	13,841
16.6.2.	Current Period Profit or (Loss)		39,878	-	39,878	39,117	-	39,117
TOTAL LIABILITIES AND EQUITY			214,337	6,610	220,947	173,857	3,645	177,502

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

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	Note (Section Five)  (III.1.)	Reviewed Current Period (30.09.2022)			Audited Prior Period (31.12.2021)		
		TP	FC	Total	TP	FC	Total
<b>A</b>	<b>OFF-BALANCE SHEET LIABILITIES (I+II+III)</b>	-	-	-	-	-	-
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	-	-	-	-	-	-
1.1.	Letters of Guarantee	-	-	-	-	-	-
1.1.1.	Guarantees Subject to State Tender Law	-	-	-	-	-	-
1.1.2.	Guarantees Given for Foreign Trade Operations	-	-	-	-	-	-
1.1.3.	Other Letters of Guarantee	-	-	-	-	-	-
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.	Purchase Guarantees on Marketable Security Issuance	-	-	-	-	-	-
1.7.	Factoring Guarantees	-	-	-	-	-	-
1.8.	Other Guarantees	-	-	-	-	-	-
1.9.	Other Collaterals	-	-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>	-	-	-	-	-	-
2.1.	Irrevocable Commitments	-	-	-	-	-	-
2.1.1.	Asset Purchase and Sale Commitments	-	-	-	-	-	-
2.1.2.	Deposit Purchase and Sales Commitments	-	-	-	-	-	-
2.1.3.	Share Capital Commitments to Associates and Subsidiaries	-	-	-	-	-	-
2.1.4.	Loan Granting Commitments	-	-	-	-	-	-
2.1.5.	Securities Issue Brokerage Commitments	-	-	-	-	-	-
2.1.6.	Commitments for Reserve Deposit Requirements	-	-	-	-	-	-
2.1.7.	Commitments for Cheques	-	-	-	-	-	-
2.1.8.	Tax and Fund Liabilities from Export Commitments	-	-	-	-	-	-
2.1.9.	Commitments for Credit Card Limits	-	-	-	-	-	-
2.1.10.	Commitments for Credit Cards and Banking Services Promotions	-	-	-	-	-	-
2.1.11.	Receivables from Short Sale Commitments of Marketable Securities	-	-	-	-	-	-
2.1.12.	Payables for Short Sale Commitments of Marketable Securities	-	-	-	-	-	-
2.1.13.	Other Irrevocable Commitments	-	-	-	-	-	-
2.2.	Revocable Commitments	-	-	-	-	-	-
2.2.1.	Revocable Loan Granting Commitments	-	-	-	-	-	-
2.2.2.	Other Revocable Commitments	-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	-	-	-	-	-	-
3.1	Hedging Derivative Financial Instruments	-	-	-	-	-	-
3.1.1	Transactions for Fair Value Hedge	-	-	-	-	-	-
3.1.2	Transactions for Cash Flow Hedge	-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge	-	-	-	-	-	-
3.2	Trading Transactions	-	-	-	-	-	-
3.2.1	Forward Foreign Currency Buy/Sell Transactions	-	-	-	-	-	-
3.2.1.1	Forward Foreign Currency Transactions-Buy	-	-	-	-	-	-
3.2.1.2	Forward Foreign Currency Transactions-Sell	-	-	-	-	-	-
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates	-	-	-	-	-	-
3.2.2.1	Foreign Currency Swap-Buy	-	-	-	-	-	-
3.2.2.2	Foreign Currency Swap-Sell	-	-	-	-	-	-
3.2.2.3	Interest Rate Swap-Buy	-	-	-	-	-	-
3.2.2.4	Interest Rate Swap-Sell	-	-	-	-	-	-
3.2.3	Foreign Currency, Interest rate and Securities Options	-	-	-	-	-	-
3.2.3.1	Foreign Currency Options-Buy	-	-	-	-	-	-
3.2.3.2	Foreign Currency Options-Sell	-	-	-	-	-	-
3.2.3.3	Interest Rate Options-Buy	-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell	-	-	-	-	-	-
3.2.3.5	Securities Options-Buy	-	-	-	-	-	-
3.2.3.6	Securities Options-Sell	-	-	-	-	-	-
3.2.4	Foreign Currency Futures	-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy	-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell	-	-	-	-	-	-
3.2.5	Interest Rate Futures	-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy	-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell	-	-	-	-	-	-
3.2.6	Other	-	-	-	-	-	-
<b>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>	-	-	-	-	-	-
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>	-	-	-	-	-	-
4.1	Customer Fund and Portfolio Balances	-	-	-	-	-	-
4.2	Investment Securities Held in Custody	-	-	-	-	-	-
4.3	Checks Received for Collection	-	-	-	-	-	-
4.4	Commercial Notes Received for Collection	-	-	-	-	-	-
4.5	Other Assets Received for Collection	-	-	-	-	-	-
4.6	Assets Received for Public Offering	-	-	-	-	-	-
4.7	Other Items Under Custody	-	-	-	-	-	-
4.8	Custodians	-	-	-	-	-	-
<b>V.</b>	<b>PLEDGES RECEIVED</b>	-	-	-	-	-	-
5.1	Marketable Securities	-	-	-	-	-	-
5.2	Guarantee Notes	-	-	-	-	-	-
5.3	Commodity	-	-	-	-	-	-
5.4	Warranty	-	-	-	-	-	-
5.5	Immovable	-	-	-	-	-	-
5.6	Other Pledged Items	-	-	-	-	-	-
5.7	Pledged Items-Depository	-	-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>	-	-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>	-	-	-	-	-	-
<b>TOTAL OFF-BALANCE SHEET LIABILITIES (A+B)</b>		-	-	-	-	-	-

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

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

	Note (Section Five)	Limited Reviewed Current Period (01.01.2022- 30.09.2022)	Limited Reviewed Prior Period (01.01.2021- 30.09.2021)	Limited Reviewed Current Period (01.04.2022- 30.07.2022)	Limited Reviewed Prior Period (01.04.2021- 30.07.2021)
<b>STATEMENT OF PROFIT OR LOSS</b>					
<b>INTEREST INCOME</b>		<b>15,243</b>	<b>13,449</b>	<b>5,507</b>	<b>5,054</b>
Interest on Loans		-	-	-	-
Interest on Reserve Requirements		-	-	-	-
Interest on Banks	(IV.1.2.)	11,303	-	4,569	-
Interest on Money Market Transactions	(IV.1.2.)	3,940	13,449	938	5,054
Interest on Marketable Securities Portfolio	(IV.1.3.)	-	-	-	-
Fair Value Through Profit or Loss		-	-	-	-
Fair Value Through Other Comprehensive Income		-	-	-	-
Measured at Amortized Cost		-	-	-	-
Financial Lease Income		-	-	-	-
Other Interest Income		-	-	-	-
<b>INTEREST EXPENSE (-)</b>		<b>29</b>	<b>2</b>	<b>8</b>	
Interest on Deposits	(IV.2.4.)	-	-	-	-
Interest on Funds Borrowed	(IV.2.1.)	-	-	-	-
Interest Expense on Money Market Transactions		-	-	-	-
Interest on Securities Issued	(IV.2.3.)	-	-	-	-
Lease interest expense		29	2	8	-
Other Interest Expenses		-	-	-	-
<b>NET INTEREST INCOME (I - II)</b>		<b>15,214</b>	<b>13,447</b>	<b>5,499</b>	<b>5,054</b>
<b>NET FEES AND COMMISSIONS INCOME</b>		<b>103,273</b>	<b>45,505</b>	<b>19,142</b>	<b>11,866</b>
Fees and Commissions Received		103,317	45,527	19,157	11,873
Non-cash Loans		-	-	-	-
Other		103,317	45,527	19,157	11,873
Fees and Commissions Paid		(44)	(22)	(15)	(7)
Non-cash Loans		-	-	-	-
Other		(44)	(22)	(15)	(7)
<b>DIVIDEND INCOME</b>		<b>259</b>	<b>200</b>	-	-
<b>TRADING INCOME/(LOSS) (Net)</b>		<b>4,738</b>	<b>696</b>	<b>1,818</b>	<b>525</b>
Trading Gains / (Losses) on Securities		-	-	-	-
Gains / (Losses) on Derivative Financial Transactions		-	-	-	-
Foreign Exchange Gains / (Losses)	(IV.3.)	4,738	696	1,818	525
<b>OTHER OPERATING INCOME</b>	(IV.4.)	<b>1,286</b>	<b>812</b>	<b>50</b>	<b>48</b>
<b>GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>124,770</b>	<b>60,660</b>	<b>26,509</b>	<b>17,493</b>
<b>LOAN PROVISIONS (-)</b>	(IV.5.)	<b>2,015</b>	-	<b>(306)</b>	-
<b>PERSONNEL EXPENSE (-)</b>	(IV.6.)	<b>20,657</b>	<b>10,019</b>	<b>8,038</b>	<b>3,565</b>
<b>OTHER OPERATING EXPENSES (-)</b>	(IV.6.)	<b>46,673</b>	<b>23,017</b>	<b>11,817</b>	<b>6,120</b>
<b>NET OPERATING INCOME/(LOSS) (IX-X-XI)</b>		<b>55,425</b>	<b>27,624</b>	<b>6,960</b>	<b>7,808</b>
<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-	-	-
<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-	-	-
<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-	-	-
<b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)</b>	(IV.7.)	<b>55,425</b>	<b>27,624</b>	<b>6,960</b>	<b>7,808</b>
<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>		<b>(15,547)</b>	<b>(7,082)</b>	<b>(1,662)</b>	<b>(1,982)</b>
Current Tax Provision	(IV.8.)	17,068	7,527	2,942	2,101
Deferred Tax Income Effect (+)	(IV.8.)	-	-	(526)	-
Deferred Tax Expense Effect (-)		1,521	445	754	119
<b>CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)</b>	(IV.9.)	<b>39,878</b>	<b>20,542</b>	<b>5,298</b>	<b>5,826</b>
<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
<b>Income from Non-current Assets Held for Sale</b>		-	-	-	-
Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
Income from Other Discontinued Operations		-	-	-	-
<b>EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
<b>Expenses for Non-current Assets Held for Sale</b>		-	-	-	-
Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
Expenses for Other Discontinued Operations		-	-	-	-
<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)</b>		-	-	-	-
<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-	-	-
<b>Current Tax Provision</b>		-	-	-	-
Deferred Tax Expense Effect (+)		-	-	-	-
Deferred Tax Income Effect (-)		-	-	-	-
<b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)</b>		-	-	-	-
<b>NET PROFIT/(LOSS) (XVIII+XXIII)</b>		<b>39,878</b>	<b>20,542</b>	<b>5,298</b>	<b>5,826</b>
Earning/(Loss) per share		0,99382	0,51194	0,13203	0,14519

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

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			Reviewed Current Period (01.01.2022- 30.09.2022)	Reviewed Prior Period (01.01.2021- 30.09.2021)
		Note		
<b>I.</b>	<b>CURRENT PERIOD PROFIT/LOSS</b>		<b>39,878</b>	<b>20,542</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>		<b>(987)</b>	<b>102</b>
<b>2.1.</b>	<b>Other Income/Expense Items not to be Recycled to Profit or Loss</b>		<b>(987)</b>	<b>102</b>
2.1.1.	Revaluation Surplus on Tangible Assets		-	-
2.1.2.	Revaluation Surplus on Intangible Assets		-	-
2.1.3.	Defined Benefit Pension Plan Remeasurement Gain/Loss		(1,295)	136
2.1.4.	Other Comprehensive Income Items Not Reclassified Through Profit or Loss		-	-
2.1.5.	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss		308	(34)
<b>2.2.</b>	<b>Other Income/Expense Items to be Recycled to Profit or Loss</b>		<b>-</b>	<b>-</b>
2.2.1.	Foreign Currency Translation Differences		-	-
2.2.2.	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income		-	-
2.2.3.	Cash Flow Hedge Income/Loss		-	-
2.2.4.	Foreign Net Investment Hedge Income/Loss		-	-
2.2.5.	Other Comprehensive Income Items Reclassified Through Profit or Losses		-	-
2.2.6.	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss		-	-
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>		<b>38,891</b>	<b>20,644</b>

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

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

( Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”). )

	STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Note	Paid-in Capital	Share Premium	Share certificate Cancel profits	Other capital reserves	Other Accumulated Comprehensive Income That Will Not Be Reclassified to Profit or Loss			Other Accumulated Comprehensive Income That Will Be Reclassified to Profit or Loss			Profit Reserves	Prior period net profit/ (loss)	Current period net profit / (loss)	Total
							1	2	3	4	5	6				
	30 September 2022															
<b>I.</b>	<b>Balance at the Beginning of the Period (1 January 2021)</b>		<b>40,126</b>	-	-	<b>5,913</b>	-	<b>185</b>	-	-	-	-	<b>49,828</b>	<b>2,060</b>	<b>15,191</b>	<b>113,303</b>
<b>II.</b>	<b>Adjustment in accordance with TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effect of Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>New balance (I+II)</b>		<b>40,126</b>	-	-	<b>5,913</b>	-	<b>185</b>	-	-	-	-	<b>49,828</b>	<b>2,060</b>	<b>15,191</b>	<b>113,303</b>
<b>IV.</b>	<b>Total comprehensive income (loss)</b>		-	-	-	-	-	<b>(104)</b>	-	-	-	-	-	-	<b>20,542</b>	<b>20,438</b>
<b>V.</b>	<b>Capital increase in cash</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI.</b>	<b>Capital increase through internal reserves</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Issued capital inflation adjustment difference</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	<b>Convertible bonds</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	<b>Subordinated debt</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>	<b>Increase (decrease) through other changes, equity</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI.</b>	<b>Profit distribution</b>		-	-	-	-	-	-	-	-	-	-	<b>1,890</b>	<b>11,781</b>	<b>(15,191)</b>	<b>(1,520)</b>
11.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	(1,520)	-	(1,520)
11.2	Transfers to legal reserves		-	-	-	-	-	-	-	-	-	-	1,890	(1,890)	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	15,191	(15,191)	-
	<b>Balance at the end of the period (30 September 2021)</b>															
	<b>(III+IV+.....+X+XI)</b>		<b>40,126</b>	-	-	<b>5,913</b>	-	<b>81</b>	-	-	-	-	<b>51,718</b>	<b>13,841</b>	<b>20,542</b>	<b>132,221</b>

1. Tangible and Intangible Assets Revaluation Reserve

2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)

4.Exchange Differences on Translation

5 Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income

6.Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

The accompanying notes are an integral part of these financial statements

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

( Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”). )

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY							Other Accumulated Comprehensive Income That Will Not Be Reclassified to Profit or Loss			Other Accumulated Comprehensive Income That Will Be Reclassified to Profit or Loss			Profit Reserves	Prior period net profit/ (loss)	Current period net profit/ (loss)	Total
	Note	Paid-in Capital	Share Premium	Share certificate Cancel profits	Other capital reserves		1	2	3	4	5	6				
<b>30 September 2022</b>																
<b>I. Balance at the Beginning of the Period (1 January 2022)</b>		40,126	-	-	5,913	-	(38)	-	-	-	-	-	51,718	13,841	39,117	150,677
<b>II. Adjustment in accordance with TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New balance (I+II)</b>	(II.10.1)	40,126	-	-	5,913	-	(38)	-	-	-	-	-	51,718	13,841	39,117	150,677
<b>IV. Total comprehensive income (loss)</b>		-	-	-	-	-	(987)	-	-	-	-	-	-	-	39,878	38,891
<b>V. Capital increase in cash</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital increase through internal reserves</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Issued capital inflation adjustment difference</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible bonds</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated debt</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Increase (decrease) through other changes, equity</b>		-	-	-	-	-	-	-	-	-	-	-	-	(490)	-	(490)
<b>XI. Profit distribution</b>		-	-	-	-	-	-	-	-	-	-	-	-	39,117	(39,117)	-
11.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to legal reserves		-	-	-	-	-	-	-	-	-	-	-	-	39,117	(39,117)	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the period (30 September 2022)</b>																
<b>(III+IV+.....+X+XI)</b>		40,126	-	-	5,913	-	(1,025)	-	-	-	-	-	51,718	52,468	39,878	189,078

1. Tangible and Intangible Assets Revaluation Reserve

2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)

4.Exchange Differences on Translation

5 Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income

6.Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

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

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

STATEMENT OF CASH FLOWS		Note (Section Five)	Reviewed Current Period (01.01.2022- 30.09.2022)	Restated Reviewed Prior Period (01.01.2021- 30.09.2021)
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	<b>Operating Profit Before Changes in Operating Assets and Liabilities</b>		<b>31,973</b>	<b>23,490</b>
1.1.1	Interest Received	(IV.1.2)	15,185	13,433
1.1.2	Interest Paid		-	-
1.1.3	Dividend Received		259	200
1.1.4	Fees and Commissions Received	(V.1.)	103,264	45,527
1.1.5	Other Income		96	1,699
1.1.6	Collections from Previously Written-off Loans and Other Receivables		-	-
1.1.7	Payments to Personnel and Service Suppliers		(44,764)	(10,986)
1.1.8	Taxes Paid		(20,835)	(5,394)
1.1.9	Other		(21,232)	(20,989)
<b>1.2</b>	<b>Changes in Operating Assets and Liabilities</b>		<b>(7,840)</b>	<b>7,666</b>
1.2.1	Net (increase) / decrease in Financial Assets at Fair Value Through Profit or Loss		-	-
1.2.2	Net (increase) / decrease in due from banks and other financial institutions		-	-
1.2.3	Net (increase) / decrease in loans		-	-
1.2.4	Net (increase) / decrease in other assets		(17,128)	5,549
1.2.5	Net increase / (decrease) in bank deposits		-	-
1.2.6	Net increase / (decrease) in other deposits		-	-
1.2.7	Net increase / (decrease) in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8	Net increase / (decrease) in funds borrowed		-	-
1.2.9	Net increase / (decrease) in payables		-	-
1.2.10	Net increase / (decrease) in other liabilities		9,288	2,117
<b>I.</b>	<b>Net Cash Provided from Banking Operations</b>		<b>24,133</b>	<b>31,156</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
<b>II.</b>	<b>Net Cash Provided from Investing Activities</b>		<b>(993)</b>	<b>(900)</b>
2.1	Cash paid for acquisition of investments, associates and subsidiaries		-	-
2.2	Cash obtained from disposal of investments, associates and subsidiaries		-	-
2.3	Purchases of property and equipment		(993)	(900)
2.4	Disposals of property and equipment		-	-
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		-	-
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		-	-
2.7	Purchase of Financial Assets Measured at Amortized Cost		-	-
2.8	Sale of Financial Assets Measured at Amortized Cost		-	-
2.9	Other		-	-
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	<b>Net Cash Provided from Financing Activities</b>		<b>-</b>	<b>(1,630)</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3	Issued Equity Instruments		-	-
3.4	Dividends Paid		-	(1,520)
3.5	Payments for Finance Leases		-	(110)
3.6	Other		-	-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>741</b>	<b>93</b>
<b>V.</b>	<b>Net Increase in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>23,881</b>	<b>28,719</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at the Beginning of the Period</b>		<b>153,072</b>	<b>90,965</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the Period</b>	(I.1.1.)	<b>176,953</b>	<b>119,684</b>

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



### **SECTION THREE**

#### **ACCOUNTING POLICIES**

**I. Explanation on basis of presentation:**

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

The Bank prepares its financial statements in accordance with the BRSA Accounting and Reporting Regulation” which includes the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards (“TFRS”) published by the Public Oversight Accounting and Auditing Standards Authority for the matters not regulated by the aforementioned legislations. The format and content of the accompanying unconsolidated financial statements and footnotes have been prepared in accordance with the “Communique on Publicly Announced Financial Statements Explanations and notes to the Financial Statements” and “Communique on Disclosures About Risk Management to be Announced to Public by Banks.

The financial statements have been prepared with historical cost in Turkish Lira (“TL”) except for the financial assets which are carried at fair value. The accompanying unconsolidated financial statements and the explanatory footnotes, unless otherwise indicated, are prepared in thousands of Turkish Lira (“TL”).

The preparation of financial statements in conformity with BRSA Accounting and Financial Reporting Regulations requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made, and the effects of these corrections are reflected to the income statement. It is not expected to have any significant impact on the Bank's accounting policies, financial position and performance from the amendments of TAS and TFRS issued as of the date of the financial statements.

The accounting policies and valuation principles used in the 2022 period are presented in the accompanying notes and the accounting policies and valuation principles are explained in Notes II to XXIII below.

As explained in the decision of BRSA numbered 7650 dated December 21, 2017, in the scope of paragraph (6) of Article 9 of the ‘Regulation on Procedures and Principles for the Classification of Loans and the Provisions to be Forwarded’ which entered into force as of 1 January 2018, it is permitted for the Bank to provide provisions in accordance with Articles 10, 11, 13 and 15 of the Regulation instead of TFRS 9. On the other hand, if the transaction volume and diversity of the Bank increase in the following periods, provision should be provided in accordance with TFRS 9 to the loans. Aforementioned exception is only related with provisions.

Since January 2022, the tension between Russia and Ukraine has turned into a crisis and a hot conflict. The Bank does not carry out any activities in the two countries that are subject to the crisis. Considering the geographies in which the Bank operates, the economic effects of the crisis are closely followed by the Bank and are taken into account while preparing its financial statements using the best estimation method.

**Additional paragraph for convenience translation to English**

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) including non-application of IAS 29 Financial Reporting in Hyperinflation Economies have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**ACCOUNTING POLICIES (Continued)**

**I. Explanation on basis of presentation (continued):**

**b. Explanation on accounting principles adopted in the preparation of the financial statements and valuation methods:**

The accounting policies and valuation methods applied in the presentation of these financial statements are in accordance with the TFRS. These valuation methods are explained in Notes II to XXIII.

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

**c. Explanation on accounting principles adopted in the preparation of valuation methods:**

The accounting policies applied in the presentation of these financial statements are in accordance with the TFRS. These accounting policies are explained in Notes II to XXIII.

**II. Explanations on strategy of using financial instruments and explanations on foreign currency transactions:**

Services have been decreased and on and off-balance sheet exposures have been minimized since 2012. The Bank did not grant any new corporate banking loans in current period and prior period. As a result, the credit, market and liquidity risks are at minimum as at 30 September 2022. The Bank's main activity is intra-group advisory services. Bank gives advisory services to Standard Chartered local and foreign subsidiaries for loan granting to companies located in Turkey or their subsidiaries abroad.

At 30 September 2022, all of the monetary assets and liabilities denominated in foreign currency were converted into Turkish Lira using the following foreign exchange rates: USD 18,5187 TL, EUR 18,1395 TL (31 December 2021: USD 13.3290 TL, EUR 15.0867 TL).

**III. Explanations on forward transactions, options and derivative instruments:**

As of 30 September 2022, and 31 December 2021, the Bank does not have any derivative transactions that are recognized as at fair value through profit or loss.

**ACCOUNTING POLICIES (Continued)****IV. Explanations on interest income and expense:**

Interest income is recorded according to the effective interest rate method (rate equal to net present value of future cash flows or financial assets and liabilities) defined in the TFRS 9 "Financial Instruments" standard by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. If the financial asset is impaired and classified as a non-performing receivable, the Bank applies the effective interest rate on the amortized cost of the asset for subsequent reporting periods. Such interest income calculation is made on an individual contract basis for all financial assets subject to impairment calculation. It is used effective interest rate during calculation of loss given default rate in expected credit loss models and accordingly, the calculation of expected credit losses includes an interest amount. Therefore, a reclassification is made between the accounts of "Expected Credit Losses" and "Interest Income from Loans" for calculated amount. If the credit risk of the financial instrument improves to the extent that the financial asset is no longer considered as impaired and the improvement can be attributed to an incident that eventually takes place (such as an increase in the loan's credit rating), interest income at subsequent reporting periods are calculated by applying the effective interest rate to the gross amount. Interest income and expenses are recognized in the income statement for all interest-bearing instruments on an accrual basis using the effective interest method (the rate that equalizes the future cash flows of financial assets and liabilities to the current net book value).

**V. Explanations on fee and commission income and expenses:**

All fees and commissions income/expenses are recognized on an accrual basis, except from certain commission income and fees from various banking services which are recorded as income at the time of collection. Fees and commissions expenses paid to the other institutions are recognized as operational costs and recorded by using the effective interest method. Contract based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection. Commissions earned from loans where the Bank acts as an intermediary is recorded as income at the end of each month on an accrual basis.

The Bank measures and accounts commission income from its advisory services in accordance with TFRS 15 'Revenue' standard. The Bank takes into account the terms and conditions of the service agreement signed with the parent company in order to determine the transaction price. The amount of commission income to be collected by the Bank is calculated on the basis of TL cost and the portion exceeding the determined amount is considered as USD variable cost. While the Bank assesses whether it is probable that there will be no significant reversal in the amount of cumulative revenue recorded in the financial statements when the uncertainty regarding the cost disappears, the Bank considers both the probability and the magnitude of the revenue reversal. In addition, the collection amounts realized after the balance sheet date are considered as events requiring adjustment after balance sheet date and relevant corrections are made. At the end of each calculation period, the Bank updates the estimated transaction price (including updating its assessment of whether a variable price estimate is limited) to accurately reflect the current conditions at the end of the period and the changes in conditions throughout the period. Income accruals are recognized in "Other Assets" line in the statement of financial position, the income and expense amount arising from these receivables are recognized in "Other Operating Income" and "Other Operating Expenses" respectively.

**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 January 19, 2017 by the Public Oversight Accounting and Auditing Standards Authority. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

As per TFRS 9, the Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

**ACCOUNTING POLICIES (Continued)**

**VI. Explanations on financial assets (continued):**

In order to assess whether the element provides consideration for only the passage of time, an entity applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. When the contractual conditions are exposed to the risks which are not consistent with the basic lending arrangement or variability of cash flows, the relevant financial asset is measured at fair value through profit or loss. The bank tests all financial assets within the scope of TFRS 9 "whether the contractual cash flows arise solely from interest and capitals" and assessed the asset classification within the business model.

**Measurement categories of financial assets and liabilities**

Financial assets are classified compliance with TFRS 9 in four main categories as listed below:

- Financial assets measured at fair value through profit/loss,
- Financial assets measured at fair value through other comprehensive income,
- Loans,
- Financial assets measured at amortized cost.

**a) Financial assets at fair value through profit or loss:**

Financial assets at fair value through profit or loss are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement

Equity securities, which are classified as financial assets measured at fair value through profit or measured are carried at fair value.

As of 30 September 2022, and 31 December 2021, the Bank has no financial assets at fair value through profit or loss.

**ACCOUNTING POLICIES (Continued)**

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

**b) Financial assets at fair value through other comprehensive income:**

Financial Assets Measured at Fair Value Through Other Comprehensive Income occur from assets other than “Loans”, “Financial Assets Measured at Amortized Cost” and financial assets that are not derivative financial instruments. Financial Assets Measured at Fair Value Through Other Comprehensive Income are recorded along with the transaction costs directly related to the acquisition costs are recorded along with values from transaction costs directly related to the acquisition costs.

Financial assets at fair value through other comprehensive income are remeasured at fair value after the recognition. Interest income calculated with effective interest rate method arising from debt securities at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

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

As of 30 September 2022, Bank have financial assets at fair value through other comprehensive income TL 160 (31 December 2021: TL 160).

**c) Loans:**

Loans are financial assets that are non-derivative financial instruments and cannot be identified, at fair value through profit / loss or at fair value through other comprehensive income, have fixed or determinable payments and are not quoted in an active market. Loans are recognized initially at fair value that reflects the transaction costs of the acquisition cost value and subsequently recognized by the addition of the “Effective interest rate (internal rate of return) method” are measured at amortized cost. Assets received as collateral and other similar expenses incurred for the transaction costs and expenses are not considered as part of the accounts.

TFRS 9 “Financial Instruments” Standard, issued by POA in January 2017, while changing amendments to the existing guidance in TAS 39 “Financial Instruments: Recognition and Measurement”, the accounting, classification, measurement and off-balance sheet applications of TAS 39 has been transferred to TFRS 9. The latest version of TFRS 9 includes guidance on the application of a new expected credit loss model for the calculation of impairment on financial assets, as well as guidance on previous release versions of TFRS 9, including updated practices on new general hedge accounting requirements. TFRS 9 entered into force on 1 January 2018. In this context, banks have been required to apply TFRS 9 as of 1 January 2018 with the “Regulation on Procedures and Principles for Classification of Loans and Provisions to be set Aside” published in the Official Gazette dated 22 June 2016 and numbered 29750.

**ACCOUNTING POLICIES (Continued):**

**VI. Explanations on financial assets (continued):**

**c) Loans (Continued)**

The Bank is allowed to allocate provisions in accordance with the 10th, 11th, 13th and 15th articles of the Regulation instead of TFRS 9 with the BRSA's decision No. 7650 dated 21 December 2017.

In accordance with the Bank's management's evaluations and estimates, if the possibility of collecting any loan becomes limited or suspicious, and / or for the non-performing loans, published in the Official Gazette dated 22 June 2016 and numbered 29750, the principles and procedures for the classification of loans and the provisions to be set aside by taking into account the Regulation, it sets a special and general provision. Reserves are deducted from the income of that year. Receivables for which provision is provided in the previous periods are deducted from the provisions account when they are collected and reflected in "Other Operating Income" account. In the same year, when receivables are allocated, provisions are deducted from Provision for Loans. Uncollectible receivables are derecognized from the records after all legal procedures are completed.

**d) Financial assets measured at amortized cost:**

Financial assets measured at amortized cost are assets that are not classified under "loans" with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity; initially recognized at transaction prices at acquisition and not defined as financial assets at fair value through other comprehensive income or derivative financial assets. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using "effective interest rate" method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

There are no financial assets that were previously classified as financial assets measured at amortized cost but cannot be subject to this classification for two years due to the violation of classification principles.

As of 30 September 2022, and 31 December 2021, the Bank does not have any financial assets measured at amortized cost.

**VII. Explanations on impairment on financial assets:**

The impairment on financial assets are evaluated whose indicators are carried at fair value in every balance sheet period. If there is any assets which are not carried at fair value, its provisions should be made as explained below.

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the "effective interest method", or the fair value if one exists is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and is charged against the income for the year.

The principles regarding the accounting of provisions of loans and receivables are explained in detail in Note VI of Section Three.

**VIII. Explanations on offsetting financial instruments:**

Financial assets and liabilities are included in this balance sheet if the Bank has a legal right and sanction power for netting and has an intention to collect / pay the related financial asset and liability over their net amount or realizing and paying the related financial asset and debt simultaneously. shown over their net amount.

**ACCOUNTING POLICIES (Continued):**

**IX. Explanations on sales and repurchase agreements and securities lending transactions:**

Securities subject to repurchase agreements (“Repo”) are classified as “Fair value difference through profit or loss”, “Financial Assets at Fair Value Through Other Comprehensive Income” and “Financial Assets Measured at *Amortized Cost*” according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under “Funds Provided under Repurchase Agreements” in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the “effective interest method”.

Funds given against securities purchased under agreements (“Reverse Repo”) to resell are accounted under “Receivables from Reverse Repurchase Agreements” on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the “effective interest method”. The Bank has no securities lending transactions.

**X. Explanation on assets held for resale, discontinued operations and liabilities related with these assets:**

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing loans and receivables and are accounted in the financial statements in accordance with the regulations of “Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations (TFRS 5)”.

The assets that meet the criteria of being classified under assets held for sale are measured at the lower of their book values or fair value less costs to be incurred for sale, depreciation for these assets is ceased and these assets are presented separately in the balance sheet. In order for an asset to be classified as an asset held for sale, the related asset (or the asset group to be disposed) shall be ready to be sold immediately under usual conditions and should have a high possibility to be sold. To have a high possibility of sale, a plan should have been made for the sale of the asset (or the asset group to be disposed) and an active program should have been started by the management, aiming to complete the plan and determine the buyers.

The properties obtained from the Group’s receivables are shown at the fixed assets held for sale line according to the execution of the forward sales agreement. A discontinued operation is a part of an entity which is classified as to be disposed or held for sale. The results related to discontinuing operations are presented separately in the income statement.

**XI. Explanations on goodwill and other intangible assets:**

The intangible assets are classified by adding their direct cost and production costs. After recognizing their cost, intangible assets are recorded by the value which is calculated over the deducting accumulated depreciation and provision for value decrease.

Other intangible assets are amortized using the straight-line method over the approximate useful lives of the related assets. The useful life is five years for other intangible assets which are mainly software programs. The useful life of the asset is determined by assessing the expected useful time of the asset, technical, technological and other types of worn-out and all required maintenance expenses done to utilize the economic benefit from the asset.

The Bank does not have any goodwill as at 30 September 2022 and 31 December 2021.

**ACCOUNTING POLICIES (Continued):****XII. Explanations on property and equipment:**

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

Depreciation is calculated over of the cost of property and equipment using the straight-line method based on expected useful lives. The expected useful lives are stated below:

Buildings	50 years
Vehicles (Leasing Assets)	3 years
Other	3-15 years

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

On the case of where cost of tangible assets is higher than “net realizable value”, value of the asset is reduced to “net realizable value” and impairment loss provision is associated with expense accounts.

Gains and losses on the disposal of tangible assets are determined by deducting the net book value of tangible assets from its sales revenue.

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

There are no pledge, mortgage and other measures or commitments related to the purchase, or another issue that limits their usage rights on tangible assets.

**XII. Explanations on property and equipment:**

The Bank does not expect any changes in accounting estimations, or changes in subsequent period, that have significant impact related to tangible assets.

Investment property is kind of property which is held by the Bank to earn rent. These are listed in the attached financial statements at acquisition costs less accumulated amortization and impairment provisions. Depreciation is calculated over of the cost of property and equipment using the straight-line method based on expected useful lives.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, and direct costs paid by lessee in the beginning.

After the commencement date, the Bank measures the right-of-use asset applying a cost model. To apply the cost model, the Bank measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability.

While assets that are considered as right-of-use assets in tangible fixed assets are subject to depreciation, depreciation are applied within the scope of TAS 16 Tangible Assets standard.

As of 30 September 2022, and 31 December 2021, there is no investment property in the financial statements.



**ACCOUNTING POLICIES (Continued)**

**XIII. Explanations on leasing transactions:**

In accordance with the "TFRS 16 Leases" Standard assets acquired under finance lease agreements are capitalized at the inception of the lease at the "lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a "Provision for value decrease" has been recognized. Liabilities arising from the leasing transactions are included in "Financial lease payables" on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Bank does not have any leasing transactions as lessor.

The amount of the lease to the financial statement, measurement and presentation of the leases is shown in the gross balance of the balance sheet as equal to the total of all cash payments under the contract and netted with the interest expense arising from the contract. The right of use arising from leasing transactions is capitalized on the date when the leasing is commenced by measuring the present value of the lease payments that have not been paid at that date. In this measurement, the alternative borrowing interest rate given by the Asset Liability Management Department is used if it can be easily determined. During the first application, the Bank has recorded a lease obligation as an operating lease. These liabilities are measured at the present value of the remaining lease payments discounted using the Bank's average borrowing rate.

"TFRS 16 Leases" Standard published by Public Oversight Accounting and Auditing Standards Authority ("POA") in the Official Gazette numbered 29826 dated 16 April 2018 starting from 1 January 2019. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The purpose of the standard is to ensure that the lessees and lessors present these transactions in a truthful way and provide the information appropriate to the need. This information constitutes the basis for the evaluation of the effects of leases on the financial position, financial performance and cash flows of the financial statement users. With the "TFRS 16 Leases" Standard effective as of 1 January 2019, the difference between operating lease and financial leasing has disappeared, and leasing transactions are terminated by lessees as "Property and equipment" in assets (right-of-use assets) and Liabilities from the transactions has started to be shown under the item as "Lease Liabilities". The Bank started to apply the Standard as of 1 January 2019. The Bank applied TFRS 16 with a simplified approach and did not restate the previous year. The mentioned standard has a transition effect amounting to TL 1,389 in "tangible assets" item and the "lease liability" item in the Bank's financial statements. As of September 30, 2022, the Bank recognized right of use asset classified under tangible assets amounting to TL 768, lease liability amounting to TL 196, and amortization expenses amounting to TL 621.

**ACCOUNTING POLICIES (Continued)**

**XIII. Explanations on leasing transactions (continued):**

The Bank has applied TFRS 16 with a simplified retrospective approach. The new accounting policies of the Bank regarding to application TFRS 16 are stated below:

**Right-of-use assets**

The Bank recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes:

- (a) the amount of lease liabilities recognized,
- (b) lease payments made at or before the commencement date less any lease incentives received and
- (c) initial direct costs incurred.

Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

**Lease Liabilities**

At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include;

- a) fixed payments (including in-substance fixed payments) less any lease incentives receivable,
- b) variable lease payments that depend on an index or a rate,
- c) amounts expected to be paid under residual value guarantees.
- d) the exercise price of a purchase option reasonably certain to be exercised by the Company / the Group and payments of penalties for terminating a lease,
- e) if the lease term reflects the Company / the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company / the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the effective date of the lease, the Bank measures the lease obligation as follows:

- a) The book value is increased to reflect the accretion of interest of lease liabilities,
- b) The book value is reduced to reflect the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Bank applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

**ACCOUNTING POLICIES (Continued)**

**XIV. Explanations on provisions and contingent liabilities:**

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

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

**XV. Explanations on contingent assets:**

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.

**XVI. Explanations on obligations related to the employee rights:**

**a) Defined benefit plans:**

Under the Turkish Labor Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated due to reasons other than those specified in the Turkish Labor Law. The reserve for employment termination benefits represents the present value of the estimated total future probable obligation of the Bank arising from the retirement of all employees in accordance with the Turkish Labor Law, the termination of the employment without due cause who has completed at least one year of service, military service obligation and death. The reserve for employment termination benefit has been calculated and recognized in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) in the financial statements. In accordance with the amendment in the TAS 19, effective from 1 January 2015, the actuarial gains/(losses) related to employee benefits are recognized under equity other profit reserves.

**b) Defined contribution plans:**

The Bank shall pay contributions to the Social Security Institution (Institution) on behalf of its employees at the amounts determined by the law. Other than the contributions being paid, the Bank is not liable to pay any amount to its employees or the Institution. These premiums are charged to personnel expenses in the period when they accrue.

**c) Short term benefits for employees:**

The liabilities arising from the vacation payments defined as “short-term benefits provided to employees” within the framework of TAS 19 shall be accrued in the period when they are granted, and they shall not be discounted. Within the scope of “TAS 19-Employee Benefits”, the Bank allocates to rights obligations for employee benefits.

**ACCOUNTING POLICIES (Continued)**

**XVII. Explanations on taxation:**

**a) Current tax:**

The Bank is subject to the tax legislation and practices in force in Turkey.

While corporate earnings are subject to corporate tax at the rate of 20% in Turkey; in accordance with the regulation introduced by the Law No. 7316 on the "Procedure for Collection of Public Receivables and the Law Amending Some Laws", this rate has been determined to be applied as 25% for the corporate earnings for the taxation periods of 2021 and as 23% for the corporate earnings for the taxation periods of 2022. However, as per the Article 26 of the Law No. 7394 on the "Law on Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law" and as per added first sentence to the temporary Article 13 of the Law No. 5520 on the "Corporate Tax Law" published in the Official Gazette No. 31810 dated 15 April 2022, the corporate tax rate will be applied as 25% for the corporate earnings for the taxation period of 2022. Therefore, in the second quarter and subsequent periods of 2022, the tax rate to be applied to the cumulative earnings is taken into account as 25%.

Corporate tax rate is applied to tax base which is calculated by adding certain non-deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and other deductions on accounting income. If there is no dividend distribution, no further tax charges are made.

Advance tax is declared by the 14th day and paid by the 17th day of the second month following each calendar quarter end regard to 25% of the financial income. Advance tax paid during current period will be offset from the following year's calculated corporation tax. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

Within the framework of the provisions of the Corporate Tax Law No. 5520, the profits arising from the sale of participation shares and immovables in the assets of the institutions for a minimum of 2 full years which is provided that they are added to the capital as stipulated in the Law or kept in a special fund account in liabilities for 5 years and the real estate acquired by the banks due to receivables and 75% of the gains arising from the sale of participation shares are exempt from tax; Article 89/a of the Law No. 7061, which came into force after being published in the Official Gazette dated 05 December 2017 and numbered 30261, and Articles 5.1.e and 5.1.f of the Corporate Tax Law, were applied at a rate of 75% in terms of the abovementioned real estate sales. The exception has been reduced to 50%, effective from the date of publication of the Law.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. However, losses cannot be off settled from retained earnings.

Tax returns are required to be filled and delivered to the related tax office until the last day of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings. Current tax related to items recognized directly in equity is also credited or charged directly to equity.

As of 30 September 2022, 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/A 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. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, will not be subject to inflation adjustment, and for the 2023 accounting period; will not be subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 will be 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 will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

**ACCOUNTING POLICIES (Continued)**

**XVII. Explanations on taxation (Continued):**

**b) Deferred tax:**

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Turkish Accounting Standard for Income Taxes” (“TAS 12”). In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date. In accordance with the Law No. 5520 published in the Official Gazette no. 31810 and dated 15 April 2022, the corporate tax rate has been applied as 25%. As of 30 September 2022, the Bank has calculated deferred tax at the rates of 25% for assets and liabilities.

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. Deferred tax asset is not provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

The calculated deferred tax asset and deferred tax liability are presented as net off in financial statements.

Deferred tax related to items recognized directly in equity is also credited or charged directly to equity.

**c) Transfer Pricing**

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of “Disguised Profit Distribution by Way of Transfer Pricing”. “The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing” was published on 18 November 2007, explains the application related issues on this topic. According to this communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm’s length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes. As stated in the “7.1 Annual Documentation” section of this communiqué, the taxpayers are required to fill out the “Transfer Pricing, Controlled Foreign Entities and Thin Capitalization” form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

**XVIII. Explanations on borrowings:**

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

**XIX. Explanations on issuance of share certificates:**

Transaction costs regarding the issuance of share certificates are accounted under shareholders’ equity after eliminating the tax effects.

The Bank does not have any share certificates issued as of 30 September 2022 and 31 December 2021.

**XX. Explanations on drafts and acceptances:**

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

**XXI. Explanations on government incentives:**

As of 30 September 2022 and 31 December 2021, the Bank has no government incentives.

**XXII. Explanations on segment reporting:**

An operating segment is a component of an entity:

- a. that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- b. whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- c. for which discrete financial information is available.

Information about operating segments is disclosed in Note VII of Section Four.

**XXIII. Explanations on classifications:**

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated. The unconsolidated financial statements of the Bank are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends. In order to comply with the presentation of the current period unconsolidated financial statements, comparative information is rearranged when deemed necessary.

As of 31 December 2021, the Bank's intra-group commission income, which was previously classified under "Other Operating Income", has been classified under "Fees and Commissions Received". In order to comply with the presentation of the current period financial statements, the Bank has restated the profit or loss statement as of 30 September 2021 and the cash flow statement.

**XXIV. Explanations on other matters:**

The Bank transferred its 2021 profits to previous years' profits.

**Profit reserves and profit distribution:**

Legal reserves consist of first and second reserves as prescribed in the Turkish Commercial Code ("TCC"). The Turkish Commercial Code stipulates that the first legal reserve should be divided by 5% from the profit up to 20% of the total paid capital. The second legal reserve is appropriated at the rate of 10% on all cash dividend distributions in excess of 5% of the paid-in capital. Holding companies are not subject to this practice. Under the provisions of the Turkish Commercial Code, the legal reserves can only be used to cover losses and are not available for profit distribution unless they exceed 50% of the paid-in capital.

**Comparative information and classifications**

Significant changes in accounting policies are applied retrospectively and previous period financial statements are rearranged. The unconsolidated financial statements of the Bank are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. Comparative information is rearranged when necessary in order to comply with the presentation of the current period unconsolidated financial statements.

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**SECTION FOUR**

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK**

**I. Explanation on equity:**

Total capital amount is calculated pursuant to “Regulation on Equity of Banks” and capital adequacy ratios are calculated pursuant to “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”. As of 30 September 2022, capital adequacy standard ratio calculated based on “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” is 87.33% and above the minimum rate specified in the relevant legislation (31 December 2021:109.78%).

Within the scope of the measures announced by the BRSA on 28 April 2022 and 21 December 2021, the amount subject to credit risk shall be calculated by using the 31 December 2021 dated Central Bank's foreign exchange buying rates and negative revaluation differences of the securities classified under “Financial Assets Measured at Fair Value through Other Comprehensive Income” are not included in capital calculation. The Bank did not use this measure in its capital adequacy standard ratio calculation.

	<b>Current Period 30 September 2022</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>	
Paid-in capital following all debts in terms of claim in liquidation of the Bank	40,126
Share issue premiums	-
Reserves	51,718
Gains recognized in equity as per TAS	4,888
Profit	116,103
Current Period Profit	39,878
Prior Period Profit	76,225
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be movable within profit for the period	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>212,835</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	<b>-</b>
Common Equity as per the 1 <sup>st</sup> clause of Provisional Article 9 of the Regulation on the Equity of Banks	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	23,757
Improvement costs for operating leasing	-
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	261
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3,873
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-
Gains arising from securitization transactions	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined-benefit pension fund net assets	-
Direct and indirect investments of the Bank in its own Common Equity	-
Shares obtained contrary to the 4 <sup>th</sup> 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 exceeding 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 exceeding 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	-
Amount 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 due to insufficient Additional Tier I Capital or Tier II Capital	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>27,891</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>184,944</b>

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**I. Explanation on equity (continued):**

<b>Additional Tier I Capital</b>	-
<b>Preferred Stock not Included in Common Equity and the Related Share Premiums</b>	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-
Additional Tier I Capital before Deductions	-
<b>Deductions from Additional Tier I Capital</b>	-
<b>Direct and indirect investments of the Bank in its own Additional Tier I Capital</b>	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
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>Transition from the Core Capital to Continue to deduce Components</b>	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<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 + Additional Tier I Capital)</b>	<b>184,944</b>
<b>TIER II CAPITAL</b>	-
Debt instruments and share issue premiums deemed suitable by the BRSA	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	665
<b>Tier II Capital Before Deductions</b>	<b>665</b>
<b>Deductions From Tier II Capital</b>	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-
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 exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Other items to be defined by the BRSA (-)	-
<b>Total Deductions from Tier II Capital</b>	-
<b>Total Tier II Capital</b>	<b>665</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>185,609</b>
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-
Net Book Values of Movables and Immovables 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>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-



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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)****I. Explanation on equity (continued):**

<b>TOTAL CAPITAL</b>	
Total Capital	185,609
Total risk weighted amounts	212,548
<b>CAPITAL ADEQUACY RATIOS</b>	
Tier 1 Capital Adequacy Ratio	87,01
Core Capital Adequacy Ratio	87,01
Capital Adequacy Ratio	87,33
<b>BUFFERS</b>	
Total buffer requirement	2,50
Capital conservation buffer requirement (%)	2,50
Bank specific counter-cyclical buffer requirement (%)	-
Systemic significant bank buffer ratio (%)	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	79,01
<b>Amounts below the Excess Limits as per the Deduction Principles</b>	
Portion of the total of net long positions of 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	-
Portion of the total of 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	-
Other intangibles other than mortgage-servicing rights	-
Amount arising from deferred tax assets based on temporary differences	-
<b>Limits related to provisions considered in Tier II calculation</b>	
General provisions for standard based receivables (before ten thousand twenty-five limitation)	2,571
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	665
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

(\*) Amounts considered within transition provisions

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**I. Explanation on equity (continued):**

The equity is calculated on the capital adequacy ratio calculation basis having reduced deductible assets on equity from the sum of core capital and supplementary capital within the scope of "Regulation on Equities of Banks" (Regulation).

	<b>31 December 2021</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>	
Paid-in capital following all debts in terms of claim in liquidation of the Bank	40,126
Share issue premiums	-
Reserves	51,718
Gains recognized in equity as per TAS	5,875
Profit	76,715
Current Period Profit	39,117
Prior Period Profit	37,598
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be movable within profit for the period	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>174,434</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	<b>-</b>
Common Equity as per the 1 <sup>st</sup> clause of Provisional Article 9 of the Regulation on the Equity of Banks	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	23,757
Improvement costs for operating leasing	-
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	357
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,105
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-
Gains arising from securitization transactions	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined-benefit pension fund net assets	-
Direct and indirect investments of the Bank in its own Common Equity	-
Shares obtained contrary to the 4 <sup>th</sup> 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 exceeding 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 exceeding 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	-
Amount 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	-
<b>Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital</b>	<b>-</b>
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>26,219</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>148,215</b>

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)****I. Explanation on equity (continued):**

<b>Additional Tier I Capital</b>	
<b>Preferred Stock not Included in Common Equity and the Related Share Premiums</b>	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-
<b>Deductions from Additional Tier I Capital</b>	-
<b>Direct and indirect investments of the Bank in its own Additional Tier I Capital</b>	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
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>Transition from the Core Capital to Continue to deduce Components</b>	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<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 + Additional Tier I Capital)</b>	<b>148,215</b>
<b>TIER II CAPITAL</b>	
Debt instruments and share issue premiums deemed suitable by the BRSA	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	227
<b>Tier II Capital Before Deductions</b>	<b>227</b>
<b>Deductions From Tier II Capital</b>	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-
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 exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Other items to be defined by the BRSA (-)	-
<b>Total Deductions From Tier II Capital</b>	-
<b>Total Tier II Capital</b>	<b>227</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>148,442</b>
<b>The sum of Tier I Capital and Tier II Capital (Total Capital)</b>	-
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-
Net Book Values of Movables and Immovables 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>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)****I. Explanation on equity (continued):**

<b>TOTAL CAPITAL</b>	
Total Capital	148,442
Total risk weighted amounts	135,215
<b>CAPITAL ADEQUACY RATIOS</b>	
Tier I Capital Adequacy Ratio	109,62
Core Capital Adequacy Ratio	109,62
Capital Adequacy Ratio	109,78
<b>BUFFERS</b>	
Total buffer requirement(a+b+c)	2,50
a) Capital conservation buffer requirement (%)	2,50
b) Bank specific counter-cyclical buffer requirement (%)	-
c) Systemically important bank buffer rate (%)**	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	101,61
<b>Amounts below the Excess Limits as per the Deduction Principles</b>	
Portion of the total of net long positions of 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	-
Portion of the total of 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	-
Other intangibles other than mortgage-servicing rights	-
Amount arising from deferred tax assets based on temporary differences	-
<b>Limits related to provisions considered in Tier II calculation</b>	
General provisions for standard based receivables (before ten thousand twenty-five limitation)	555
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	227
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

\* Amounts to be considered within the scope of transitional provisions

\*\* Consolidated financial transactions within the scope of the 4th paragraph of Article 4 of the Regulation on Systemically Important Banks only

It will be filled by systemically important banks that do not have the obligation to prepare tables and will be reported as zero by other banks.

**Explanations on borrowing instruments to be included in equity calculation:**

None.

**Explanations on reconciliation of equity items and balance sheet amounts:**

The principal difference between the equity amount in the statement of shareholders' equity and the shareholders' equity the unconsolidated balance sheet is related to the general provisions. The portion of general provisions up to 1.25% of the amount subject to credit risk is considered as Contribution Capital in the calculation of the Equity amount given in the statement of shareholders' equity. In the balance sheet, intangible assets and deferred tax liabilities are taken into consideration in the calculation of Equity as values to be deducted from capital

**STANDARD CHARTERED YATIRIM BANKASI TRK A..**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**II EXPLANATIONS ON CURRENCY RISK:**

The Bank does not carry structural foreign currency risk. The board of directors has set limits for positions monitored on a daily basis. Foreign currency risk is monitored whether it is within regulatory limits. The Bank's spot foreign exchange bid rates as of the date of the financial statements and for the five days prior to that date are as follows:

	<u>USD</u>	<u>EUR</u>
<b>Balance Sheet Evaluation Rate (30 September 2022):</b>	<b>18.5187</b>	<b>18.1395</b>
As of 29 September 2022	18.5038	17.9232
As of 28 September 2022	18.4862	17.6711
As of 27 September 2022	18.4509	17.7719
As of 26 September 2022	18.4266	17.7909
As of 23 September 2022	18.3702	17.9431

The simple arithmetical average of the Bank's foreign exchange bid rates for the last thirty days are TL 18.2872 for 1 US dollar and TL 18.1391 for 1 EUR.

As of 31 December 2021;

	<u>USD</u>	<u>EUR</u>
<b>Balance Sheet Evaluation Rate</b>	<b>13.3290</b>	<b>15.0867</b>

<b>30 September 2022</b>	<b>EUR</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-	-
Banks	14	2,640	12	2,666
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	-
Loans	-	-	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Net)	-	-	-	-
Financial Assets Measured at Amortized Cost (Net)	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets (Net)	-	-	-	-
Intangible Assets (Net)	-	-	-	-
Other Assets	-	28,792	-	28,792
<b>Total Assets</b>	<b>14</b>	<b>31,432</b>	<b>12</b>	<b>31,458</b>
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds From Interbank Money Market	-	-	-	-
Borrowings	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-
Miscellaneous Payables	-	-	-	-
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	-	6,610	-	6,610
<b>Total Liabilities</b>	<b>-</b>	<b>6,610</b>	<b>-</b>	<b>6,610</b>
<b>Net On-balance Sheet Position</b>	<b>14</b>	<b>24,822</b>	<b>12</b>	<b>24,848</b>
<b>Net Off-balance Sheet Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
<b>Non-Cash Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**
**II EXPLANATIONS ON CURRENCY RISK (Continued):**

31 December 2021	EUR	USD	Other FC	Total
Total Assets	6	16.606	7	16.619
Total Liabilities	-	3.645	-	3.645
<b>Net On-balance Sheet Position</b>	<b>6</b>	<b>12.961</b>	<b>7</b>	<b>12.974</b>
<b>Net Off-balance Sheet Position</b>	-	-	-	-
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
<b>Non-Cash Loans</b>	-	-	-	-

**III. EXPLANATIONS ON INTEREST RATE RISK**

Interest rate sensitivity of the assets, liabilities and off-balance sheet items is monitored by the market risk monitoring unit and interest rate sensitive assets and liabilities are managed to minimize the interest rate sensitivity of assets and liabilities. Daily interest rates are monitored by the treasury department and transactions are performed by considering risk/return relationship.

**Information related to the interest rate mismatch of the Bank:**

Current year interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 years	Over 5 Years	Non- Interest Bearing	Total
<b>30 September 2022</b>							
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT	-	-	-	-	-	65	65
Banks	135,062	-	-	-	-	2,988	138,050
Financial Assets at F.V. Through Profit/Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	38,911	-	-	-	-	-	38,911
Financial Assets at F.V. Through Other Comprehensive Income (Net)	-	-	-	-	-	160	160
Loans	-	-	-	-	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-	-	-	-	-
Other Assets (*)	-	-	-	-	-	43,761	43,761
<b>Total Assets</b>	<b>173,973</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,974</b>	<b>220,947</b>
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	342	35	-	-	-	220,570	220,947
<b>Total Liabilities</b>	<b>342</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,570</b>	<b>220,947</b>
Balance Sheet Long Position	173,631	-	-	-	-	-	173,631
Balance Sheet Short Position	-	(35)	-	-	-	(173,596)	(173,631)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
<b>Total Position</b>	<b>173,631</b>	<b>(35)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(173,596)</b>	<b>-</b>

(\*) "Other Assets" line includes Miscellaneous Receivables, Tangible Assets, Intangible Assets and Other Assets.

(\*\*) Equity, employee termination benefits, other provisions and general provisions are presented under "Other Liabilities" item in the "Non-Interest Bearing" column.

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**III. EXPLANATIONS ON INTEREST RATE RISK (Continued):**

<b>31 December 2021</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Year</b>	<b>Over 5 Years</b>	<b>Non- Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT	-	-	-	-	-	72	72
Banks	20,086	-	-	-	-	307	20,393
Financial Assets at F.V. Through Profit/Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	132,646	-	-	-	-	-	132,646
Financial Assets at F.V. Through Other Comprehensive Income (Net)	-	-	-	-	-	160	160
Loans	-	-	-	-	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-	-	-	-	-
Other Assets (*)	-	-	-	-	-	24,231	24,231
<b>Total Assets</b>	<b>152,732</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,770</b>	<b>177,502</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	817	35	-	-	-	176,650	177,502
<b>Total Liabilities</b>	<b>817</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176,650</b>	<b>177,502</b>
Balance Sheet Long Position	151,915	-	-	-	-	-	151,915
Balance Sheet Short Position	-	(35)	-	-	-	(151,880)	(151,915)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
<b>Total Position</b>	<b>151,915</b>	<b>(35)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(151,880)</b>	<b>-</b>

(\*) “Other Assets” line includes Miscellaneous Receivables, Tangible Assets, Intangible Assets and Other Assets.

(\*\*) Equity is presented under “Other Liabilities” item in the “Non-Interest Bearing” column.

**Average interest rates for monetary financial instruments:**

<b>30 September 2022</b>	<b>EUR (%)</b>	<b>USD (%)</b>	<b>TL (%)</b>
<b>Assets</b>			
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-
Banks	-	-	10.98
Financial Assets at Fair Value Through Profit/Loss (Net)	-	-	-
Interbank Money Market Placements	-	-	10.50
Financial Assets at F.V. Through Other Comprehensive Income (Net)	-	-	-
Loans	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-
<b>Liabilities</b>			
Bank Deposits	-	-	-
Other Deposits	-	-	-
Funds From Interbank Money Market	-	-	-
Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued (Net)	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-

## INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):

## III. EXPLANATIONS ON INTEREST RATE RISK (Continued):

## Average interest rates for monetary financial instruments:

31 December 2021

EUR (%)    USD (%)    TL (%)**Assets**

Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT

-                      -                      -

Banks

-                      -                      15.50

Financial Assets at Fair Value Through Profit/Loss (Net)

-                      -                      -

Interbank Money Market Placements

-                      -                      12.50

Financial Assets at FVTOCI (Net)

-                      -                      -

Loans and receivables

-                      -                      -

Financial Assets Measured at Amortized Cost

-                      -                      -

**Liabilities**

Bank Deposits

-                      -                      -

Other Deposits

-                      -                      -

Funds From Interbank Money Market

-                      -                      -

Borrowings

-                      -                      -

Miscellaneous Payables

-                      -                      -

Marketable Securities Issued (Net)

-                      -                      -

Funds Borrowed From Other Financial Institutions

-                      -                      -

**Banking book interest rate risk arising from the nature of the deposits other than time deposits and loan repayments and significant assumptions, including those related to the movement of interest rate risk measurement frequency:**

In Official Gazette No. 28756, dated 5 September 2013 “Regulation on Measurement Capital of Banks” monitored items are published, which are taken into account in the calculation of shareholders' equity in accordance with the items excluding subordinated liabilities, with the exception of all balance sheet and off-balance sheet items sensitive to interest arising from the interest rate risk calculation. Calculations are made early repayments of loans made any assumptions for demand and time deposits. Arising from the banking book; interest rate risk is calculated on a monthly basis and reported to the BRSA.



## INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):

## IV. EXPLANATIONS ON INTEREST RATE RISK (Continued):

**Economic value differences because of Interest Rate Risk in the Banking Accounts from the Regulation on Measurement and Assessment of Standard Shock Method:**

Interest rate risk in the Banking Accounts from Standard Shock Method in accordance with the Regulation on Measurement and Assessment of the economic value differences arising from interest rate fluctuations is as follows:

**Current Period**

Currency	Shock applied (+/- basis points)*	Gains / Losses	Gains/Equity – Losses/Equity
TL	500 (400)	(310,17) 258,55	(16.71%) 13.93%
EUR	200 (200)	- -	- -
USD	200 (200)	- -	- -
<b>Total (for negative shocks)</b>		<b>(310,17)</b>	<b>(16.71%)</b>
<b>Total (for positive shocks)</b>		<b>258,55</b>	<b>13.93%</b>

\*Applied to a currency different intensity and direction are entered in separate lines for each shock.

**Prior Period**

Currency	Shock applied (+/- basis points)*	Gains / Losses	Gains/Equity – Losses/Equity
TL	500 (400)	(258,10) 214,69	(17.39%) 14.46%
EUR	200 (200)	- -	- -
USD	200 (200)	- -	- -
<b>Total (for negative shocks)</b>		<b>(258,10)</b>	<b>(17.39%)</b>
<b>Total (for positive shocks)</b>		<b>214,69</b>	<b>14.46%</b>

\*Applied to a currency different intensity and direction are entered in separate lines for each shock.

## IV EXPLANATIONS ON THE POSITION RISK OF SHARES

As of 30 September 2022, the Bank does not have the position risk of shares (31 December 2021: None). The Bank only has 15,971,094 shares with a nominal value of TL 160 which is transferred by Borsa İstanbul A.Ş. as free of charge in its financial assets at fair value through other comprehensive income portfolio.

## V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO

Liquidity risk is the risk where the Bank cannot meet its obligations on time or reaches financial resources with high cost due to the lack of sufficient financial resources. Liquidity risk of the Bank is monitored by the Finance Department within the liquidity limits determined by the BRSA. In the Asset Liability Committee, the liquidity position of the Bank is assessed on a monthly basis, and actions are taken when deemed necessary. The sensitive balance between interest rates and liquidity gap is closely monitored in order to prevent any liquidity risks. In order to pay the liabilities due on time, sufficient cash and cash equivalents are held. The impact of tenor mismatches on profitability is minimized through effective monitoring of liquidity risk. The Bank's short and long-term liquidity needs are in case of necessity provided by the shareholder, Standard Chartered Bank Limited, and other banks.

**STANDARD CHARTERED YATIRIM BANKASI TRK A..****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):****V EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):**

The Bank relies on its existing liquid pool of capital and undistributed profits to meet its operational needs. The liquidity buffer of the Bank consists of the cash surplus available for allocation to the Central Bank of the Republic of Turkey ("TCMB"), the SCB or the local bank. The Bank has very few liquidity outflows and its liquidity ratios are well above the legal liquidity limits.

The Bank's liquidity level is well above legal thresholds. According to the BRSA's "Regulations on the Banks' Liquidity Coverage Ratio Calculation" which was published in the Official Gazette numbered 28948 dated 21 March 2014, foreign currency and total liquidity ratios are calculated on a weekly basis in accordance with the minimum and maximum values and the corresponding week is as follows:

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<b>30 September 2022</b>		
	<b>FC</b>	<b>FC+TL</b>
Average (%)	-	10.211,25
Max (%)	-	33,554.11
Week		4 February 2022
Min (%)	-	240.76
Week		23 September 2022

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**Liquidity Coverage Ratio:**

According to the "Regulations on the Banks' Liquidity Coverage Ratio Calculation" published by the BRSA, calculated foreign currency and total liquidity coverage ratio are monitored to ensure that banks keep high levels of liquid assets to cover net cash outflows.

Therefore, these ratios are affected by cash inflows and outflows occurred by level of liquid assets, which can be liquid at any moment and are not subject to any guarantee, assets, liabilities and off-balance sheet items.

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**V EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):**

		Total Unweighted Value (average) <sup>(*)</sup>		Total Weighted Value (average) <sup>(*)</sup>	
		TL+FC	FC	TL+FC	FC
<b>30 September 2022</b>					
<b>High Quality Liquid Assets</b>					
1	High Quality Liquid Assets			47,614	-
<b>Cash Outflows</b>					
2	Retail and Small Business Customers, of which;	-	-	-	-
3	Stable Deposits	-	-	-	-
4	Less Stable Deposits	-	-	-	-
5	Unsecured wholesale funding of which;	2,147	-	2,147	-
6	Operational Deposits	-	-	-	-
7	Non-operational Deposits	-	-	-	-
8	Other Unsecured Funding	2,147	-	2,147	-
9	Secured Funding			-	-
10	Other cash outflows, of which;	-	-	-	-
11	Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	-	-	-	-
12	Obligations related to structured financial products	-	-	-	-
13	Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations.	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	-	-	-	-
16	<b>Total Cash Outflows</b>			<b>2,147</b>	<b>-</b>
<b>Cash Inflows</b>					
17	Secured Lending	-	-	-	-
18	Unsecured Lending	112,504	485	112,504	485
19	Other Cash Inflows	-	-	-	-
20	<b>Total Cash Inflows</b>	<b>112,504</b>	<b>485</b>	<b>112,504</b>	<b>485</b>
				<b>Upper Limit Applied Values</b>	
21	<b>Total HQLA Stock</b>			<b>47,614</b>	<b>-</b>
22	<b>Total Net Cash Outflows</b>			<b>110,357</b>	<b>-</b>
23	<b>Liquidity Coverage Ratio (%)</b>			<b>43,15</b>	<b>-</b>

<sup>(1)</sup> The average of three months liquidity coverage ratio calculated by weekly simple averages.

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**V EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):**

31 December 2021		Total Unweighted Value (average) <sup>(1)</sup>		Total Weighted Value (average) <sup>(1)</sup>	
		TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>					
1	High Quality Liquid Assets			110,000	-
<b>Cash Outflows</b>					
2	Retail and Small Business Customers, of which;	-	-	-	-
3	Stable Deposits	-	-	-	-
4	Less Stable Deposits	-	-	-	-
5	Unsecured wholesale funding of which;	1,151	-	1,151	-
6	Operational Deposits	-	-	-	-
7	Non-operational Deposits	-	-	-	-
8	Other Unsecured Funding	1,151	-	1,151	-
9	Secured Funding			-	-
10	Other cash outflows, of which;	-	-	-	-
11	Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	-	-	-	-
12	Obligations related to structured financial products	-	-	-	-
13	Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations.	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	-	-	-	-
16	<b>Total Cash Outflows</b>			1,151	-
<b>Cash Inflows</b>					
17	Secured Lending	-	-	-	-
18	Unsecured Lending	949	113	949	113
19	Other Cash Inflows	-	-	-	-
20	<b>Total Cash Inflows</b>	949	113	949	113
				<b>Upper Limit Applied Values</b>	
21	<b>Total HQLA Stock</b>			110,000	-
22	<b>Total Net Cash Outflows</b>			202	-
23	<b>Liquidity Coverage Ratio (%)</b>			54,455.45	-

<sup>(1)</sup> The average of three months liquidity coverage ratio calculated by weekly simple averages.

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

<b>V</b>	<b>EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):</b>
<b>a.</b>	<b>Significant elements affecting the result of the liquidity coverage ratio and the change in time of the items considered in calculating the ratio:</b>  The Bank’s liquidity coverage ratio is above the limits which is defined in the law.  Money market placements held for the Central Bank of the Republic of Turkey which are among the high-quality liquid assets ensure that the total of liquidity coverage ratio to be above the limits defined in the law.
<b>b.</b>	<b>Information about of which items consists the high-quality liquid assets:</b>  The high-quality assets stock consists of money market placements held for the Central Bank of The Republic of Turkey.
<b>c.</b>	<b>The items which consist in the fund resources and their density in all funds:</b>  As of 30 September 2022, the Bank’s fundamental fund resource is the capital from the main partner bank.
<b>d.</b>	<b>Information about cash out based on the derivative transactions and margin call transactions:</b>  As of 30 September 2022, the Bank has not any derivative transaction (31 December 2021: None).
<b>e.</b>	<b>Information about counterparties fund sources on the basis of products and concentrical limits about warranties:</b>  As of 30 September 2022, the Bank’s fundamental funds source is the capital taken from the main partner bank.
<b>f.</b>	<b>Liquidity risk occurred by the funding need of the bank’s foreign branches and partners which are consolidated and the bank considering the prohibitor to the liquidity transaction operational and legal factors.</b>  There is no risk associated with this issue when the current situation of the Bank is considered such that it has no foreign branches and consolidated partnership.
<b>g.</b>	<b>Information on other cash inflows and cash outflows that are included in the calculation of the liquidity coverage ratio but are not included in the public disclosure template table above and are believed to be related to the liquidity profile of the bank</b>  In this case, there are no cash inflows and cash outflows that are not included in the related table.

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**V EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued):**

**h. Presentation of assets and liabilities according to their outstanding maturities:**

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	Over 5 Years	Unclassified	Total
<b>30 September 2022</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques, Purchased) and Balances with the CBRT	65	-	-	-	-	-	-	65
Banks	2,988	135,062	-	-	-	-	-	138,050
Financial Assets at F.V. Through Profit / Loss (Net)	-	-	-	-	-	-	-	-
Interbank Money Market Placements	-	38,911	-	-	-	-	-	38,911
Financial Assets at F.V. Through Other Comprehensive Income (Net)	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-	-	-	-	160	160
Other Assets (*)	11,096	-	-	28,792	-	-	3,873	43,761
<b>Total Assets</b>	<b>14,149</b>	<b>173,973</b>	<b>-</b>	<b>28,792</b>	<b>-</b>	<b>-</b>	<b>4,033</b>	<b>220,947</b>
<b>Liabilities</b>								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-	-
Other Liabilities (**)	-	342	35	-	-	-	220,570	220,947
<b>Total Liabilities</b>	<b>-</b>	<b>342</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,570</b>	<b>220,947</b>
<b>Liquidity (Gap) / Surplus</b>	<b>14,149</b>	<b>173,631</b>	<b>(35)</b>	<b>28,792</b>	<b>-</b>	<b>-</b>	<b>(216,537)</b>	<b>-</b>
<b>Net off balance sheet position</b>								
Derivative financial assets	-	-	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-	-
<b>Non-cash loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 December 2021</b>								
<b>Total Assets</b>	<b>8,216</b>	<b>152,732</b>	<b>-</b>	<b>16,394</b>	<b>-</b>	<b>-</b>	<b>160</b>	<b>177,502</b>
<b>Total Liabilities</b>	<b>-</b>	<b>817</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176,650</b>	<b>177,502</b>
<b>Liquidity (Gap) / Surplus</b>	<b>8,216</b>	<b>151,915</b>	<b>(35)</b>	<b>16,394</b>	<b>-</b>	<b>-</b>	<b>(176,490)</b>	<b>-</b>
<b>Net off balance sheet position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Derivative financial assets	-	-	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-	-
<b>Non-cash loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) “Other Assets” include Miscellaneous Receivables, Tangible Assets, Intangible Assets and Other Assets.

(\*\*) Equity is presented under “Other liabilities” item in the “Unclassified” column.

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**VI. EXPLANATIONS ON OPERATING SEGMENTS**

The Bank’s main commercial business units are financing corporate customers and trading finance activities and treasury.

Corporate banking provides financial solutions and banking services to corporate clients. Information on operating segments as of 30 September 2022 and 31 December 2021 are presented in the table below.

**Balance sheet and income statement items based on operating segments:**

<b>30 September 2022</b>	<b>Transaction Banking and OCC</b>	<b>Global Markets</b>	<b>Other</b>	<b>Total Operations of Bank</b>
Operating Income	109,217	15,214	-	124,511
General Loan Provision (-)	-	-	(2,015)	(2,015)
Operating Costs (-)	(67,182)	(148)	-	(67,330)
<b>Net Operating Profit</b>	<b>42,115</b>	<b>15,066</b>	<b>(2,015)</b>	<b>55,166</b>
Dividend Income	259	-	-	259
<b>Profit / (Loss) before tax</b>	<b>42,374</b>	<b>15,066</b>	<b>(2,015)</b>	<b>55,425</b>
Tax expense (-)	-	-	(15,547)	(15,547)
<b>Net Profit / (Loss)</b>	<b>42,374</b>	<b>15,066</b>	<b>(17,562)</b>	<b>39,878</b>
Segment Assets	28,792	177,026	15,129	220,947
Unallocated Assets	-	-	-	-
<b>Total Assets</b>	<b>28,792</b>	<b>177,026</b>	<b>15,129</b>	<b>220,947</b>
Segment Liabilities	169	189,078	31,700	220,947
Unallocated Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>169</b>	<b>189,078</b>	<b>31,700</b>	<b>220,947</b>

  

<b>31 December 2021</b>	<b>Transaction Banking and OCC</b>	<b>Global Markets</b>	<b>Other</b>	<b>Total Operations of Bank</b>
Operating Income	85,797	18,110	-	103,907
General Loan Provision (-)	-	-	(140)	(140)
Operating Costs (-)	(51,205)	(245)	-	(51,450)
<b>Net Operating Profit</b>	<b>34,592</b>	<b>17,865</b>	<b>(140)</b>	<b>52,317</b>
Dividend Income	200	-	-	200
<b>Profit / (Loss) before tax</b>	<b>34,792</b>	<b>17,865</b>	<b>(140)</b>	<b>52,317</b>
Tax expense (-)	-	-	(13,400)	(13,400)
<b>Net Profit / (Loss)</b>	<b>34,792</b>	<b>17,865</b>	<b>(13,540)</b>	<b>39,117</b>
Segment Assets	16,394	153,111	7,997	177,502
Unallocated Assets	-	-	-	-
<b>Total Assets</b>	<b>16,394</b>	<b>153,111</b>	<b>7,997</b>	<b>177,502</b>
Segment Liabilities	234	150,677	26,591	177,502
Unallocated Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>234</b>	<b>150,677</b>	<b>26,591</b>	<b>177,502</b>

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**VII. EXPLANATIONS ON LEVERAGE RATIO:**

**a. Explanations on Differences Between Current and Prior Years' Leverage Ratios:**

The unconsolidated leverage ratio calculated by the Bank in accordance with the "Regulation on Measurement and Evaluation of Leverage Level of Banks" was realized as 84,31% (31 December 2021: 87.07%). The regulation stipulated the minimum leverage ratio as 3%. On-balance sheet asset amount increased by 37,99% compared to the previous period.

**b. Information on leverage ratio:**

	<b>30 September 2022(*)</b>	<b>31 December 2021(*)</b>
<b>On-Balance Sheet Items</b>		
On-balance sheet items (excluding derivatives and SFTs, but including collateral)	226,324	164,015
Assets that are deducted from core capital	(3,509)	(2,210)
Total on balance sheet exposures	222,815	161,805
<b>Derivative exposures and credit derivatives</b>		
Replacement cost associated with derivative financial instruments and credit derivatives	-	-
The potential amount of credit risk with derivative financial instruments and credit derivatives	-	-
The total amount of risk on derivative financial instruments and credit derivatives	-	-
<b>Investment securities or commodity collateral financing transactions</b>		
The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items)	-	-
Risk amount of exchange brokerage operations	-	-
Total risks related with securities or commodity financing transactions	-	-
<b>Off -Balance Sheet Items</b>		
Gross notional amount of off-balance sheet items	-	-
Adjustments for conversion to credit equivalent amounts	-	-
The total risk of off-balance sheet items	-	-
<b>Capital and Total Exposures</b>		
Tier 1 Capital	187,851	140,886
Total Exposures	222,815	161,805
<b>Leverage Ratio</b>		
Leverage Ratio	84.31%	87.07%

(\*) Three-month average of the amounts in the table.



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**VIII. EXPLANATIONS ON RISK MANAGEMENT AND RISK WEIGHTED AMOUNTS:**

**a. Overview of Risk Weighted Amounts**

		<b>Risk Weighted Amounts</b>		<b>Minimum Capital Requirements</b>
		<b>30 September 2022</b>	<b>31 December 2021</b>	<b>30 September 2022</b>
<b>1</b>	<b>Credit risk (excluding counterparty credit risk) (CCR)</b>	<b>53,265</b>	<b>18,177</b>	<b>4,261</b>
2	Standardized approach (SA)	53,265	18,177	4,261
3	Internal rating-based (IRB) approach	-	-	-
<b>4</b>	<b>Counterparty credit risk</b>	<b>-</b>	<b>-</b>	<b>-</b>
5	Standardized approach for counterparty credit risk (SA-	-	-	-
6	Internal model method (IMM)	-	-	-
<b>7</b>	<b>Basic risk weight approach to internal models equity position in the banking account</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8</b>	<b>Investments made in collective investment companies – look-through approach</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9</b>	<b>Investments made in collective investment companies – mandate-based approach</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10</b>	<b>Investments made in collective investment companies -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>11</b>	<b>Settlement risk</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>12</b>	<b>Securitization positions in banking accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
<b>16</b>	<b>Market risk</b>	<b>24,848</b>	<b>13,632</b>	<b>1,988</b>
17	Standardized approach (SA)	24,848	13,632	1,988
18	Internal model approaches (IMM)	-	-	-
<b>19</b>	<b>Operational Risk</b>	<b>134,435</b>	<b>103,406</b>	<b>10,755</b>
20	Basic Indicator Approach	134,435	103,406	10,755
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
<b>23</b>	<b>The amount of the discount threshold under the equity (subject to a 250% risk weight)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24</b>	<b>Floor adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>25</b>	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>212,548</b>	<b>135,215</b>	<b>17,004</b>

## INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):

## VIII. EXPLANATIONS ON RISK MANAGEMENT AND RISK WEIGHTED AMOUNTS (Continued)

## b. Credit Risk Explanations

## Credit Quality of Assets

		Carrying values under scope of regulatory consolidation		Provisions/Amortization and impairment	Net value (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	17	-	17	-
2	Debt instruments	-	-	-	-
3	Off-balance sheet receivables	-	-	-	-
4	<b>Total</b>	<b>17</b>	<b>-</b>	<b>17</b>	<b>-</b>

## Default receivables and change in debt instrument stock:

1	Prior report period default loans and debt instrument amount	17
2	Default credits and debt instruments since the last reporting period	-
3	Non re-defaulted receivables	-
4	Write-offs	-
5	Other changes	-
6	<b>Defaulted loans and debt securities at end of reporting period (1+2-3-4±5)</b>	<b>17</b>

## Credit risk mitigation techniques

		Unsecured receivables: Amount assessed pursuant to TAS	Claims secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Loans protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
1	Loans	-	-	-	-	-	-	-
2	Debt instruments	-	-	-	-	-	-	-
3	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4	Default	17	-	-	-	-	-	-

## INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):

## VIII. EXPLANATIONS ON RISK MANAGEMENT AND RISK WEIGHTED AMOUNTS (Continued)

## b Credit Risk Explanations (Continued)

## Standard Approach - Credit risk exposure and credit risk mitigation techniques

Risk classes	The credit conversion rate and the credit amount before the credit risk reduction		The credit conversion rate and the credit amount after the credit risk reduction		Risk weighted amount and risk weighted amount density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1 Exposures to central governments or central banks	42,838	-	42,838	-	-	-
2 Exposures to regional governments or local authorities	-	-	-	-	-	-
3 Exposures to public sector entities	-	-	-	-	-	-
4 Exposures to multilateral development Banks	-	-	-	-	-	-
5 Exposures to international organizations	-	-	-	-	-	-
6 Exposures to institutions	166,853	-	166,853	-	42,009	-
7 Exposures to corporates	-	-	-	-	-	-
8 Retail exposures	-	-	-	-	-	-
9 Exposures secured by residential property	-	-	-	-	-	-
10 Exposures secured by commercial Real Estate	-	-	-	-	-	-
11 Past-due loans	-	-	-	-	-	-
12 Higher-risk categories by the Agency Board	-	-	-	-	-	-
13 Exposures in the form of covered Bonds	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
16 Other assets	11,096	-	11,096	-	11,096	-
17 Investments in equities	160	-	160	-	160	-
<b>18 Total</b>	<b>220,947</b>	<b>-</b>	<b>220,947</b>	<b>-</b>	<b>53,265</b>	<b>-</b>

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):**

**VIII EXPLANATIONS ON RISK MANAGEMENT AND RISK WEIGHTED AMOUNTS (Continued)**

**b Credit Risk Explanations (Continued)**

**Receivables based on risk classes and risk weighted**

	<b>Risk classes/ Risk Weight</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>Others</b>	<b>Total credit risk exposure amount (after CCF and CRM)</b>
1	Exposures to regional governments or local authorities	42,838	-	-	-	-	-	-	-	-	42,838
2	Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	-	-
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	138,060	28,793	-	-	-	-	-	166,853
7	Exposures to corporates	-	-	-	-	-	-	-	-	-	-
8	Retail exposures	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by residential property	-	-	-	-	-	-	-	-	-	-
10	Exposures secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-	-	-	-	-
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	160	-	-	-	160
17	Other assets	-	-	-	-	-	11,096	-	-	-	11,096
<b>18</b>	<b>Total</b>	<b>42,838</b>	<b>-</b>	<b>138,060</b>	<b>28,793</b>	<b>-</b>	<b>11,256</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,947</b>

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):****VIII EXPLANATIONS ON RISK MANAGEMENT AND RISK WEIGHTED AMOUNTS (Continued)****b Credit Risk Explanations (Continued)**

Board of Directors determines the credit risk appetite and sets the credit limits to ensure that Bank's exposure is aligned with its risk appetite. Credit limits are determined taking into consideration customers' financial strength, commercial capacities, credit needs, the Bank's lending credit policies and macro-economic conditions are carried out.

Credit limits approved by Board of Directors are made available to credit clients only upon completion of required credit documentation and satisfaction of conditions precedent. In addition, the unavoidable calculation conditions for the loans are audited from the place where it is predicted in the existing deposit and it updated in case of necessity.

Since the Bank is operating under investment banking license, it is not subject to Article 54 of the Banking Law about the regulatory lending limits. All credit limits are reviewed at least once a year. Credit clients belonging to the same risk group are analyzed and reviewed together taking into consideration total exposure and limits on the group.

All the on and off-balance sheet credit utilizations are controlled and monitored by the Risk management Unit in terms of concentration of the credit risk by country, sectors, company/group, maturity profile, collaterals and internal credit grades.

The credit default events, classification of the doubtful credits and related provision levels are determined by the Bank in line with BRSA regulation published No. 26333, dated 1 November 2006, "Procedures & Principles for Determination of Qualification of Loans and Other Receivables by Banks and Provisions to be Set Aside". The Bank calculates and records general and specific provisions in accordance with the Provisions regulation under the value adjustments and provisions.

<b>Risk classifications</b>	<b>Current period risk amount (*)</b>	<b>Current period average (**)</b>
Conditional and unconditional receivables from central governments and Central Banks	42,838	33,161
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	166,853	160,711
Conditional and unconditional receivables from corporates	-	-
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	160	160
Other receivables	11,096	10,042
<b>Total</b>	<b>220,947</b>	<b>204,074</b>

(\*) It expresses the total risk amount before credit risk mitigation and conversion to credit.

(\*\*) Average risk amount is determined by taking the arithmetic average of the values in the reports prepared at the end of the monthly period.

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued):

VIII EXPLANATIONS ON RISK MANAGEMENT AND RISK WEIGHTED AMOUNTS (Continued)

c. Counterparty Credit Risk Disclosures

None.

d. Securitization Disclosures

None.

e. Market Risk Disclosures

		RWA
Outright products		
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	24,848
4	Commodity risk	-
Options		
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitization	-
9	Total	24,848

**SECTION FIVE**

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

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

**1.1. Explanations on cash and the account of the CBRT:**

**1.1.a Information related to cash and the account of the CBRT:**

	<b>30 September 2022</b>		<b>31 December 2021</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Cash/Foreign Currency	-	-	-	-
CBRT	38,976	-	132,718	-
Other	-	-	-	-
<b>Total</b>	<b>38,976</b>	<b>-</b>	<b>132,718</b>	<b>-</b>

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

	<b>30 September 2022</b>		<b>31 December 2021</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Demand Unrestricted Amount	65	-	72	-
Time Deposit Amount	-	-	-	-
Non - Time Deposit Amount	38,911	-	132,646	-
Reserve Requirements	-	-	-	-
<b>Total</b>	<b>38,976</b>	<b>-</b>	<b>132,718</b>	<b>-</b>

Information on reserve requirements

As of 30 September 2022, there is no liabilities subjected to reserve requirements (31 December 2021: None).

As per the Communiqué No. 2005/1 “Reserve Deposits” of the Central Bank of the Republic of Turkey (CBRT), banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the Communiqué. According to Communiqué that the CBRT published, “Reserve Deposits” can be kept as a TRY, USD and/or EUR and standard gold. Interest has been paid to required reserves kept in Turkish Lira since November 2014 and to reserve options and free accounts held in USD as of May 2015.

In accordance with the CBRT’s “Communiqué Regarding the Reserve Requirements” numbered 2013/15, the reserve requirements can be maintained as TL, USD, EUR and gold. As of 30 September 2022, the Bank does not have any liabilities that will be subject to required reserves (31 December 2021: None).

**1.2. Explanations on financial assets at fair value through profit or loss:**

- As of 30 September 2022, there are not any financial assets through profit or loss given as collateral/blocked (31 December 2021: None).
- Positive differences related to trading derivative financial assets: None.

**1.3. Information on banks:**

- Information on banks and other financial institutions:

	<b>30 September 2022</b>		<b>31 December 2021</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks				
Domestic	135,384	-	20,168	-
Foreign	-	2,666	-	225
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>135,384</b>	<b>2,666</b>	<b>20,168</b>	<b>225</b>

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

**1.4. Explanations on financial assets at fair value through profit or loss, net of difference and net present value, which are subject to repurchase agreements and given as collateral / blocked:**

None (31 December 2021: None).

**1.5. Explanations on financial assets at fair value through other comprehensive income:**

As of 30 September 2022, the financial assets at fair value through other comprehensive income amounting to TL 160 which is transferred by Borsa İstanbul A.. as free of charge with 15,971,094 shares and TL 160 nominal value (31 December 2021:160 TL).

**1.6. Explanations on financial assets measured at amortized cost:**

None (31 December 2021: None).

**1.7. Receivables from leasing transactions:**

None (31 December 2021: None).

**1.8. Positive differences related to hedging derivative financial assets:**

None (31 December 2021: None).

**1.9. Explanations on property and equipment held for sale purpose and related to discontinued operations:**

None (31 December 2021: None).



**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):****2. Explanations on loans:****2.1. Information on all types of loan or advance balances given to shareholders and employees of the Bank:**

None (31 December 2021: None).

**2.2. Information on first and second group loans and restructured or rescheduled loans and other receivables:**

None (31 December 2021: None).

**2.3. Information on maturity structure of the loans:**

None (31 December 2021: None).

**2.4. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:**

None (31 December 2021: None).

**2.5. Information on commercial installment loans and corporate credit cards:**

None (31 December 2021: None).

**2.6. Loans according to type of borrowers:**

None (31 December 2021: None).

**2.7. Domestic and foreign loans:**

None (31 December 2021: None).

**2.8. Loans granted to investments in associates and subsidiaries:**

None (31 December 2021: None).

**2.9. Explanations on loans (Continued):**

	30 September 2022	31 December 2021
Loans and Other Receivables with Limited Collectability	-	-
Loans and Other Receivables with Doubtful Collectability	-	-
Uncollectible Loans and Other Receivables	17	17
<b>Total</b>	<b>17</b>	<b>17</b>

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

## I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):

## 2.10 Information on non-performing loans (Net):

(i) Information on non-performing loans and restructured loans:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other Receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
Current period	-	-	17
Gross Amounts Before Provisions	-	-	17
Restructured Loans	-	-	-
Previous period	-	-	17
Gross Amounts Before Provisions	-	-	17
Restructured Loans	-	-	-

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

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other Receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
<b>30 September 2022</b>			
<b>Balance at the Beginning of the Period</b>	-	-	17
Additions (+)	-	-	-
Transfers from Other Categories of Non-performing Loans (+)	-	-	-
Transfers to Other Categories of Non-performing Loans (-)	-	-	-
Collections (-)	-	-	-
Write-offs (-)	-	-	-
Sold (-)			
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Balance at the End of the Period</b>	-	-	17
Specific Provision (-)	-	-	17
<b>Net Balance on Balance Sheet</b>	-	-	-

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

(iii). Information on non-performing loans based on types of borrowers in gross and net amounts:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other Receivables with doubtful collectability	Uncollectible loans and other receivables
<b>30 September 2022 (Net)</b>			
Loans Given to Real Persons and Legal Persons (Gross)	-	-	17
Specific Provision Amount (-)	-	-	17
Loans Given to Real Persons and Legal Persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>31 December 2021 (Net)</b>	-	-	-
Loans Given to Real Persons and Legal Persons (Gross)	-	-	17
Specific Provision Amount (-)	-	-	17
Loans Given to Real Persons and Legal Persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

(iv) Information on non-performing loan receivables granted in foreign currency: None.

(v) Information on non-performing loans restructured or rescheduled and other receivables: None.

(vi) Explanations on the write-off policy:

After all kinds of legal procedures are exercised and if there is no probability of collecting the loan, those uncollectible loans are written-off from the Bank's assets. As of 30 September 2022, there are no financial receivables written off from assets.

(vii) The policy followed-up for the collection of uncollectible loans and other receivables:

The Bank is prudent with regards to lending and follow-up policies for doubtful loans. Early precautions have been taken for problematic transactions and the Bank attempts to solve customers' problems via consultative or advisory approach. In cases where no solution can be found to the customer's problem, the Bank tries to collect the receivable with cash-convertible guarantees for loans secured.

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

**EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

**3. Explanations on investments in associates (Net):**

**3.1. Explanations on associates (Net):**

The Bank does not have any subsidiaries as of September 30, 2022 (31 December 2021: None).

**3.2. Explanations on subsidiaries:**

The Bank does not have any subsidiaries as of September 30, 2022 (31 December 2021: None).

**3.3. Explanations on joint ventures:**

The Bank does not have any joint ventures as of September 30, 2022 (31 December 2021: None).

**4. Explanations on investment properties (Net):**

The Bank does not have investment properties as of September 30, 2022 (31 December 2021: None).

**5. Explanations on deferred tax asset:**

The Bank has deferred tax assets amounting to TL 3,873 as of 30 September 2022 (31 December 2021: TL 2,105). Temporary differences subject to deferred tax calculation mainly arise from differences between book value and tax value of fixed assets and financial assets and liabilities and provision for employee rights.

	Accumulated Temporary Differences		Deferred Tax Assets/ (Liabilities)	
	30 September 2022	31 December 2021	30 September 2021	31 December 2021
Reserve for Employee Benefits	14,749	8,676	3,687	1,995
Difference between the carrying amount of fixed assets and the tax base	750	291	188	112
Other	(9)	-	(2)	-
<b>Deferred Tax Assets</b>	<b>15,490</b>	<b>8,967</b>	<b>3,873</b>	<b>2,107</b>
<b>Deferred Tax Liabilities</b>	<b>-</b>	<b>(9)</b>	<b>-</b>	<b>(2)</b>
Other	-	(9)	-	(2)
<b>Deferred Tax Assets/ (Liabilities) (Net)</b>	<b>15,490</b>	<b>8,958</b>	<b>3,873</b>	<b>2,105</b>

**6. Explanations on assets held for sale:**

As of September 30, 2022, the Bank does not have fixed assets for sale purposes and discontinued operations (31 December 2021: None).

**7. Explanations on other assets:**

Other assets which are amounting to TL 33,770 (31 December 2021: TL 16,700) are comprised of intra-group receivables amounting to TL 28,792 (31 December 2021: TL 16,394) based on advisory services provided to the Bank.

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

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES:**

**1. Explanations on maturity structure of deposits:**

The Bank does not accept client deposits due to its investment bank status.

**2. Explanations on trading derivative financial liabilities:**

As at 30 September, 2022, schedule of negative differences for trading derivative financial liabilities: None (31 December 2021: None).

**3. Explanations on borrowings:**

a. Information on banks and other financial institutions: None (31 December 2021: None).

b. As of 30 September 2022, maturity of borrowing amount: None (31 December 2021: None).

**4. Explanations on other liabilities:**

There is TL 6,545 other liabilities amount as of 30 September 2022 (31 December 2021: TL 3,797). This amount does not exceed 10% of total assets.

**5. Explanations on finance leasing agreements:**

As of 30 September 2022, the Bank has net TL 169 finance lease payable (31 December 2021: TL 234).

	Current Period		Prior Period	
	Gross	Net	Gross	Net
<b>Less than 1 Year</b>	196	169	290	234
<b>Between 1-5 Years</b>	-	-	-	-
<b>Longer than 5 Years</b>	-	-	-	-
<b>Total</b>	<b>196</b>	<b>169</b>	<b>290</b>	<b>234</b>

**6. Explanations on hedging derivative instruments:**

As of 30 September 2022, the Bank has no hedging derivative instruments (31 December 2021: None).

**7. Explanations on provisions:**

**7.1. Information on general provisions:**

With the decision of the BRSA dated 21 December 2017 and numbered 7650, in the scope of paragraph (6) of Article 9 of the “Regulation on Procedures and Principles for the Classification of Loans and the Provisions to Be Forwarded” which entered into force as of 1 January 2018, it is permitted for the Bank to allocate provisions in accordance with Articles 10, 11, 13 and 15 of the Regulation instead of TFRS 9.

As a result of the non-implementation of TFRS 9, general provision is made within the framework of Article 10 of the Regulation.

	30 September 2022	31 December 2021
<b>General Provisions</b>		
Provisions for Group I loans and receivables	-	-
Provisions for Group II loans and receivables	-	-
Provisions for non-cash loans	-	-
Other	2,571	555
<b>Total</b>	<b>2,571</b>	<b>555</b>

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued):****7.2. Explanations on provisions related with foreign currency difference of foreign indexed loans:**

As of 30 September 2022, there is no provision for foreign currency difference of foreign indexed loans (31 December 2021: None).

**7.3. Specific provisions for non-cash loans that is non-funded and non-transformed into cash:**

As of 30 September 2022, the Bank has no specific provision for non-cash loans (31 December 2021: None).

**7.4. Explanations on other provisions:**

As of 30 September 2022, the Bank has no as other provision (31 December 2021: None).

**7.5. Explanations on reserve for employee benefits:**

The (full) price ceiling of retirement pay liability is TL 15,371.40 as of 01 July 2022 (01 July 2021 - 31 December 2021: TL 8,284.51).

	Current Period	Prior Period
Provision for severance pay	3,452	2,280
Contractual Provision for Severance Pay	8,545	4,229
Employee Premium Provision	3,930	3,685
Unused Vacation	2,352	1,718
Share Price	400	449
<b>Total</b>	<b>18,679</b>	<b>12,361</b>

TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise’s obligation for such benefits.

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued):****8.1 Explanations on current tax liability:**

## i. Information on current tax liability:

As of 30 September 2022, the Bank has TL 1,944 corporate tax payable (31 December 2021: TL 6,690).

## ii. Information on taxes payable:

	30 September 2022	31 December 2021
Corporate Tax Payable	1,944	6,690
Taxes on Returns of Marketable Securities	-	-
Payroll Tax	889	789
Banking and Insurance Transaction Tax (BITT)	515	1,145
Foreign Exchange Transactions Tax	-	-
Value Added Tax Payable	126	336
Other	18	10
<b>Total</b>	<b>3,492</b>	<b>8,970</b>

## iii. Information on premiums:

	30 September 2022	31 December 2021
Social Security Premiums – Employee	167	102
Social Security Premiums – Employer	213	127
Bank Social Aid Pension Fund Premiums – Employee	-	-
Bank Social Aid Pension Fund Premiums – Employer	-	-
Pension Fund Contributions and Provisions – Employee	-	-
Pension Fund Contributions and Provisions – Employer	-	-
Unemployment Insurance – Employee	11	7
Unemployment Insurance – Employer	22	14
Other	-	-
<b>Total</b>	<b>413</b>	<b>250</b>

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued):**

**8.2. Explanations on deferred tax liability:**

The Bank does not have net deferred tax liabilities as of September 30, 2022 and December 31, 2021

**9. Explanations on liabilities regarding assets held for sale and discontinued operations:**

As of September 30, 2022, the Bank does not have any debts regarding fixed assets for sale. (31 December 2021: None).

**10. Explanations on Equity:**

**10.1 Presentation of paid-in capital:**

	30 September 2022	31 December 2021
Common Stock	40,126	40,126
Preferred Stock	-	-

**10.2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling (As nominal; inflation unadjusted balances):**

The Bank does not have registered capital system.

**10.3. Information on the share capital increases during the period and the sources:**

None.

**10.4. Information on transfers from revaluation funds to capital during the current period:**

There are no transfers from revaluation funds to capital during the current period (31 December 2021: None).

**10.5. Information on capital commitments, until the end of the fiscal year and the subsequent period:**

None (31 December 2021: None).

**10.6. Information on the effects of estimations made considering the banks income, profitability, prior period indicators on liquidity and uncertainty on these indicators:**

There are not any negative indicators as to the profitability and the liquidity of the Bank.

**10.7. Summary information on the privileges granted to the shares representing the capital:**

There are no privileges granted to shares representing the capital.

**10.8. Information on marketable securities value increase fund:**

None.

**10.9. Information on minority shares:**

None.



**III. EXPLANATIONS AND NOTES RELATED TO OFF BALANCE SHEET ACCOUNTS:**

**1. Explanations and notes related to off balance sheet commitments:**

**1.1. Type and amount of irrevocable credit commitments:**

As of September 30, 2022, the Bank does not have any irrevocable loan commitments. (31 December 2021: None).

**1.2. Type and amount of probable losses and obligations arising from off-balance sheet items:**

- i) Non-cash loans including guarantees, bank avals and acceptance loans, collaterals that are accepted as financial commitments and other letters of credit:

None (31 December 2021: None).

- ii) Guarantees, contingencies and other similar commitments:

None (31 December 2021: None).

**1.3 Explanations on non-cash loans:**

None (31 December 2021: None).

**IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT:**

**1. Information on interest income:**

**1.1. Information on interest income on loans:**

None (30 September 2021: None).

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

	30 September 2022		30 September 2021	
	TL	FC	TL	FC
From the CBRT	3,940	-	13,449	-
From Domestic Banks	11,299	-	-	-
From Foreign Banks	-	4	-	-
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>15,239</b>	<b>4</b>	<b>13,449</b>	<b>-</b>

**1.3. Information on interest income on marketable securities:**

None (30 September 2021: None).

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

The Bank does not have investments in associates or subsidiaries (30 September 2021: None).

**2. Information on interest expense:**

**2.1. Information on interest expense on borrowings:**

None (30 September 2021: None).

**2.2. Information on interest expense paid to investments in associates and subsidiaries:**

None (30 September 2021: None).

**2.3. Information on interest expenses to debt securities issued:**

None (30 September 2021: None).

**2.4. Maturity structure of the interest expense on deposits:**

None (30 September 2021: None).

**STANDARD CHARTERED YATIRIM BANKASI TRK A..****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (Continued):****3. Explanations on trading loss/income (Net):**

	30 September 2022	30 September 2021
<b>Profit</b>	<b>552,606</b>	<b>383,805</b>
Profit on capital market operations	-	-
Profit on derivative financial instruments	-	-
Other	-	-
Foreign exchange gains	552,606	383,805
<b>Loss</b>	<b>547,868</b>	<b>383,109</b>
Loss on capital market operations	-	-
Loss on derivative financial instruments	-	-
Other	-	-
Foreign exchange gains	547,868	383,109
<b>Net trading income/loss</b>	<b>4,738</b>	<b>696</b>

**4. Explanations on other operating income:**

For the six-month period ended 30 September 2022, other operating income consisted of incomes from previous year’s adjustment amounting to TL 1,224 (30 September 2021: TL 422).

**5. Provision for impairment of loans and other receivables:**

The Bank has no depreciation provisions for loans and other receivables as of September 30, 2022 (30 September 2021: None).

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (Continued):****6. Information related to other operational expenses:**

	30 September 2022	30 September 2021
Provision for employment termination benefits	5,948	812
Bank social aid pension fund deficit provision	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	690	342
Impairment expenses of intangible assets	-	-
Impairment expenses of goodwill	-	-
Amortization expenses of intangible assets	97	92
Impairment expenses of equity participations for which equity method is applied	-	-
Impairment expenses of assets held for resale	-	-
Depreciation expenses of assets held for resale	-	-
Impairment expenses of fixed assets held for sale and discontinued operations	-	-
Other operating expenses	24,107	11,113
Rental expenses related to TFRS 16 exceptions	-	110
Maintenance and repair expenses	4,540	829
Advertising expenses	-	12
Computer Usage Expenses	13,524	4,757
Other expenses	6,043	5,405
Loss on sale of assets	-	-
Other(*)	15,831	10,658
<b>Total</b>	<b>46,673</b>	<b>23,017</b>

(\*) Other operating expenses amounting to TL 5,464 (30 September 2021: TL 2,667) other taxes and fees paid, TL 120 (30 September 2021: TL 100) dues, 715 TL (30 September 2021: TL 296) representation expenses, TL 3,221 (30 September 2021: TL 5,070) previous years expenses, TL 714 (30 September 2021: 526 TL) BRSA expenses, other expenses amounting TL 1 (30 September 2021: TL 3) and TL 5,596 (30 September 2021: TL 1,996) Provisions are included in other expenses.

**7. Explanations on profit and loss from continuing and discontinued operations before tax:**

For 30 September 2022; the Bank’s profit from continuing operations before tax is TL 55,425 (30 September 2021: TL 27,624).

**8. Explanation calculated current tax income or expense and the deferred tax income or expense for the period:**

For 30 September 2022; (30 September 2021: None).

As of 30 September 2022, the Bank’s deferred tax income is TL 1,521 (30 September 2021: TL 445).

**9. Explanations on net profit and loss from continuing and discontinued operations**

The Bank’s net profit from continuing operations is TL 39,878 (30 September 2021: TL 20,542).

**IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (Continued):**

**10. Explanations on net profit/(loss):**

- i. If explanation of the quality, size and repetition rate of income and expense items from ordinary banking transactions are necessary for understanding the Bank’s performance in the period, quality and amount of these items:**

The main field of activity of the Bank is to provide support and advisory services to Standard Chartered Banking Group's customers residing in Turkey for revenue from the Group in return. As of September 30, 2022 TL 103,311 of the profit before tax from the ongoing operations consists of the said income (30 September 2021: TL 45,520).

**If it’s possible that a change in the estimation on financial statements effecting the profit/loss has an impact on next periods, explanations on covering next periods are:**

None.

- ii. Profit/(loss) related to minority:**

None.

**11. Other income statement items, sub-accounts constituting at least 20% of these balances exceeding 10% of the total income statement:**

As of 30 September 2022, the total amount of other operational income in income statement is TL 1,286 (30 September 2021: TL 812).

**STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**V. EXPLANATIONS AND NOTES RELATED TO BANK’S RISK GROUP:**

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

**30 September 2022:**

	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Banks’ Risk Group (*)</b>						
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	16,394	-	225	-
Balance at the End of the Period	-	-	28,792	-	2,666	-
Interest and Commission Income Received	-	-	103,311	-	-	-

(\*) Defined in the 49th Article of subsection 2 of the Banking Law No. 5411.

**31 December 2021:**

	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Banks’ Risk Group (*)</b>						
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	27,219	-	106	-
Balance at the End of the Period	-	-	16,394	-	225	-
Interest and Commission Income Received	-	-	74,121	-	-	-

(\*) Defined in the 49th Article of subsection 2 of the Banking Law No. 5411.

- Information on deposits of the Bank’s risk group:**

None.

- Information on forward and option agreements and other derivative transactions with the Bank’s risk group:**

None.

- Information on benefits provided to top management:**

As of September 30, 2022, the amount of benefits provided to the top management of the Bank is TL 3,542 (September 30, 2021: TL 1,570).

**VI. Other explanations regarding the activities of the bank:**

None.

**VII. Explanations and Footnotes Regarding Issues After the Balance Sheet Date:**

None.

**SECTION SIX**

**EXPLANATIONS ON AUDITORS’ REVIEW REPORT**

**I. Disclosure on independent auditors’ report**

The financial statements as of 30 September 2022 were reviewed by Gney Baėımsız Denetim ve Serbest Muhasebeci Mali Mavirlik A.. (a member firm of Ernst&Young Global Limited,) and limited review report dated November 14, 2022 is presented in the introductory part of this report.

**II. Disclosures and footnotes prepared by independent auditors**

None.

**SECTION SEVEN**

**INTERIM ACTIVITY REPORT**

**I. Interim activity report including Assessments of Chairman and General Manager about activities of the interim period.**

**a. Assessment of Chairman and General Manager**

The global strategy of Standard Chartered Bank (“SCB”) is to focus on trading, investment and asset acquisition activities in Asia, Africa and the Middle East by creating a network that transcends borders. Turkey is located in a strategic position by meeting local and international operational requirements of customers.

Standard Chartered Yatırım Bankası Türk A.Ş.'s goal is to provide solutions in the realms of transaction banking, corporate finance and financial markets to Turkey-based companies and their subsidiaries located in countries where SCB perform their activities, customers in countries which SCB selects as a target market (footprint) and customers out of these countries (network).

The Bank’s total assets amounted to TL 220,947. The most important account item in assets is the excess working capital placed in domestic banks with a rate of 85.58%.

The Bank has shareholders equity amounted to TL 189,078.

As of 30 September 2022, the Bank’s profit after tax is TL 39,878.

As of 30 September 2022, The Bank’s capital adequacy ratio is 87,33% and this ratio is quite above of the minimum threshold identified by the relevant regulations.

Best Regards

Karin FLINSPACH  
Chairperson

Kaşif ATUN  
General Manager

**b. Financial Summary Information’s about Financial Results**

	<b>30 September 2022</b>	<b>31 December 2021</b>
	<b>(‘000 TL)</b>	<b>(‘000 TL)</b>
Total Assets	220,947	177,502
Shareholders’ Equity	189,078	150,677
Shareholders Equity /Total Assets (%)	85.58	84,89
Capital Adequacy Ratio (%)	87.33	109,78