

GOLDEN GLOBAL YATIRIM BANKASI A.Ş.

**INDEPENDENT REVIEW REPORT,
FINANCIAL STATEMENTS AND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2023**

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND
RELATED DISCLOSURES AND NOTES ORIGINALLY ISSUED IN TURKISH)**

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Golden Global Yatırım Bankası A.Ş.

Introduction

We have reviewed the balance sheet of Golden Global Yatırım Bankası A.Ş. (“the Bank”) as at 30 June 2023 and the related unconsolidated statement of income, unconsolidated statement of income and expense items recognized in equity, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the six-month period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial 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 Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Limited 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 the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.

Emphasis of Matter

As stated in Note I, item e of the explanations and footnotes regarding the asset accounts of the balance sheet, 45% of the total loan amount of TL 1,106,843 consists of loans extended to two main customer groups. This does not affect our opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information do not present fairly in all material respects the unconsolidated financial position of Golden Global Yatırım Bankası A.Ş. as of 30 June 2023, and its financial performance and cash flows for the six-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on Other Regulatory Requirements Arising from Legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in section eight, is not consistent with the reviewed unconsolidated financial statements and disclosures in all material respects.

Additional paragraph for convenience translation to English

BRSA Accounting and Reporting Regulations explained in detail in Section 3 differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Sunay Anıktar

Partner

İstanbul, 3 August 2023

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
FINANCIAL STATEMENTS AND AUDITORS' REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**THE SIX-MONTH AUDIT REPORT OF
GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
AS OF 30 JUNE 2023**

The Bank's Address of Headquarter : Büyükdere Caddesi No :127 Astoria B/17 Blok Kat:6
Şişli/ İstanbul
The Bank's Telephone and Fax : (0212) 215 26 41, (0212) 215 26 44
The Bank's Web Site : <https://goldenglobalbank.com.tr>
E-Mail Address for Contact : info.ggbank@goldenglobalbank.com.tr

The financial report for the six-months period ended prepared in accordance with the Communiqué on the Financial Statements and Related Policies and Disclosures to be Publicly Announced as regulated by the Banking Regulation and Supervision Agency, is consist of the section listed below.

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- EXPLANATIONS AND DISCLOSURES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
- AUDITOR'S REVIEW REPORT
- OTHER EXPLANATIONS AND DISCLOSURES
- INTERIM ACTIVITY REPORT

The accompanying financial statements and notes to these financial statements for the six-months period ended which are expressed, unless otherwise stated, in **thousands of Turkish Lira** have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Principles and Procedures Regarding Banks' Accounting and Keeping of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently reviewed.

Recep KABA	Bedri SAYIN	Ahmet Sefa ŞEN
Chairman of the Board of Directors	Member of the Audit Committee	Member of Board of Directors / General Manager

Yeter AK	Dilek NUH HARMANDAR
Financial Accounting and Tax Manager	Financial Control, Reporting and Risk Monitoring Manager

For the questions regarding this financial report, contact details of the personnel in charge are presented below:

Name-Surname / Title : Dilek NUH HARMANDAR / Financial Control, Reporting and Risk Monitoring
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GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
EXPLANATIONS AND NOTES TO THE FINANCIAL STATEMENTS
AS OF 30 JUNE 2023

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

SECTION ONE
General Information

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

Golden Global Yatırım Bankası A.Ş. ("the Bank") was established on 15 October 2019 with the permission dated 29 May 2019 from the Banking Regulation and Supervision Agency and started its activities on 1 June 2020.

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

Name-Surname/Title	Share Amounts	Shares (%)	Paid-in Capital
Emir KAYA	59,985	39.99	59,985
Salih BERBEROĞLU	48,000	32	48,000
Recep KABA	21,000	14	21,000
Ahmet DAĞLI	21,000	14	21,000
Abdurrahman TOPCU	15	0.01	15
Total	150,000	%100	150,000

As of 30 June 2023, the Bank's nominal capital is TL 150,000 as fully paid. All shares belong to real persons.

III. Information on the Bank's chairman and members of the board of directors, members of the audit committee, general manager and vice presidents, changes in these matters (if any) and shares of the Bank they possess and their responsibilities

Board of Directors:

Name Surname	Administrative function	Assignment dates	Education level	Business Experience Period in Banking and Administration
Recep KABA	Chairman	08.04.2022	HIGH SCHOOL	31
Esra KÖSEOĞLU (*)	Deputy Chairman	08.04.2022	MASTER'S DEGREE	22
Bedri SAYIN (*)	Member – Member of Audit Committee	08.04.2022	BACHELOR'S DEGREE	39
Avni DEMİRCİ (*)	Member – Member of Audit Committee	17.05.2022	BACHELOR'S DEGREE	32
Ahmet Sefa ŞEN (*)	Member – General Manager	16.09.2022	MASTER'S DEGREE	24
Nurullah OKUR (*)	Member	07.04.2023	PHD	23

(*) The aforementioned members have no share in the Bank.

IV. Information about the persons and institutions that have qualified shares attributable to the Bank

As of 30 June 2023, there are no persons and institutions that have qualified shares attributable to the Bank.

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
EXPLANATIONS AND NOTES TO THE FINANCIAL STATEMENTS
AS OF 30 JUNE 2023

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

General Information (cont’d)

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

The Bank may perform all kinds of Investment Banking activities in accordance with the principles of interest-free finance, without collecting deposits and funds through special current and participation accounts specified in the Banking Law and relevant legislation.

Except for activities requiring permission from authorized institutions and organizations, the Bank may perform activities in banking and capital markets legislation and other matters concerning banking without the requirement for a new authorization.

The Bank operates in line with the permissions granted by the Banking Regulation and Supervision Agency. However, it will organize and perform all of its activities, including the following issues, in accordance with the principles of interest-free finance, in accordance with the principles of Investment Banking.

The Bank may engage in the following activities in line with these principles;

1. To provide cash, non-cash, loans or to lend in any form, to open domestic and international letters of credit, to add confirmations to opened letters of credit, to issue domestic and international guarantee letters, to perform other transactions related to loans and guarantees or other commercial means,
2. To buy, sell, import and export gold, silver and other precious metals, to become a member of the precious metal exchanges that have been established and to be established, to trade in these exchanges,
3. To perform cash and deposit payment and funds transfer transactions, including the use of correspondent banking accounts or check payment and collection transactions of all kinds,
4. To help and mediate for domestic and foreign capital to invest in the country and foreign countries and to participate in companies established or to be established,
5. To participate in all kinds of partnerships in which banks can establish or become partners in Turkey or foreign countries, or to establish new partnerships for this purpose or leave established partnerships,
6. To make transactions on goods, real estate and documents representing the rights on them in accordance with the relevant legislation; to provide funds through joint investments, partnerships or similar methods,
7. To provide safe deposit box and storage services,
8. To provide effective foreign exchange transactions and to perform purchase and sale of money market instruments,
9. To perform purchase, sale and brokerage regarding futures contracts, option contracts, simple or complex financial instruments including derivatives more than one based on economic and financial indicators, capital market instruments, commodities, precious metals and foreign currency,
10. To purchase and sale of capital market instruments or to perform repurchase agreements to resell or re-operations,
11. To undertake actions in favor of others with collateral, guarantees and other liabilities,
12. To perform investment consultancy transactions,
13. To perform portfolio management and to manage it,
14. To undertake the role of market maker regarding the purchase and sale transactions within the framework of the obligations undertaken within the scope of a contract established with the Undersecretariat of Treasury and/or the Central Bank and institution associates,
15. To perform inter-bank money market transactions,

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
EXPLANATIONS AND NOTES TO THE FINANCIAL STATEMENTS
AS OF 30 JUNE 2023

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

General Information (cont’d)

V. Summary information on the Bank’s activities and services (cont’d)

16. To perform brokerage for financial lease operations,
17. To operate in insurance agency and insurance business,
18. To act as correspondent and representative of domestic and foreign banks and other financial institutions, to give these institutions the correspondence and representation of the Bank, to open accounts and deposit money at these institutions,
19. To mediate import and export transactions,
20. To conduct transactions in local and international capital and commodity markets and exchanges, to intermediate in the issuance, purchase, sale of financial products used in these markets on behalf of the bank or its customers,
21. To borrow from domestic and foreign markets, provide funds, by providing collateral for the assets of the Bank or by any means including the issuance of capital market instruments in accordance with the relevant legislation,
22. To acquire, sell, transfer, pledge or mortgage all kinds of movable and immovable property, rights, industrial and intellectual and similar rights, rights in rem and receivables such as usufruct, easement and superficial rights, to take pledges and mortgages on immovable property in its favor, to remove existing mortgages, to transfer receivables and related guarantees, to be lessee or lessor for movable and immovable property, industrial and intellectual and similar rights, to annotate lease and preliminary sales contracts in its favor, to remove annotations, to conclude a commercial enterprise pledge,
23. In order to carry out banking business or to collect its receivables; to acquire movable and real estate and to dispose of them by selling, barter and other means, when necessary, to obtain all kinds of real and personal guarantees for the collection and provision of their rights and receivables, to perform relevant registration, cancellation, assignment and all other transactions at the land registry, tax offices, etc. before public and private institutions,
24. To issue all kinds of debt securities and all kinds of securities and capital market instruments,
25. To perform all kinds of capital market activities and transactions; buying, selling, transferring, endorsing all kinds of investment instruments that can be traded in particular their shares traded in domestic and foreign capital markets and securities exchanges or non-stock markets on behalf of themselves or their customers, to launch and manage investment funds, to operate in portfolio management and to operate in other capital market and stock exchanges allowed by the legislation,
26. To perform activities for social purposes to the extent permitted by the legislation.

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

None.

GOLDEN GLOBAL YATIRIM BANKASI A.Ş.
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 JUNE 2023

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

SECTION TWO
Financial Statements

I. Balance Sheet

	ASSETS	Notes	THOUSAND TURKISH LIRA			THOUSAND TURKISH LIRA		
			Reviewed			Audited		
			Current Period			Prior Period		
			30 June 2023			31 December 2022		
			TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (Net)		406,396	4,581,445	4,987,841	406,600	1,649,129	2,055,729
1.1	Cash and Cash Equivalents		314,423	4,541,182	4,855,605	406,374	1,648,897	2,055,271
1.1.1	Cash and Balances with Central Bank	I-a	52,758	427,815	480,573	50,993	289,509	340,502
1.1.2	Banks	I-c	261,665	4,113,367	4,375,032	355,381	1,359,388	1,714,769
1.1.3	Receivables from Money Markets		-	-	-	-	-	-
1.1.4	Expected Loss Provision		-	-	-	-	-	-
1.2	Financial Assets at Fair Value Through Profit or Loss	I-b	89,726	-	89,726	-	-	-
1.2.1	Government Debt Securities		-	-	-	-	-	-
1.2.2	Equity Instruments		-	-	-	-	-	-
1.2.3	Other Financial Assets		89,726	-	89,726	-	-	-
1.3	Financial Assets at Fair Value Through Other Comprehensive Income	I-d	2,087	40,189	42,276	10	-	10
1.3.1	Government Debt Securities		-	-	-	-	-	-
1.3.2	Equity Instruments		-	-	-	-	-	-
1.3.3	Other Financial Assets		2,087	40,189	42,276	10	-	10
1.4	Derivative Financial Assets	I-b	160	74	234	216	232	448
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		160	74	234	216	232	448
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)	I-e	942,736	164,107	1,106,843	59,885	378,585	438,470
2.1	Loans		942,736	164,107	1,106,843	59,872	378,585	438,457
2.2	Lease Receivables	I-j	-	-	-	13	-	13
2.3	Factoring Receivables		-	-	-	-	-	-
2.4	Other Financial Assets Measured at Amortized Cost	I-f	-	-	-	-	-	-
2.4.1	Government Debt Securities		-	-	-	-	-	-
2.4.2	Other Financial Assets		-	-	-	-	-	-
2.5	Expected Loss Provision (Loans)		-	-	-	-	-	-
III.	NON-CURRENT ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
3.1	Held for Sale Purpose		-	-	-	-	-	-
3.2	Held from Discontinued Operations		-	-	-	-	-	-
IV.	EQUITY INVESTMENTS		10,050	-	10,050	10,050	-	10,050
4.1	Associates (Net)	I-g	-	-	-	-	-	-
4.1.1	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	Subsidiaries (Net)	I-h	10,050	-	10,050	10,050	-	10,050
4.2.1	Unconsolidated Financial Subsidiaries		50	-	50	50	-	50
4.2.2	Unconsolidated Non-Financial Subsidiaries		10,000	-	10,000	10,000	-	10,000
4.3	Joint Ventures (Net)	I-i	-	-	-	-	-	-
4.3.1	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)		21,501	-	21,501	13,136	-	13,136
VI.	INTANGIBLE ASSETS (Net)		58,165	-	58,165	26,768	-	26,768
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		58,165	-	58,165	26,768	-	26,768
VII.	INVESTMENT PROPERTIES (Net)	I-l	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET	I-o	-	-	-	-	-	-
IX.	DEFERRED TAX ASSET	I-m	302	-	302	-	-	-
X.	OTHER ASSETS	I-p	26,890	13,200	40,090	18,808	2,664	21,472
	TOTAL ASSETS		1,466,040	4,758,752	6,224,792	535,247	2,030,378	2,565,625

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

GOLDEN GLOBAL YATIRIM BANKASI A.Ş.
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 JUNE 2023

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

I. Balance Sheet (cont’d)

	LIABILITIES	Notes	THOUSAND TURKISH LIRA			THOUSAND TURKISH LIRA		
			Reviewed			Audited		
			Current Period			Prior Period		
			30 June 2023			31 December 2022		
			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	II-a	-	-	-	-	-	-
II.	FUNDS BORROWED	II-c	165,625	1,136,556	1,302,181	102,608	48,947	151,555
III.	PAYABLES TO MONEY MARKETS		-	-	-	-	-	-
IV.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1	Bills		-	-	-	-	-	-
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	FUNDS		54,542	154,613	209,155	20,464	191,303	211,767
5.1	Borrower Funds		53,771	153,902	207,673	19,918	170,130	190,048
5.2	Other		771	711	1,482	546	21,173	21,719
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL INSTRUMENTS		-	18	18	-	-	-
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	18	18	-	-	-
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	FACTORING LIABILITIES		-	-	-	-	-	-
IX.	LEASE LIABILITIES	II-e	14,909	-	14,909	7,805	-	7,805
X.	PROVISIONS	II-g	31,325	3,979	35,304	18,024	5,991	24,015
10.1	General Provisions		14,587	3,678	18,265	1,089	5,942	7,031
10.2	Restructuring Provision		-	-	-	-	-	-
10.3	Provision for Employee Benefits		933	-	933	1,150	-	1,150
10.4	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.5	Other Provisions		15,805	301	16,106	15,785	49	15,834
XI.	CURRENT TAX LIABILITY	II-h	226,250	-	226,250	35,431	-	35,431
XII.	DEFERRED TAX LIABILITY		-	-	-	722	-	722
XIII.	LIABILITIES RELATED TO NON-CURRENT ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Held from Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS		-	-	-	-	-	-
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	-	-	-	-	-
XV.	OTHER LIABILITIES	II-d	57,322	3,242,200	3,299,522	40,800	1,727,617	1,768,417
XVI.	EQUITY	II-i	1,136,192	1,261	1,137,453	365,913	-	365,913
16.1	Paid-in Capital		150,000	-	150,000	150,000	-	150,000
16.2	Capital Reserves		-	-	-	-	-	-
16.2.1	Share Premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		-	-	-	-	-	-
16.3	Accumulated Other Comprehensive Profit or Loss Not Reclassified Through Profit or Loss		87	1,261	1,348	-	-	-
16.4	Accumulated Other Comprehensive Profit or Loss Reclassified Through Profit or Loss		-	-	-	-	-	-
16.5	Profit Reserves		11,025	-	11,025	1,405	-	1,405
16.5.1	Legal Reserves		11,025	-	11,025	1,405	-	1,405
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		-	-	-	-	-	-
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	Profit or Loss		975,080	-	975,080	214,508	-	214,508
16.6.1	Prior Years' Profit or Loss		204,888	-	204,888	22,104	-	22,104
16.6.2	Net Profit or Loss for the Period		770,192	-	770,192	192,404	-	192,404
	TOTAL LIABILITIES		1,686,165	4,538,627	6,224,792	591,767	1,973,858	2,565,625

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

GOLDEN GLOBAL YATIRIM BANKASI A.Ş.
STATEMENT OF OFF BALANCE SHEET ACCOUNTS AS OF 30 JUNE 2023

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

II. Statement of Off-Balance Sheet Statement

OFF BALANCE SHEET ACCOUNTS		Notes	THOUSAND TURKISH LIRA			THOUSAND TURKISH LIRA		
			Reviewed			Audited		
			Current Period			Prior Period		
			30 June 2023			31 December 2022		
			TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I-II+III)		313,367	820,179	1,133,546	159,992	809,605	969,597
I.	GUARANTEES AND WARRANTIES	III-a	93,349	85,813	179,162	27,012	511,748	538,760
1.1.	Letters of Guarantee		93,349	68,173	161,522	27,012	31,881	58,893
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		93,349	68,173	161,522	27,012	31,881	58,893
1.2.	Bank Loans		-	-	-	-	-	-
1.2.1.	Import Letter of Acceptance		-	-	-	-	-	-
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letters of Credit		-	17,640	17,640	-	479,867	479,867
1.3.1.	Documentary Letters of Credit		-	17,640	17,640	-	479,867	479,867
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 Turkey		-	-	-	-	-	-
1.5.2.	Other Endorsements		-	-	-	-	-	-
1.6.	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7.	Factoring Guarantees		-	-	-	-	-	-
1.8.	Other Guarantees		-	-	-	-	-	-
1.9.	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS		170,617	324,947	495,564	64,280	164,532	228,812
2.1.	Irrevocable Commitments		170,617	324,947	495,564	64,280	164,532	228,812
2.1.1.	Forward Asset Purchase and Sales Commitments		170,617	324,947	495,564	64,280	164,532	228,812
2.1.2.	Forward 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 Requirements		-	-	-	-	-	-
2.1.7.	Commitments for Cheque Payments		-	-	-	-	-	-
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		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		49,401	409,419	458,820	68,700	133,325	202,025
3.1.	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1.	Fair Value Hedge		-	-	-	-	-	-
3.1.2.	Cash Flow Hedge		-	-	-	-	-	-
3.1.3.	Foreign Net Investment Hedge		-	-	-	-	-	-
3.2.	Trading Derivative Financial Instruments		49,401	409,419	458,820	68,700	133,325	202,025
3.2.1.	Forward Foreign Currency Buy/Sell Transactions		49,401	151,132	200,533	68,700	133,325	202,025
3.2.1.1.	Forward Foreign Currency Transactions-Buy		49,401	51,031	100,432	68,700	32,493	101,193
3.2.1.2.	Forward Foreign Currency Transactions-Sell		-	100,101	100,101	-	100,832	100,832
3.2.2.	Swap Transactions Related to Foreign Currency and Interest Rates		-	258,287	258,287	-	-	-
3.2.2.1.	Foreign Currency Swap-Buy		-	129,171	129,171	-	-	-
3.2.2.2.	Foreign Currency Swap-Sell		-	129,116	129,116	-	-	-
3.2.2.3.	Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4.	Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3.	Foreign Currency, Interest rate and Securities Options		-	-	-	-	-	-
3.2.3.1.	Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2.	Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3.	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4.	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5.	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6.	Securities Options-Sell		-	-	-	-	-	-
3.2.4.	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1.	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2.	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5.	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1.	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2.	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6.	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		7,158,023	176,481	7,334,504	3,936,260	28,767	3,965,027
IV.	ITEMS HELD IN CUSTODY		170,773	176,481	347,254	63,000	28,767	91,767
4.1.	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		2,023	176,481	178,504	-	28,767	28,767
4.3.	Cheques Received for Collection		168,750	-	168,750	63,000	-	63,000
4.4.	Commercial Notes Received for Collection		-	-	-	-	-	-
4.5.	Other Assets Received for Collection		-	-	-	-	-	-
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		-	-	-	-	-	-
4.8.	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		6,987,250	-	6,987,250	3,873,260	-	3,873,260
5.1.	Marketable Securities		90,000	-	90,000	10	-	10
5.2.	Guarantee Notes		-	-	-	-	-	-
5.3.	Commodity		500	-	500	500	-	500
5.4.	Warranty		-	-	-	-	-	-
5.5.	Immovable		-	-	-	-	-	-
5.6.	Other Pledged Items		6,896,750	-	6,896,750	3,872,750	-	3,872,750
5.7.	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED BILL, GUARANTEES AND WARRANTIES		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		7,471,390	996,660	8,468,050	4,096,252	838,372	4,934,624

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

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
STATEMENT OF INCOME FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2023
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

III. Statement of Income

	INCOME AND EXPENSE ITEMS	Notes	THOUSAND TURKISH LIRA	THOUSAND TURKISH LIRA	THOUSAND TURKISH LIRA	THOUSAND TURKISH LIRA
			Reviewed	Reviewed	Reviewed	Reviewed
			1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
I.	PROFIT SHARE INCOME	IV-a	104,888	17,102	72,612	9,463
1.1	Profit Share on Loans		44,945	13,051	29,554	7,636
1.2	Profit Share on Reserve Requirements		-	7	-	4
1.3	Profit Share on Banks		50,339	4,011	35,080	1,821
1.4	Profit Share on Money Market Transactions		-	-	-	-
1.5	Profit Share on Marketable Securities Portfolio		9,604	29	7,978	-
1.5.1	Fair Value Through Profit or Loss		-	-	-	-
1.5.2	Fair Value Through Other Comprehensive Income		9,604	29	7,978	-
1.5.3	Measured at Amortized Cost		-	-	-	-
1.6	Financial Lease Profit Share Income		-	4	-	2
1.7	Other Profit Share Income		-	-	-	-
II.	PROFIT SHARE EXPENSE (-)	IV-b	48,764	1,403	32,567	1,026
2.1	Profit Share on Deposits		-	-	-	-
2.2	Profit Share on Funds Borrowed		45,538	734	30,857	626
2.3	Profit Share Expense on Money Market Transactions		-	-	-	-
2.4	Profit Share on Securities Issued		-	-	-	-
2.5	Lease Dividend Expenses		-	-	-	-
2.6	Other Profit Share Expenses		3,226	669	1,710	400
III.	NET PROFIT SHARE INCOME/EXPENSE (I - II)		56,124	15,699	40,045	8,437
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		153,738	25,865	73,728	12,788
4.1	Fees and Commissions Received		256,623	76,837	130,706	45,208
4.1.1	Non-cash Loans		469	150	322	87
4.1.2	Other		256,154	76,687	130,384	45,121
4.2	Fees and Commissions Paid (-)	IV-k	(102,885)	(50,972)	(56,978)	(32,420)
4.2.2	Non-cash Loans		(16)	(13)	(9)	(13)
4.2.3	Others		(102,869)	(50,959)	(56,969)	(32,407)
V.	DIVIDEND INCOME		-	-	-	-
VI.	TRADING PROFIT/LOSS (Net)	IV-c	1,016,667	79,822	842,335	53,512
6.1	Trading Gains/Losses on Securities		(432)	-	-	-
6.2	Gains/Losses on Derivative Financial Transactions		(4,690)	238	(3,972)	236
6.3	Foreign Exchange Gains/Losses		1,021,789	79,584	846,307	53,276
VII.	OTHER OPERATING INCOME	IV-d	7,353	16,290	1,791	716
VIII.	GROSS OPERATING PROFIT (III+IV+V+VI+VII+VIII)		1,233,882	137,676	957,899	75,453
IX.	EXPECTED CREDIT LOSS (-)	IV-e	-	-	-	-
X.	OTHER PROVISION EXPENSES (-)		-	-	-	-
XI.	PERSONNEL EXPENSES (-)	IV-f	(52,198)	(14,128)	(26,473)	(7,311)
XII.	OTHER OPERATING EXPENSES (-)	IV-f	(149,444)	(84,065)	(82,772)	(38,357)
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI)		1,032,240	39,483	848,654	29,785
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XV.	PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XVI.	PROFIT/LOSS ON NET MONETARY POSITION		-	-	-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+XIII+XIV+XV)	IV-h	1,032,240	39,483	848,654	29,785
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-g	(262,048)	(10,106)	(215,590)	(7,111)
18.1	Current Tax Provision		(263,071)	(7,105)	(215,582)	(7,105)
18.2	Deferred Tax Expense Effect (+)		-	(3,001)	-	(6)
18.3	Deferred Tax Income Effect (-)		1,023	-	(8)	-
XIX.	CURRENT PERIOD NET PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)		770,192	29,377	633,064	22,674
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1	Income from Non-current Assets Held for Sale		-	-	-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3	Income from Other Discontinued Operations		-	-	-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Expenses for Non-current Assets Held for Sale		-	-	-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3	Expenses from Other Discontinued Operations		-	-	-	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)		-	-	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1	Current Tax Provision		-	-	-	-
23.2	Deferred Tax Expense Effect (+)		-	-	-	-
23.3	Deferred Tax Income Effect (-)		-	-	-	-
XXIV.	CURRENT REPIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV.	NET PROFIT/LOSS FOR THE PERIOD (XVIII+XXIII)		770,192	29,377	633,064	22,674

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

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
FINANCIAL STATEMENTS RELATED TO INCOME AND EXPENSE ITEMS RECOGNIZED
IN EQUITY FOR THE SIX-MONTHS INTERIM PERIOD ENDED 30 JUNE 2023

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

IV. Financial statements related to income and expense items recognized equity

		THOUSAND TURKISH LIRA	THOUSAND TURKISH LIRA
		Reviewed	Reviewed
		30 June 2023	30 June 2022
I.	CURRENT PERIOD PROFIT/LOSS	770,192	29,377
II.	OTHER COMPREHENSIVE INCOME	1,348	5
2.1	Not Reclassified Through Profit or Loss	1,348	-
2.1.1	Tangible Assets Revaluation Increase/Decrease	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Plan Remeasurement Gain/Loss	-	-
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	1,348	-
2.1.5	Tax Related to Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.2	Reclassified Through Profit or Loss	-	5
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	-	5
2.2.3	Cash Flow Hedge Income/Expenses	-	-
2.2.4	Foreign Net Investment Hedge Income/Expenses	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Tax Related to Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
III.	TOTAL COMPREHENSIVE INCOME (I+II)	771,540	29,382

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

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2023

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

V. Changes in Shareholders' Equity

							Accumulated Other Comprehensive Income and Expense			Accumulated Other Comprehensive Income or Expense						
							Not Reclassified through Profit or Loss			Reclassified through Profit or Loss						
	Reviewed	Notes	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit/(Loss)	Current Period Net Profit/(Loss)	Total Equity
	PRIOR PERIOD – 30 June 2022															
I.	Prior Period End Balance		150,000	-	-	-	-	-	-	-	(5)	-	480	4,518	18,511	173,504
	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	
II.	Effect of Adjustment of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Balance (I+II)		150,000	-	-	-	-	-	-	-	(5)	-	480	4,518	18,511	173,504
IV.	Total Comprehensive Income		-	-	-	-	-	-	-	-	5	-	-	-	29,377	29,382
V.	Capital Increase by Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in Capital Inflation Adjustment Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	925	17,586	(18,511)	-
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	925	-	(925)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	17,586	(17,586)	-
	Balance at the End of the Period (III+IV+...X+XI)		150,000	-	-	-	-	-	-	-	-	-	1,405	22,104	29,377	202,886
	Reviewed	Notes	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit/(Loss)	Current Period Net Profit/(Loss)	Total Equity
	CURRENT PERIOD – 30 June 2023															
I.	Prior Period End Balance		150,000	-	-	-	-	-	-	-	-	-	1,405	22,104	192,404	365,913
	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Adjustment of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Balance (I+II)		150,000	-	-	-	-	-	-	-	-	-	1,405	22,104	192,404	365,913
IV.	Total Comprehensive Income		-	-	-	-	-	1,348	-	-	-	-	-	-	770,192	771,540
V.	Capital Increase by Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in Capital Inflation Adjustment Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	9,620	182,784	(192,404)	-
11.1	Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	9,620	-	(9,620)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	182,784	(182,784)	-
	Balance at the End of the Period III+IV+...X+XI)		150,000	-	-	-	-	1,348	-	-	-	-	11,025	204,888	770,192	1,137,453

1. Accumulated increases/decreases in tangible assets revaluation reserve,

2. Accumulated gains/losses on remeasurements of defined benefit plans

3. Other (other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss and other accumulated amounts of not reclassified through profit or loss),

4. Exchange differences on translation,

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

6. Other (accumulated gains or losses on cash flow hedges, other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss and other accumulated amounts of reclassified through profit or loss).

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

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH INTERIM PERIOD ENDED 30 JUNE 2023
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

VI. Statement of Cash Flows

		THOUSAND TURKISH LIRA	THOUSAND TURKISH LIRA
		Reviewed	Reviewed
		1 January - 30 June 2023	1 January - 30 June 2022
A.	CASH FLOWS FROM BANKING OPERATIONS	-	-
1.1	Operating Profit Before Changes in Operating Assets and Liabilities	962,022	28,652
1.1.1	Profit Share Received	85,574	4,127
1.1.2	Profit Share Paid	(42,528)	(668)
1.1.3	Dividend Received	-	-
1.1.4	Fees and Commissions Received	256,742	109,262
1.1.5	Other Income	1,002,879	67,105
1.1.6	Collections from Non-performing Loans Recognized as Loss	-	-
1.1.7	Cash Payments to Personnel and Service Suppliers	(52,478)	(14,128)
1.1.8	Taxes Paid	(47,502)	-
1.1.9	Other	(240,665)	(137,046)
1.2	Changes in Operating Assets and Liabilities	1,903,704	(6,637)
1.2.1	Net (Increase) / Decrease in Financial Assets at Fair Value Through Profit Or Loss	(89,493)	10,340
1.2.2	Net (Increase) / Decrease in the Account of Banks	-	-
1.2.3	Net (Increase) / Decrease in Loans	(648,584)	15,382
1.2.4	Net (Increase) / Decrease in Other Assets	(17,908)	58,482
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	1,144,390	10,291
1.2.9	Net Increase / (Decrease) in Payables Due	-	-
1.2.10	Net Increase / (Decrease) in Other Liabilities	1,515,299	(101,132)
I.	Net Cash (Used in) / Provided from Banking Operations	2,865,726	22,015
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash Provided from Investing Activities	(87,566)	(16,914)
2.1	Cash Paid for Acquisition of Associates and Subsidiaries and Joint Ventures	-	(10,000)
2.2	Cash Obtained from Disposal of Associates and Subsidiaries and Joint Ventures	-	-
2.3	Purchases of Movable and Immovable Properties	(3,613)	(1,162)
2.4	Disposals of Movable and Immovable Properties	-	-
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income (-)	(42,266)	-
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	(41,687)	(5,752)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net Cash Provided from Financing Activities	1,248	(3,818)
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	-	-
3.5	Payments for Finance Leases	1,248	(3,818)
3.6	Other (+/-)	-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)	20,926	(3,418)
V.	Net Increase in Cash and Cash Equivalents (I+II+III+IV)	2,800,334	(2,135)
VI.	Cash and Cash Equivalents at Beginning of the Period (+)	2,055,271	543,123
VII.	Cash and Cash Equivalents at End of the Period (V+VI)	4,855,605	540,988

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

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SECTION THREE
Accounting Policies

I. Basis of presentation

The financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no. 26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency (“BRSA”) and circulars and interpretations published by BRSA (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish Accounting Standards 34 (“TAS 34”) and Turkish Financial Reporting Standards and put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”).

POA made an announcement on 20 January 2022 regarding the application of TAS 29 “Financial Reporting in Hyperinflationary Economies” (“TAS 29”) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 for the year ended 31 December 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying financial statements as of 30 June 2023 in accordance with TAS 29.

The accounting policies and valuation principles followed in the preparation of the financial statements are explained in the notes below.

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

The Bank follows an asset-liability management strategy that mitigates risk and increases earnings by balancing the funds borrowed and the investments in various financial assets. The main objective of asset-liability management is to limit the Bank’s exposure to liquidity risk, currency risk and credit risk while increasing profitability and strengthening the Bank’s equity.

Gains and losses arising from foreign currency transactions have been recorded in the period in which the transaction took place. Foreign currency denominated monetary assets and liabilities are valued with the period end valuation rates published converting them into Turkish Lira and valuation differences of foreign currencies have been recognized as foreign exchange profit or loss.

The foreign currency exchange differences resulting from the translation of debt securities issued and monetary financial instruments into Turkish Lira are included in the income statement. There are no foreign currency differences capitalized by the Bank.

III. Explanations on futures, option contracts and derivative instruments

The derivative transactions that the Bank mainly uses are forward, futures, swaps, options and forward purchase and sale contracts. Derivative transactions are classified as financial instruments whose fair value difference is reflected to profit and loss and are monitored with their fair values. Liabilities and receivables arising from derivative transactions are recorded in off-balance sheet accounts at their contractual amounts.

Derivative transactions are evaluated with their fair values in the periods following their recognition. In accordance with the classification of derivative transactions, if the fair value is positive, in the “Part of Derivative Financial Assets at Fair Value through Profit and Loss” or in “Derivative Financial Assets at Fair Value through Other Comprehensive Income”, if negative, “Derivative Financial Liabilities at Fair Value through Profit and Loss” or in “Derivative Financial Liabilities at Fair Value through Other Comprehensive Income”. Differences in the fair value of derivative transactions, of which the fair value difference of derivative financial assets is reflected to profit/loss, are recognized under profit/loss from derivative financial transactions in the trade profit/loss item in the income statement.

There are no embedded derivatives created by separating them from the main contract or derivatives for hedging purposes.

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Accounting Policies (cont’d)

IV. Explanations on Profit Share Income and Expenses

Profit share income is recognized in the income statement on an accrual basis by using the method of internal rate of return and is accounted under profit share income account in the financial statements. While applying the internal rate of return method, the Bank amortizes the fees and transaction costs included in the calculation of the effective profit rate over the expected life of the financial instrument.

V. Explanations on fee and commission income and expenses

Except for the fees and commission income and expenses obtained for some banking services which are recorded as income and expense when collected, fees and commission income/expenses are reflected in the income statement over the period of the related transaction. Fees and commissions, other than those that are integral parts of the effective profit rate in the internal rate of return method of financial instruments measured at amortized cost, are accounted in accordance with TFRS 15 Revenue from Contracts with Customers.

Fees and commission income and expenses, excluding fee revenues, related to some banking transactions, for which revenue is recorded at once during the service period, and loan fees and commission expenses paid to other credit institutions and organizations are recognized on an accrual basis throughout the service period.

In accordance with the provisions of Turkish Accounting Standards, commission and fees collected in advance for loans granted are deferred and reflected to the income statement by using the internal rate of return method. Unearned portion of the commission and fees relating to the future periods are recorded to the “Unearned Revenue” account under “Other Liabilities” on the balance sheet.

VI. Explanations on financial assets

The Bank classifies and accounts for its financial assets as “Fair Value Through Profit/Loss”, “Fair Value Through Other Comprehensive Income,” or “Amortized Cost” as per the standard of “TFRS 9 Financial Instruments”. This classification is based on the contractual cash flow characteristics of the related business model used for management of the financial assets at initial recognition.

Financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Recognition and Derecognition. They are included in the balance sheet of the Bank if the Bank is a legal party to these instruments.

Financial instruments have the feature of detecting, affecting and diminishing liquidity, credit and profit share risks in the financial statements. All regular way purchases and sales of financial assets are recognized on the settlement date i.e. the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the Bank and (b) disposing of the asset out of the balance sheet on the date settled by the Bank; and accounting of gain or loss upon disposal. In case of application of settlement date accounting, for the financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income the Bank accounts for the changes that occur in the fair value of the asset in the period between trade transaction date and settlement date.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted in the same way as the acquired assets. Fair value differences are not accounted for financial assets presented at cost or amortized cost; gain or loss of financial assets at fair value through profit and loss are reflected in the statement of income; gain or loss of financial assets at fair value through other comprehensive income are accounted for in the other comprehensive income.

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Accounting Policies (cont’d)

VI. Explanations on financial assets (cont’d)

Details of the accounts in which financial instruments are classified in financial statements are given below.

Financial Assets at Fair Value Through Profit and Loss

Financial assets at fair value through profit and loss are financial assets other than the ones that are managed with business model that aims to hold assets to collect contractual cash flows or to collect cash flows that are solely payments of principal and profit share on the principal outstanding amount; 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 taking.

The fair value of financial assets at fair value through profit and loss, which are traded in active markets, is determined according to the price of the stock exchange; and if there is no stock exchange price, the price is determined according to the price of the Official Gazette. Where there is no quoted price in an active market, the fair value is determined by using other methods specified in TFRS 13. Financial assets at the fair value through profit or loss are initially recognized at fair value. They are subject to valuation at fair value after recognition. The profit and losses incurred are accounted in the profit and loss.

Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets are classified as fair value through other comprehensive income where the business models aim to hold financial assets in order to collect the contractual cash flows and selling assets and the terms of financial asset give rise to cash flows that are solely payments of principal of profit share at certain dates.

In the initial recognition of financial assets with fair value difference accounted for in other comprehensive income, their fair values including transaction costs are used.

Valuation of the financial assets whose fair value difference is reflected in other comprehensive income after the first registration is made at their fair value. The results of the subsequent changes in the fair value of financial assets at fair value through other comprehensive income, namely unrealized gain or loss are recorded in “Accumulated Other Comprehensive Income or Expense Items to be Reclassified to Profit or Loss”. Accumulated fair value gain or loss, previously reflected in equity, is recorded to the income statement when the said financial assets are disposed.

The fair value of financial assets at fair value through other comprehensive income, which are traded in active markets is determined according to the price of the stock exchange. If there is no price of stock exchange, it is determined according to the Official Gazette. Where there is no quoted price in an active market, the fair value is determined by using other methods specified in TFRS 13.

Financial Assets at Amortized Cost

A financial asset is classified as a financial asset measured at amortized cost, if the financial asset is held within the scope of a business model for the collection of contractual cash flows and the contractual terms of the financial asset result in cash flows that include payments arising only from principal and profit share on the principal amounts on specific dates.

After the initial recognition, provision for impairment to be deducted, if any, financial assets measured at amortized cost are recognized with discounted value using effective profit share method (internal rate of return). Profit share earned from financial assets measured at amortized cost is recorded as profit share income. The Bank classifies financial assets in accordance with the classifications explained above during the acquisition of the mentioned assets.

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Accounting Policies (cont’d)

VI. Explanations on financial assets (cont’d)

Loans

Loans, other than those with intention to be sold, are the financial assets, the contractual terms of which result in cash flows that include payments arising only from principal and profit share on the principal amounts on specific dates.

The Bank initially recognizes loans at the cost of the acquisition and accounts for the amortized cost using the effective profit share method (internal rate of return) subsequent periods.

Foreign currency-indexed individual and commercial loans are shown under Turkish Currency (“TL”) accounts after having been converted into Turkish Lira at exchange rate at transaction date. Repayments are calculated at exchange rate at date of payment and exchange rate differences encountered are reflected in profit and loss accounts. Net foreign exchange gains of the foreign currency indexed loans are presented under foreign exchange gain/loss.

All loans of the Bank are monitored under the “Financial Assets at Amortized Costs” account.

VII. Explanations on impairment of financial assets

Expected Loss Provision

The Bank sets aside the expected loss provision by taking into consideration the “Regulation on the Classification of Loans and the Procedures and Principles Regarding the Provisions to be Set Aside” published in the Official Gazette dated 22 June 2016 and numbered 29750.

In addition, the Bank was exempted from the application of TFRS 9 due to the requirement for the credit history to be known in order to determine the expected loss provisions.

Loans

In the event that there are findings indicating that the loans cannot be collected, the Bank will make classification in Group III, IV, and V loans pursuant to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published in the Official Gazette dated 1 November 2006 and numbered 26333, and specific reserves are provided for these amounts. The Bank can make special provisions for loans with poor financial status and / or that are irrecoverable, above the minimum rates projected in the group to which it belongs.

The collections made in relation to the provisions made for the aforementioned loans in the current period are deducted from the “Provisions for Loans and Other Receivables” account in the income statement, and the principal collections made for the loans that have been provided for or written-off from assets in the previous periods are accounted for in the “Other Operating Income” account.

VIII. Explanations on offsetting of financial instruments

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

IX. Explanation on sales and repurchase agreements and securities lending transactions

The securities subject to repo are classified in the portfolios of “Financial Assets at Fair Value Through Other Comprehensive Income” or “Financial Assets at Amortized Cost” according to their purposes in the Bank portfolio and are subject to valuation according to the principles of the portfolio they belong to.

Funds obtained in return of repo agreements are monitored in liabilities under “Payable to Money Markets” accounts, and expense rediscount is calculated according to the internal rate of return method for the part of the difference between the sales and repurchase prices determined by the repo agreements.

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Accounting Policies (cont’d)

IX. Explanations on sales and repurchase agreements and securities lending transactions (cont’d)

Reverse repo transactions are recognized under the account “Receivables from Money Markets”. For the part of the difference between the purchase and resale prices determined by reverse repo agreements, corresponding to the period, income rediscount is calculated according to the internal rate of return method.

X. Information on non-current assets “held for sale” and “held from discontinued operations” and explanations on liabilities related with these assets

Assets that meet the criteria to be classified as held for sale are measured at carrying amount and depreciation of such assets is ceased and they are presented separately in the balance sheet. In order to classify an asset as held for sale, the asset (or the disposal group) should be available for an immediate sale in its present condition subject to the terms of any regular sales of such assets (or such disposal groups) and the sale should be highly probable. For a highly probable sale, the appropriate level of management must be committed to a plan to sell the asset (or the disposal group), and an active program to complete the plan should be initiated to locate a customer. Also, the asset (or the disposal group) should have an active market sale value, which is a reasonable value in relation to its current fair value. Events or circumstances may extend the completion of the sale more than one year.

Such assets are still classified as held for sale if there is sufficient evidence that the delay in the sale process is due to the events and circumstances occurred beyond the control of the entity or the entity remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is a component of a bank that either has been disposed of or is classified as held for sale. Gains or losses relating to discontinued operations are presented separately in the statement of profit or loss.

XI. Explanations on goodwill and other intangible assets

As at the balance sheet date, there is no goodwill recorded in the financial statements of the Bank.

Intangible assets are carried at their restated historical costs and intangible assets that are purchased in the subsequent periods are carried at their historical cost, less any accumulated amortization and any impairment losses. Intangible assets are amortized by using the straight-line method based on their useful lives. Amortization method and period are assessed periodically at the end of each year. Intangible assets consist of software expenses, and they are amortized by using the straight line method over 3 years. There is no significant change in the accounting estimates expected or to be expected having a significant effect on the amortization method, amortization period or residual value.

XII. Explanations on tangible assets

Tangible assets are 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. Tangible assets are presented in the financial statements over their remaining cost after deducting accumulated depreciation from cost amounts, if any, and after deducting accumulated depreciation from their fair values. Tangible assets are depreciated over their estimated useful lives using the straight-line method. Lands are not depreciated due to their unlimited lifetime.

The estimated useful lives are as follows:

Buildings	50 years
Transfer Vehicles	5 years
Other tangible assets	3-36 years

As of the balance sheet date, the depreciation amount is calculated by proportioning the depreciation amount estimated for one full year with the duration of being in the assets. If the cost value is higher than the “Net realizable value” of the related tangible asset, the value of the aforementioned asset is reduced to the “Net realizable value” and the provision for the impairment allocated is associated with the expense accounts. Gains and losses arising from the disposal of tangible assets are determined by deducting the net book value of the related tangible asset from the sales revenue.

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Accounting Policies (cont’d)

XII. Explanations on tangible assets (cont’d)

Ordinary maintenance and repair expenses incurred for tangible assets items are recognized as expenses. Investment expenditures that increase the future benefit by enhancing the capacity of tangible assets are capitalized. The investment expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product or to decrease the costs.

There are no mortgages, pledges or similar precautionary measures on tangible assets or commitments given for the purchase as of 30 June 2023.

XIII. Explanations on leasing transactions

The Bank assesses whether a contract is or contains a lease, at inception of the contract. The Bank recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. If there is no other systematic basis that better reflects the timing structure in which the economic benefits obtained from the leased assets are used, the Bank accounts for the lease payments as operating expenses by linear method during the lease period.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Bank uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease,

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect profit share on the lease liability (using the effective profit share (internal rate of return) method) and by reducing the carrying amount to reflect the lease payments made.

The Bank remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate,
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating profit share rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Bank did not make any such adjustments during the periods presented.

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Accounting Policies (cont’d)

XIII. Explanations on leasing transactions (cont’d)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Bank incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Bank applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and included in “Other expenses” in profit or loss.

XIV. Explanations on provisions and contingent liabilities

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

Provisions are recognized when the Bank has a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. As per the “Matching Principle,” a provision is provided for the liabilities arising as a result of past events in the period they arise, if it is probable that the liability will be settled and a reliable estimate for the liability amount can be made. When a reliable estimate of the amount of the obligation cannot be made or it is not probable that an outflow of resources will be required to settle the obligation, the obligation is considered as a “Contingent” liability and is disclosed in the related notes to the financial statements.

XV. Explanations on obligations related to employee benefits

The Bank recognizes its liabilities of employment terminations and vacation benefits in accordance with “Turkish Accounting Standard about Benefits for Employee” (“TAS 19”).

TAS 19, which is updated with the Communiqué published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority on 12 March 2013 numbered 28585, abolished the option of associating related loss and profit with the “Income Statement” of the relevant period in the accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions for the Bank’s retirement pay liability calculations. Actuarial profit and loss in the relevant reporting period was classified in “Other Reserves” under Shareholders’ Equity, as being associated with the Statement Related to Income and Expense Items Recognized in Equity. It is associated with the Related Table and accounted under the “Other Reserves” item under Equity.

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities for each employee whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The Bank has calculated the estimated value of the probable future liability amounts arising from making severance pay to each employee who has completed over one year of service with the Bank and who retires or quits the employment to fulfill the compulsory military service, or who passes away, as defined in the Turkish Labor Law, based on their net present values and recognized in the financial statements.

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Accounting Policies (cont’d)

XV. Explanations on obligations related to employee benefits (cont’d)

The Bank’s employees are not members of any pension fund, foundations, union or other similar entities.

As of 30 June 2023, the Bank does not have employees who are employed with a fixed-term contract, whose contract term will expire in a period more than 12 months from the balance sheet date.

XVI. Explanation on taxation

Current Tax:

As per the terms of the amendment made in Article 32 of the Corporate Tax Law with the Law No. 7394 published in the Official Gazette dated 15 April 2022 and numbered 31810, corporate tax rate has been determined as 25%, starting from the declarations to be submitted as of 1 July 2022 and valid for the corporate earnings for the taxation period starting from 1 January 2022. As of 30 June 2023, it was applied as 25% in the financial statements.

This rate is applied on taxable income which is calculated by adjusting the income before tax for certain disallowable expenses, tax exempt income and other allowances. No further tax is applicable unless the profit is distributed. According to the tax legislations, advance tax amount shall also be calculated using a rate of 25%, over tax base and shall be paid, then the advance taxes paid within the year shall be offset from the corporate tax calculated over the yearly corporate tax return for that year.

Corporations are required to calculate advance tax at the rate of 25% on their quarterly financial profits and declare it until the 14th day of the second month following that period and pay it until the evening of the 17th day. Advance taxes are paid within the year belong to that year, and the paid advance taxes are offset from the corporate tax liability calculated over the corporate tax returns in the subsequent year. Any remaining amount of paid advance taxes after the offset can be paid back in cash or it can be deducted from financial loans to the government.

Corporate tax returns are filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes is paid in one installment by the end of that month.

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. However, losses cannot be carried back to offset profits from previous periods. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Deferred Tax:

For taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, as per the provisions of “Turkish Accounting Standard on Income Taxes” (“TAS 12”), the Bank calculates deferred tax liability over all taxable temporary differences and deferred tax asset over taxable temporary differences to the extent that is probable that taxable profit will be available in subsequent periods. Deferred tax asset and liabilities are shown in the accompanying financial statements on a net basis. The tax effects of items recognized directly in equity are also reflected in equity.

Deferred tax assets and liabilities are calculated over the tax rates expected to be applied in the period when the tax asset will be realized or the liability will be fulfilled by taking into account the tax rates and tax legislation that are in effect or effective as of the balance sheet date. The rates applied for deferred tax assets and liabilities calculated over temporary differences that will occur in the future are classified as 25% on an item basis, according to the expected realization periods of tax assets and liabilities in accordance with the relevant legislation (2022: 25%).

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Accounting Policies (cont’d)

XVII. Additional explanations on borrowing

Borrowings other than funds collected are measured at amortized cost using the internal rate of return method after the initial recognition. The Bank does not apply hedging techniques on related borrowings. The Bank has not issued convertible bonds.

XVIII. Explanations on issuance of share certificates:

There are no share certificates issued by the Bank.

There is no dividend distribution decision of the Bank announced after the balance sheet date.

XIX. Explanations on availed drafts and acceptances

Acceptances and availed drafts are realized simultaneously with the payment dates of the customers and they are presented as probable payables and commitments in off-balance sheet accounts.

XX. Explanations on government grants

There are no government incentives utilized by the Bank as of 30 June 2023.

XXI. Profit reserves and distribution of profit

The accumulated profit of the Bank are available for distribution, provided that permission is obtained from the BRSA.

XXII. Related parties

In line with the purpose of these financial statements, shareholders, senior executives and members of the board of directors, their families and companies controlled by them or affiliated with them, associates and joint ventures are classified as related parties within the scope of the “Related Party Disclosures Standard” (“TAS 24”). Transactions made with related parties are presented in Section Five, note V.

XXIII. Explanations on associates, subsidiaries and jointly controlled entities

In the unconsolidated financial statements, associates, joint ventures, financial and non-financial subsidiaries are recognized at cost less any provision for diminution in value in accordance with TAS 27.

XXIV. Cash and cash equivalents

“Cash”, which is the basis for the preparation of cash flow statements, is defined as effective money in transit and purchased bank checks and demand deposits in banks including the R.T. Central Bank (“CBRT”), and “Cash equivalent asset” is defined as interbank money market placements with an original maturity of less than three months and time deposits in banks.

XXV. Explanations on segment reporting

Operating segment is the distinguishable part of the Bank that the Bank operates in the provision of a single product or service or a related product or service group and that has different characteristics from other fields of activity in terms of risk and return. The information of the Bank’s business segments is explained in Section Four, disclosure numbered XIV.

XXVI. Explanations on other matters

The Bank has reclassified foreign currency trading profits amounting to TL 32,425, which was classified as “other” under net fee and commission income in the income statement as of 30 June 2022, as “foreign exchange transaction profit/loss” under trading profit/loss.

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SECTION FOUR
Explanations Related to the Financial Position and Risk Management

I. Explanations on the components of shareholders’ equity

Shareholders' equity and capital adequacy ratio were calculated within the framework of “Regulation on Banks' Equity” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks”.

As of 30 June 2023, the Bank's shareholders' equity for the current period is TL 1,097,553 and the capital adequacy standard ratio is 36.07%. The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation. (As of 31 December 2022, shareholders' equity is TL 346,176 and capital adequacy ratio is 39.66%).

	30 June 2023	31 December 2022
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	150,000	150,000
Share issue premiums	-	-
Reserves	11,025	1,405
Gains recognized in equity as per Turkish Accounting Standards (TAS)	1,348	-
Profit	975,080	214,508
Net Current Period Profit	770,192	192,404
Prior Periods’ Profit	204,888	22,104
Shares acquired free of charge from associates, subsidiaries and joint ventures and cannot be recognized within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	1,137,453	365,913
Deductions from Common Equity Tier 1 Capital	(58,165)	(26,768)
Common Equity as per the (i) 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	-	-
Improvement costs for operating leasing	-	-
Goodwill remaining after offsetting with the relevant deferred tax liability	-	-
Other intangible assets remaining after offsetting with the related deferred tax liability, excluding the rights to provide mortgage service	(58,165)	(26,768)
The remaining part of the deferred tax asset based on taxable income to be obtained in future periods, excluding the deferred tax assets based on temporary differences, after deducting with the related deferred tax liability	-	-
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 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital 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	-	-

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Explanations Related to the Financial Position and Risk Management (cont'd)

I. Explanations on the components of shareholders' equity (cont'd)

	30 June 2023	31 December 2022
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	-	-
Total Deductions from Common Equity Tier I Capital	(58,165)	(26,768)
Total Common Equity Tier I Capital	1,079,288	339,145
ADDITIONAL TIER I CAPITAL	-	-
Preferred stock not included in common equity Tier I Capital and the related share premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments 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	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
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 (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	1,079,288	339,145
TIER II CAPITAL	18,265	7,031
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)	18,265	7,031
Tier II Capital Before Deductions	-	-
Deductions from Tier II Capital	-	-
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 (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	18,265	7,031
Total Capital (The sum of Tier I Capital and Tier II Capital)	1,097,553	346,176

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Explanations Related to the Financial Position and Risk Management (cont'd)

I. Explanations on the components of shareholders' equity (cont'd)

	30 June 2023	31 December 2022
Total Capital (The sum of Tier I Capital and Tier II Capital)	1,097,553	346,176
Deductions from Capital Loans granted contrary to the 50th and 51st 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	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
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 owns 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 owns 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 owns 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 Tier1 capital for the purposes of the first and second sub-paragraph of the first paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
CAPITAL	-	-
Total Capital (Total of Tier I Capital and Tier II Capital)	1,097,553	346,176
Total Risk Weighted Assets	3,043,077	872,922
CAPITAL ADEQUACY RATIOS	-	-
CET 1 Capital Ratio (%)	35.47	38.85
Tier I Capital Ratio (%)	35.47	39.66
Capital Adequacy Ratio (%)	36.07	39.66
BUFFERS	-	-
Total additional core capital requirement ratio	2.5	2.5
Capital conservation buffer requirement (%)	2.5	2.5
Bank specific countercyclical buffer requirement (%)	-	-
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	-	-
Amounts Lower than Excesses as per Deduction Rules	-	-
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	-	-
Limits for Provisions Used in Tier II Capital Calculation	18,265	7,031
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty-five per the thousand	18,265	7,031
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4	-	-
(effective between 1 January 2018-1 January 2022)	-	-
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

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Explanations Related to the Financial Position and Risk Management (cont'd)

I. Explanations on the components of shareholders' equity (cont'd)

a) Information on debt instruments to be included in equity calculation:

None.

b) Necessary explanations in order to reach an agreement between the statement of shareholders' equity and balance-sheet amounts:

The main difference between the "Equity" amount given in the statement of equity and the "Equity" amount in the unconsolidated balance sheet arises from the general provisions. The portion of general provisions of the amount subject to credit risk is considered as Additional Tier I Capital in the calculation of the "Equity" amount given in the statement of equity. Operating lease development costs, intangible assets and deferred tax liabilities associated with them, which are under the item of Tangible Assets in the balance sheet, are taken into account in the calculation as Value to be Deducted from the Capital in the calculation of the "Equity" amount.

II. Explanation on credit risk

Not prepared in accordance with the Article 25 of the Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks.

III. Explanations on foreign exchange risk

Foreign exchange risk is the probability of loss that banks may incur due to changes in foreign exchange rates.

The Bank calculates the currency risk according to the Standard method and takes into account all foreign currency assets, liabilities and forward foreign currency transactions of the Bank in the calculations.

Exchange rate risk is calculated and monitored on a weekly and monthly basis based on the Standardized Method, which is also used in statutory reporting, and on a daily basis based on the Foreign Currency Net General Position / Equity Ratio.

The foreign exchange risk, which is considered as a sub-component of market risk, is kept in balance in accordance with legal limits, taking care not to create a deficit or excess position. In the event of a foreign exchange risk due to any open position, the foreign exchange risk is prevented by taking a counter position.

The Parent Bank's financial statement date and current foreign exchange buying rates announced to the public in the last five working days backwards from this date:

	<u>Euro</u>	<u>US Dollar</u>
Exchange Buying Rate at 31/12/2022	TL 19.9349	TL 18.6983
Exchange Buying Rate at 30/06/2023	TL 28.1540	TL 25.8231
1st Day CBT Exchange Buying Rate	TL 28.1540	TL 25.8231
2nd Day CBT Exchange Buying Rate	TL 28.1540	TL 25.8231
3rd Day CBT Exchange Buying Rate	TL 28.1540	TL 25.8231
4th Day CBT Exchange Buying Rate	TL 28.1540	TL 25.8231
5th Day CBT Exchange Buying Rate	TL 27.4579	TL 25.2505

The simple arithmetic average value of the CBRT's current foreign exchange buying rate for the last thirty-one days backwards from the financial statement date:

	<u>Euro</u>	<u>US Dollar</u>
31/12/2022 Arithmetic average - 31 days	TL 19.7164	TL 18.6370
30/06/2023 Arithmetic average - 30 days	TL 25.3477	TL 23.4008

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Explanations Related to the Financial Position and Risk Management (cont'd)

III. Explanations on foreign exchange risk (cont'd)

Information on the Bank's currency risk:

30 June 2023	Euro	US Dollar	Other	Total
Assets				
Cash (Cash, Banknotes, Money in Transit, Purchased Checks) and Central Bank	29,704	305,814	92,297	427,815
Banks	1,911,826	1,837,118	364,423	4,113,367
Financial Assets at Fair Value through Profit or Loss	-	-	-	-
Receivables from Money Markets	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	40,189	-	40,189
Loans	-	164,107	-	164,107
Associates, Subsidiary and Joint Ventures under Common control (Joint Ventures)	-	-	-	-
Financial Assets at Amortized Cost	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	68	13,206	-	13,274
Total Assets (*)	1,941,598	2,360,434	456,720	4,758,752
Liabilities				
Banks Deposits	-	-	-	-
Foreign Exchange Deposit Account	-	-	-	-
Payables to Money Markets	-	-	-	-
Funds from Other Financial Institutions	221,001	915,555	-	1,136,556
Securities Issued	-	-	-	-
Miscellaneous Payables	22,785	131,424	4,383	158,592
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	1,786,288	1,114,108	343,065	3,243,461
Total Liabilities	2,030,074	2,161,087	347,448	4,538,609
Net Balance Sheet Position	(88,476)	199,347	109,272	220,143
Net Off-Balance Sheet Position	87,237	(135,345)	(63,268)	(111,376)
Receivables from Derivative Financial Instruments	129,171	168,142	14,182	311,495
Liabilities from Derivative Financial Instruments	41,934	303,487	77,450	422,871
Non-Cash Loans	-	85,813	-	85,813

(*)TL 74 thousand derivative financial asset rediscount is included in Other Assets.

(*)The table above shows the Bank's net foreign currency position in terms of major currencies.

31 December 2022	Euro	US Dollar	Other	Total
Total Assets	615,124	1,336,678	78,576	2,030,378
Total Liabilities	552,779	1,372,134	48,945	1,973,858
Net Balance Sheet Position	62,345	(35,456)	29,631	56,520
Net Off-Balance Sheet Position	(43,418)	39,059	(32,396)	(36,755)
Receivables from Derivative Financial Instruments	-	127,140	3,411	130,551
Liabilities from Derivative Financial Instruments	43,418	88,081	35,807	167,306
Non-Cash Loans	-	511,748	-	511,748

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Explanations Related to the Financial Position and Risk Management (cont’d)

IV. Explanations on share position risk

There is no position risk of equity instruments arising from banking accounts. (31 December 2022: None).

V. Explanations on the liquidity risk management and liquidity coverage ratio

The liquidity risk of the Bank is the risk of being unable to fulfill its payment obligations on time due to not having enough cash sources or cash inflows to finance its cash outflows fully and on time due to cash flow instabilities.

Liquidity risk, which is monitored under two sub-headings: funding liquidity risk and market liquidity risk, is managed by the Asset Liability Committee (ALCO) within the framework of risk management policies and risk appetite approved by the Board of Directors.

Strategies, policies and practices regarding liquidity risk management are regularly reviewed and revised in a holistic perspective in line with the Bank's new products and services.

Liquidity risk limits determined in line with the Bank's risk appetite are monitored daily by the Risk Management Unit and reported to the Asset Liability Committee and Senior Management within the determined periods.

Funding sources and their durations are regularly reviewed and efforts are made to diversify funding sources and to provide them with longer maturities. In addition, concentrations in assets and liabilities are monitored and liquidity risks that may arise from concentrations are regularly assessed.

The currencies that constitute more than 5% of the Bank's total liabilities are denominated in Turkish Lira, US Dollars and Euro. The liquidity risk management of such currencies is monitored daily through the Bank's open positions and managed by balancing with the counter positions taken against open positions.

In order to reduce the liquidity risk, the liquidity risk of the Bank is regularly monitored within the limits set, and in case of exceeding the limits, the ALCO committee and/or Senior Management is informed and the liquidity risk is reduced in line with the decisions to be taken by the relevant committees.

Against extraordinary situations, necessary stress test scenarios are applied over liquidity ratios. These studies carried out by the Risk Management Unit are regularly reported to the Assets and Liabilities Committee and the Audit Committee.

The Bank has a “Liquidity Risk Management and Emergency and Contingency Plan” document for liquidity conditions beyond the Bank's control. Emergency and Contingency Management is carried out by the Asset-Liability Committee, which convenes under the chairmanship of the General Manager or his deputy in his absence. The plan is updated annually.

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Explanations Related to the Financial Position and Risk Management (cont’d)

V. Explanations on the liquidity risk management and liquidity coverage ratio (cont’d)

a) Presentation of assets and liabilities according to their remaining maturities:

30 June 2023	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Assets	-	-	-	-	-	-	-	-
Cash Values and Central Bank	182,459	298,114	-	-	-	-	-	480,573
Banks	3,272,109	1,102,923	-	-	-	-	-	4,375,032
Financial Assets at Fair Value Through Profit and Loss	-	-	89,726	-	-	-	-	89,726
Receivables from Money Markets	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	42,276	-	-	-	-	-	42,276
Loans Given	-	305,496	595,658	205,109	580	-	-	1,106,843
Financial Assets Valued at Amortized Cost Value	-	-	-	-	-	-	-	-
Other Assets (*)	-	3,461	-	-	-	-	126,881	130,342
Total Assets	3,454,568	1,752,270	685,384	205,109	580	-	126,881	6,224,792
Liabilities	-	-	-	-	-	-	-	-
Interbank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	3,668	1,298,513	-	-	-	-	1,302,181
Money Market Borrowings	-	-	-	-	-	-	-	-
Issued Marketable Securities	-	-	-	-	-	-	-	-
Miscellaneous Payables	209,155	-	-	-	-	-	-	209,155
Other Liabilities (**)	3,286,286	10,681	-	-	14,909	-	1,401,580	4,713,456
Total Liabilities	3,495,441	14,349	1,298,513	-	14,909	-	1,401,580	6,224,792
Long Position in the Balance Sheet	-	1,737,921	-	205,109	-	-	-	1,943,030
Short Position in the Balance Sheet	(40,873)	-	(613,129)	-	(14,329)	-	(1,274,699)	(1,943,030)
Net Off-Balance Sheet Position	-	(111,376)	-	-	-	-	-	(111,376)
Long Position in the Off-Balance Sheet	-	82,224	-	-	-	-	-	82,224
Short Position in the Off-Balance Sheet	-	(193,600)	-	-	-	-	-	(193,600)
Non-Cash Loans	-	-	17,640	1,497	26,595	133,430	-	179,162
Total Position	(40,873)	1,626,545	(613,129)	205,109	(14,329)	-	(1,274,699)	(111,376)

31 December 2022	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Long Position in the Balance Sheet	-	729,171	-	20,278	-	-	-	749,449
Short Position in the Balance Sheet	(307,007)	-	(82,895)	-	(6,872)	-	(352,675)	(749,449)
Net Off-Balance Sheet Position	-	(36,755)	-	-	-	-	-	(36,755)
Long Position in the Off-Balance Sheet	-	29,719	-	-	-	-	-	29,719
Short Position in the Off-Balance Sheet	-	(66,474)	-	-	-	-	-	(66,474)
Non-Cash Loans	-	1,025	362	480,615	18,500	38,258	-	538,760
Total Position	(307,007)	692,416	(82,895)	20,278	(6,872)	-	(352,675)	(36,755)

(*) Other assets which are required for banking operations and could not be converted into cash in short-term, such as; fixed assets, associates, subsidiaries, property holdings, prepaid expenses and non-performing loans are presented in this line.

(**) Equity is presented under “Undistributed” in “Other liabilities”.

b) Securitization positions:

None (31 December 2022: None).

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Explanations Related to the Financial Position and Risk Management (cont'd)

V. Explanations on the liquidity risk management and liquidity coverage ratio (cont'd)

c) Liquidity coverage ratio

Current Period		Total Unweighted		Total Unweighted	
30 June 2023		Total Value (*)		Total Value (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	High Quality Liquid Assets	607,747	268,646	607,747	268,646
CASH OUTFLOWS		-	-	-	-
2	Retail and Small Business Customers, of which;	-	-	-	-
3	Stable Deposits	-	-	-	-
4	Less Stable Deposits	-	-	-	-
5	Unsecured Debts Other than Real Person Deposits	4,031,532	3,735,584	2,648,625	2,404,742
6	Operational Deposit	-	-	-	-
7	Non-Operational Deposits	-	-	-	-
8	Other Unsecured Funding	4,031,532	3,735,584	2,648,625	2,404,742
9	Secured Funding	-	-	-	-
10	Other Cash Outflows	-	-	-	-
11	Derivative liabilities and collateral fulfillment obligations	17,129	4,746	17,129	4,746
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	64,224	64,224	3,253	3,253
16	TOTAL CASH OUTFLOWS	4,112,885	3,804,554	2,669,007	2,412,741
CASH INFLOWS		-	-	-	-
17	Secured lending	-	-	-	-
18	Unsecured lending	3,800,144	1,749,890	3,644,245	1,707,338
19	Other cash inflows	54,508	3,859	54,508	3,859
20	TOTAL CASH INFLOWS	3,854,652	1,753,749	3,698,753	1,711,197
21	TOTAL HQLA STOCK			607,747	268,646
22	TOTAL NET CASH OUTFLOWS			667,252	701,544
23	LIQUIDITY COVERAGE RATIO (%)			91%	38%

Prior Period		Total Unweighted		Total Unweighted	
31 December 2022		Total Value (*)		Total Value (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	High Quality Liquid Assets	1,218,564	1,150,158	1,218,564	1,150,158
16	TOTAL CASH OUTFLOWS	3,019,352	2,474,001	2,743,602	2,242,520
20	TOTAL CASH INFLOWS	1,778,400	1,166,710	1,643,184	1,057,539
21	TOTAL HQLA STOCK			2,861,748	2,207,697
22	TOTAL NET CASH OUTFLOWS			2,743,602	2,242,520
23	LIQUIDITY COVERAGE RATIO (%)			104%	98%

(*) The simple arithmetic average of the values calculated by taking the weekly simple arithmetic average for the last three months

The lowest, highest and average Liquidity Coverage Ratios for the last 3-month period in 2023 are given in the table below.

	Highest	Date	Lowest	Date
TL+FC	269.30	19/06/2023	26.45	22/04/2023
FC	70.51	11/05/2023	9.25	24/05/2023

In the last 3 months of 2022, the lowest, highest and average Liquidity Coverage Ratios are given in the table below.

	Highest	Date	Lowest	Date
TL+FC	480.92	24/11/2022	25.71	17/11/2022
FC	162.63	09/11/2022	16.82	19/10/2022

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Explanations Related to the Financial Position and Risk Management (cont’d)

VI. Explanation on leverage ratio

The regulation sentenced the minimum leverage as 3%.

Leverage Ratio

Balance sheet assets	Current Period (*)	Prior Period (**)
On-balance sheet items (excluding Derivative Financial instruments and credit derivatives but including collateral)	5,732,747	2,472,025
Assets deducted in determining Tier 1 capital	(50,528)	(21,512)
Total on-balance sheet risks	5,682,219	2,450,513
Derivative financial instruments and credit derivatives	34,366	6,828
Replacement cost associated with all derivative financial instruments and credit derivatives	-	-
Potential risk amount associated with all derivative financial instruments and credit derivatives	-	-
Total risks of derivative financial instruments and credit derivatives	34,366	6,828
Securities or commodity financing transactions	-	-
Risks from SCFT assets (excluding on-balance sheet)	-	-
Risks from brokerage activities related exposures	-	-
Total risks related with securities or commodity financing transactions	-	-
Other off-balance sheet transactions	154,099	218,590
Gross notional amounts of off-balance sheet transactions	-	-
Adjustments for conversion to credit equivalent amounts	-	-
Total risks of off-balance sheet items	154,099	218,590
Capital and total risks	-	-
Tier 1 capital	973,047	319,337
Total risks	5,870,683	2,675,932
Leverage ratio	16.57	11.93

(*) The information in the Leverage Ratio Disclosure table is calculated with the average of the month-end balance of April, May and June 2023.

(**) The information in the Leverage Ratio Disclosure table is calculated with the average of the month-end balance of October, November and December 2022.

VII. Explanations on Risk Management

A risk management system has been established by the Board of Directors for the management of the risks to which the Bank is and may be exposed, and policies and strategies have been established and responsibilities have been defined on the basis of each risk type for the effective functioning of the risk management system.

The Board of Directors is the owner of the Risk Management System and ensures the establishment and continuity of an effective, adequate and appropriate risk management system within the Bank.

The Audit Committee regularly assesses whether the necessary methods, tools and implementation procedures are in place to identify, measure, monitor and control the risks carried by the Bank and whether the risk management system is operating effectively and efficiently in light of the reports and information provided to it by the Risk Management Unit and other units within the scope of Internal Systems.

For the management of risks, the responsibilities of each business unit are defined within the framework of its own field of activity, and the Risk Management Unit is responsible for collective measurement, monitoring, control and reporting of risks.

The Bank measures and monitors the risks to which it is exposed in accordance with the legal regulations, taking as reference the methods compatible with international standards.

The Risk Management Unit plays an important role in ensuring that the Bank's risk management system operates effectively, that the Bank takes risks in proportion to its capital and resources, and that it maintains adequate liquidity and capital for adverse conditions.

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Explanations Related to the Financial Position and Risk Management (cont'd)

VII. Explanations on Risk Management (cont'd)

The Risk Management Unit informs the Assets and Liabilities Committee and the Senior Management about the risks it monitors within the determined periods, thus ensuring that the Bank's Senior Management is better informed about the risks carried and contributes to the execution of the Bank's activities in line with the budget and strategies determined by the Board of Directors and the risk appetite.

The Internal Control and Compliance Unit is actively involved in the control of transactions in the execution of activities, and also performs compliance controls and plays an active support role to ensure legal compliance and reduce risks.

The Internal Audit Unit monitors the activities of both the executive units and the Risk Management, Internal Control and Compliance Unit, as an independent observer, and provides the necessary information and guidance in this direction.

Overview of Risk Weighted Amounts

Current Period	Risk Weighted Amounts	Minimum Capital Requirement
Credit risk (excluding counterparty credit risk)	2,500,209	200,017
Standardized approach	2,500,209	200,017
Internal rating-based approach	-	-
Counterparty credit risk	2,004	160
Standardized approach for counterparty credit risk	2,004	160
Internal model method	-	-
Basic risk weight approach to internal models equity position in the banking account	-	-
Investments made in Collective Investment Companies-look through approach	-	-
Investments made in co Collective Investment Companies - mandate-based approach	-	-
Investments made in Collective Investment Companies -1250% weighted risk approach	-	-
Settlement risk	-	-
Securitization positions in banking accounts	-	-
IRB ratings-based approach	-	-
IRB Supervisory Formula approach	-	-
SA/simplified supervisory formula approach	-	-
Market risk	206,400	16,512
Standardized approach	206,400	16,512
Internal model approaches	-	-
Operational risk	334,464	26,757
Basic indicator approach	334,464	26,757
Standardized approach	-	-
Advanced measurement approach	-	-
The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-
Floor adjustment	-	-
Total	3,043,077	243,446

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Explanations Related to the Financial Position and Risk Management (cont’d)

VII. Explanations on Risk management (cont’d)

Overview of Risk Weighted Amounts (cont’d)

Prior Period	Risk Weighted Amounts	Minimum Capital Requirement
Credit risk (excluding counterparty credit risk)	722,199	57,776
Standardized approach	722,199	57,776
Internal rating-based approach		-
Counterparty credit risk	1,949	156
Standardized approach for counterparty credit risk	1,949	156
Internal model method	-	-
Securitization positions in banking accounts	-	-
Market risk	30,625	2,450
Standardized approach	30,625	2,450
Internal model approaches	-	-
Operational risk	118,149	9,452
Basic indicator approach	118,149	9,452
Standardized approach	-	-
Advanced measurement approach	-	-
The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-
Floor adjustment	-	-
Total	872,922	69,834

Credit quality of assets

Current Period	Estimated gross amount in accordance with TAS in the financial statements prepared according to legal consolidation		Provisions / Depreciation and impairment	Net value
	Defaulted	Non-defaulted		
Loans / Bank	-	1,106,843	-	1,106,843
Debt instruments	-	42,276	-	42,276
Off-balance sheet receivables	-	591,089	-	591,089
Total	-	1,740,208	-	1,740,208

Prior Period	Estimated gross amount in accordance with TAS in the financial statements prepared according to legal consolidation		Provisions / Depreciation and impairment	Net value
	Defaulted	Non-defaulted		
Loans / Bank	-	438,457	-	438,457
Debt instruments	-	23	-	23
Off-balance sheet receivables	-	770,504	-	770,504
Total	-	1,208,984	-	1,208,984

Changes in the stock of defaulted receivables and debt instruments

There is no change in the stock of defaulted receivables and debt instruments of the Bank.

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Explanations Related to the Financial Position and Risk Management (cont’d)

VII. Explanations on Risk Management (cont’d)

Credit risk reduction techniques

Current Period 30 June 2023	Unsecured receivables: TAS valued amount	Receivables 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
Loans	1,106,843	-	-	-	-	-	-
Debt instruments	42,276	-	-	-	-	-	-
Total	1,149,119	-	-	-	-	-	-
Defaulted	-	-	-	-	-	-	-

Prior Period 31 December 2022	Unsecured receivables: TAS valued amount	Receivables 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
Loans	438,470	-	-	-	-	-	-
Debt instruments	11	-	-	-	-	-	-
Total	438,481	-	-	-	-	-	-
Defaulted	-	-	-	-	-	-	-

Credit Risk If Standard Approach is Used

Explanations on the rating grades used by banks when calculating credit risk with the standard approach:

In the risk-weighted asset calculation process of the Group within the scope of the credit risk standard approach, external ratings are not used, and the country risk classification published by the Organization for Economic Cooperation and Development (OECD) is taken as a basis for central government and central banks.

Exposure to Credit Risk and Credit Risk Mitigation Effects

Current Period 30 June 2023	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 amounts	Risk weighted amount density
Risk Classes						
Receivables from central government or central banks	305,912	-	305,912	-	-	0.0
Receivables from regional or local governments	-	-	-	-	-	-
Receivables from administrative units and non-commercial	-	-	-	-	-	-
Multilateral development	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and intermediary institutions	3,237,447	5,445	3,237,447	5,445	933,776	0.29
Corporate receivables	1,061,100	153,167	1,061,100	76,935	1,472,466	1.29
Retail receivables	-	-	-	-	-	-
Receivables secured with real estate mortgage for residence	-	-	-	-	-	-
Receivables secured by real estate mortgage	-	-	-	-	-	-
Delayed receivables	-	-	-	-	-	-
Receivables determined as with high-risk by the Board	-	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	31,188	-	31,188	-	31,188	1.00
Investments in the nature of collective investment enterprise	10,050	-	10,050	-	10,050	1.00
Other receivables	156,623	-	156,623	-	54,721	0.35
Equity investments	-	-	-	-	-	-
Total	4,802,320	158,612	4,802,320	82,380	2,502,201	0.52

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Explanations Related to the Financial Position and Risk Management (cont’d)

VII. Explanations on Risk Management (cont’d)

Exposure to Credit Risk and Credit Risk Mitigation Effects (cont’d)

Prior Period 31 December 2022	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 amounts	Risk weighted amount density
Risk Classes						
Receivables from central government or central banks	81,089	-	81,089	-	-	-
Receivables from regional or local governments	-	-	-	-	-	-
Receivables from administrative units and non-commercial	-	-	-	-	-	-
Multilateral development	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and intermediary institutions	1,343,321	1,705	1,343,321	1,705	294,625	0.22
Corporate receivables	334,879	392,659	334,879	196,754	385,686	0.73
Retail receivables	-	-	-	-	-	-
Receivables secured with real estate mortgage for residence	-	-	-	-	-	-
Receivables secured by real estate mortgage	-	-	-	-	-	-
Delayed receivables	-	-	-	-	-	-
Receivables determined as with high-risk by the Board	-	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-
Investments in the nature of collective investment enterprise	-	-	-	-	-	-
Other receivables	242,669	-	242,669	-	33,780	0.14
Equity investments	10,050	-	10,050	-	10,050	1.00
Total	2,012,008	396,364	2,012,008	198,459	724,141	0.33

Receivables Related to Risk Classes and Risk Weights

Risk Classes/ Risk Weight										Total risk amount (post-CCF and CRM)
	0%	10%	20%	50%	75%	100%	150%	200%	Other	
Current Period - 30 June 2023										
Exposures to sovereigns and their central banks	305,912	-	-	-	-	-	-	-	-	305,912
Exposures to regional and local government	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	3,000,847	-	-	58,920	183,125	-	-	3,242,892
Exposures to corporates	-	-	-	-	-	803,605	-	334,430	-	1,138,035
Retail exposures	-	-	-	-	-	-	-	-	-	-
Exposures secured by residential property	-	-	-	-	-	-	-	-	-	-
Exposures secured by commercial property	-	-	-	-	-	-	-	-	-	-
Past-due items	-	-	-	-	-	-	-	-	-	-
Receivables determined as with high-risk by	-	-	-	-	-	-	-	-	-	-
Exposures in the form of bonds secured by	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-	31,188	-	-	-	31,188
Equity share investments	-	-	-	-	-	10,050	-	-	-	10,050
Other Receivables	101,902	-	-	-	-	54,721	-	-	-	156,623
Total	407,814	-	3,000,847	-	-	958,484	183,125	334,430	-	4,884,700

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Information on Financial Structure and Risk Management (cont’d)

VII. Explanations on Risk Management (cont’d)

Receivables Related to Risk Classes and Risk Weights (cont’d)

Risk Classes/ Risk Weight										Total risk amount (post-CCF and CRM)
Prior Period - 31 December 2022	0%	10%	20%	50%	75%	100%	150%	200%	Other	
Exposures to sovereigns and their central banks	81,089	-	-	-	-	-	-	-	-	81,089
Exposures to regional and local government	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	1,324,042	-	-	3,319	17,665	-	-	1,345,026
Exposures to corporates	171,036	-	-	-	-	335,509	-	25,088	-	531,633
Retail exposures	-	-	-	-	-	-	-	-	-	-
Exposures secured by residential property	-	-	-	-	-	-	-	-	-	-
Exposures secured by commercial property	-	-	-	-	-	-	-	-	-	-
Past-due items	-	-	-	-	-	-	-	-	-	-
Receivables determined as with high-risk by	-	-	-	-	-	-	-	-	-	-
Exposures in the form of bonds secured by	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	10,050	-	-	-	10,050
Other Receivables	208,889	-	-	-	-	33,780	-	-	-	242,669
Total	461,014	-	1,324,042	-	-	382,658	17,665	25,088	-	2,210,467

Evaluation of Counterparty Credit Risk According to Measurement Methods

Current Period 30 June 2023		Renewal cost	Potential credit risk amount	Effective Expected Positive Risk Amount	The alpha used to calculate the risk amount	Risk amount after CVA	RWA
1	Standard Approach to Counterparty Credit Risk Measurement (for derivative transactions)	484	5,664		1.4	6,148	2,004
2	Internal Model Method (for derivative transactions and security financing transactions)						
3	Simple financial collateral method used for CVA (for securities financing transactions)						
4	Comprehensive financial collateral method used for CVA (for securities financing transactions)						
5	Value-at-risk for securities financing transactions						
6	Total						2,004

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Information on Financial Structure and Risk Management (cont'd)

VII. Explanations on Risk Management (cont'd)

Evaluation of Counterparty Credit Risk According to Measurement Methods (cont'd)

Prior Period 31 December 2022		Renewal cost	Potential credit risk amount	Effective Expected Positive Risk Amount	The alpha used to calculate the risk amount	Risk amount after CVA	RWA
1	Standard Approach to Counterparty Credit Risk Measurement (for derivative transactions)	517	2,037		1.4	2,554	1,949
2	Internal Model Method (for derivative transactions and security financing transactions)						
3	Simple financial collateral method used for CVA (for securities financing transactions)						
4	Comprehensive financial collateral method used for CVA (for securities financing transactions)						
5	Value-at-risk for securities financing transactions						
6	Total						1,949

Capital Requirement for Credit Valuation Adjustments

Current Period 30 June 2023		Risk Amount (After Utilization of Credit Risk Mitigation Techniques)	Risk Weighted Amounts
	Total amount of portfolios subject to CVA capital requirement according to the Advanced Method	-	-
1	(i) Value at risk component (including 3* multiplier)		-
2	(ii) Value at stress risk (including 3* multiplier)		-
3	Total amount of portfolios subject to CVA capital requirement according to the Standardized Method	6,148	13
4	Total amount subject to CVA capital requirement	6,148	13

Prior Period 31 December 2022		Risk Amount (After Utilization of Credit Risk Mitigation Techniques)	Risk Weighted Amounts
	Total amount of portfolios subject to CVA capital requirement according to the Advanced Method	-	-
1	(i) Value at risk component (including 3* multiplier)		-
2	(ii) Value at stress risk (including 3* multiplier)		-
3	Total amount of portfolios subject to CVA capital requirement according to the Standardized Method	2,554	7
4	Total amount subject to CVA capital requirement	2,554	7

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Information on Financial Structure and Risk Management (cont’d)

VII. Explanations on Risk Management (cont’d)

Counterparty Credit Risk by Risk Classes and Risk Weights

Current Period 30 June 2023	a	b	c	d	e	f	g	h	i
Risk Weights / Risk Classes	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk
Receivables from central governments and central banks	-	-	-	-	-	-	-	-	-
Receivables from regional or local	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-trading enterprises	-	-	-	-	-	-	-	-	-
Receivables from multilateral development	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage	-	-	5,282	-	-	-	163	-	5,445
Corporate receivables	-	-	-	-	-	703	-	-	703
Retail receivables	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Total	-	-	5,282	-	-	703	163	-	6,148

Prior Period 31 December 2022	a	b	c	d	e	f	g	h	i
Risk Weights / Risk Classes	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk
Receivables from central governments and central banks	-	-	-	-	-	-	-	-	-
Receivables from regional or local	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-trading enterprises	-	-	-	-	-	-	-	-	-
Receivables from multilateral development	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage	-	-	1,121	-	-	-	584	-	1,705
Corporate receivables	-	-	-	-	-	849	-	-	849
Retail receivables	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Total	-	-	1,121	-	-	849	584	-	2,554

Collaterals Used for Counterparty Credit Risk

None (31 December 2022: None).

Credit Derivatives

None (31 December 2022: None).

Risks to Central Counterparty

None (31 December 2022: None).

VIII. Securitization Disclosures

None (31 December 2022: None).

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Information on Financial Structure and Risk Management (cont’d)

IX. Qualitative Information to be Disclosed about Market Risk

Standard Approach:

Risk Weighted Amounts (RWAs)		
	30 June 2023	31 December 2022
Outright (in advance) products		
Profit share rate risk (general and specific)	95,162	-
Equity risk (general and specific)	-	-
Foreign exchange risk	111,238	30,622
Commodity risk	-	-
Options		
Simplified approach	-	-
Delta-plus method	-	-
Scenario approach	-	-
Securitization	-	-
Total	206,400	30,622

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Information on Financial Structure and Risk Management (cont’d)

X. Explanations on Operating Segments

The Bank operates in the field of corporate banking and treasury transactions within its core banking services.

Information on the business segments of the Bank:

Representation of certain financial statement items by business segments:

Current Period 1 January 2023 – 30 June 2023	Private Banking	Corporate Banking	Investment Banking	Other	Total Activity of the Bank
Operating Income	-	-	104,888	-	104,888
Operating expenses (-)	-	-	48,764	-	48,764
Transfers between segments	-	-	-	-	-
Net operating profit / loss	-	-	56,124	-	56,124
Net Price Commission income/expense	-	-	153,738	-	153,738
Trade Profit and Loss	-	-	1,016,667	-	1,016,667
Other Operating income/expense	-	-	(194,289)	-	(194,289)
Income from Associates	-	-	-	-	-
Profit Before Tax	-	-	1,032,240	-	1,032,240
Tax Provision	-	-	(262,048)	-	(262,048)
Net Profit for the Period	-	-	770,192	-	770,192
Segment Assets	-	-	6,224,792	-	6,224,792
Undistributed assets	-	-	-	-	-
Total Assets	-	-	6,224,792	-	6,224,792
Segment Liabilities	-	-	5,087,339	-	5,087,339
Undistributed liabilities	-	-	-	-	-
Equity	-	-	1,137,453	-	1,137,453
Total Liabilities	-	-	6,224,792	-	6,224,792

Prior Period 1 January 2022 – 30 June 2022	Private Banking	Corporate Banking	Investment Banking	Other	Total Activity of the Bank
Operating Income	-	-	17,102	-	17,102
Operating expenses (-)	-	-	1,403	-	1,403
Transfers between segments	-	-	-	-	-
Net operating profit / loss	-	-	15,699	-	15,699
Net Price Commission income/expense	-	-	25,865	-	25,865
Trade Profit and Loss	-	-	79,822	-	79,822
Other Operating income/expense	-	-	(81,903)	-	(81,903)
Income from Associates	-	-	-	-	-
Profit Before Tax	-	-	39,483	-	39,483
Tax Provision	-	-	(10,106)	-	(10,106)
Net Profit for the Period	-	-	29,377	-	29,377
Segment Assets	-	-	2,565,625	-	2,565,625
Undistributed assets	-	-	-	-	-
Total Assets	-	-	2,565,625	-	2,565,625
Segment Liabilities	-	-	2,199,712	-	2,199,712
Undistributed liabilities	-	-	-	-	-
Equity	-	-	365,913	-	365,913
Total Liabilities	-	-	2,565,625	-	2,565,625

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SECTION FIVE
Explanations and Notes Related to the Financial Statements

I. Explanations and Notes Related to the Assets of the Balance Sheet

a) Information on Cash and balance with the Central Bank of Turkey:

1. Information on Cash and balance with the Central Bank of Turkey:

	30 June 2023		31 December 2022	
	TL	FC	TL	FC
Cash/Effective	10,654	44,127	21,631	254,712
Central Bank of Turkey	42,104	298,311	29,362	29,342
Other	-	85,377	-	5,455
Total	52,758	427,815	50,993	289,509

2. Information on the Central Bank of Turkey:

	30 June 2023		31 December 2022	
	TL	FC	TL	FC
Unrestricted Demand Deposit	42,104	197	29,362	143
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Required Provision Account	-	298,114	-	29,199
Total	42,104	298,311	29,362	29,342

3. Explanation on Required Provisions:

Banks established in Turkey or operating in Turkey by means of opening branches are subject to the Republic of Turkey Central Bank's Communiqué Regarding Required Provisions No. 2015/19. Except for the obligations to the Central Bank, the Treasury, domestic banks and the headquarters and branches of the banks in Turkey established by international agreement, based on the accounting standards and recording order that banks and companies are subject to, the items specified in the communiqué constitute the obligations subject to reserve requirements.

According to the "Communiqué Regarding Required Provisions No. 2013/15" of the Central Bank of Turkey, the Bank maintains required reserves at the Central Bank of Turkey for Turkish lira (TL) and foreign currency (FC) liabilities. Required provisions can be kept in Turkish Lira, USD, EUR and standard gold according to the "Communiqué on Required Provisions" at the Central Bank of Turkey. The valid rates for Turkish lira required reserves are between 3% and 8% depending on the maturity structure; the valid rates for foreign currency required reserves are between 5% and 26% depending on the maturity structure. Communiqué No. 2022/23 on "Communiqué on Securities Registration" sets out the assets and liabilities subject to securities registration. Securities are established at 3% for liabilities and 30% for assets.

b) Information on financial assets at fair value through profit/loss:

1) Information on financial assets at fair value through profit and loss given as collateral or blocked:

None. (31 December 2022: None)

2) Financial assets at fair value through profit or loss subject to repurchase agreements:

None. (31 December 2022: None)

3) Information on financial assets at fair value through profit or loss:

As at 30 June 2023, the value of financial assets at fair value through profit or loss is TL 89,726. (31 December 2022 : None)

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Explanations and Notes Related to Financial Statements (cont'd)

I. Explanations and Notes Related to the Assets of the Balance Sheet (cont'd)

b) Information on financial assets at fair value through profit/loss (cont'd):

4) Positive difference table related to derivative financial assets:

	30 June 2023		31 December 2022	
	TL	FC	TL	FC
Futures Transactions	160	-	216	232
Swap Transactions	-	74	-	-
Other	-	-	-	-
Total	160	74	216	232

c) Information on banks:

Information on banks and other financial institutions:

	30 June 2023		31 December 2022	
	TL	FC	TL	FC
Banks	-	-	-	-
Domestic	261,665	1,033,081	355,381	242,778
Foreign	-	3,080,286	-	1,116,610
Total	261,665	4,113,367	355,381	1,359,388

d) Information on financial assets at fair value through other comprehensive income:

1) Information on financial assets whose fair value difference is reflected to other comprehensive income given as collateral/blocked:

None. (31 December 2022: None)

2) Information on financial assets at fair value through other comprehensive income

As at 30 June 2023, the value of financial assets at fair value through other comprehensive income is TL 42,276. (As at 31 December 2022, the value of financial assets at fair value through other comprehensive income is TL 10)

e) Information on loans:

1) Information on the balance of all kinds of loans or advances given to the partners and members of the Group:

None. (31 December 2022: None)

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Explanations and Notes Related to Financial Statements (cont’d)

I. Explanations and Notes Related to the Assets of the Balance Sheet (cont’d)

e) Information on loans (cont’d):

2) Information on first and second group loans, other receivables and loans and other receivables that are restructured or rescheduled:

Current Period

Cash Loans	Standard Quality Loans	Loans Under Close Monitoring		
		Those not Included in the Scope of Restructuring	Restructured	
			Change in Contract Conditions	Refinancing
Non-Specialized Loans	7,543	-	-	-
Business Loans	765	-	-	-
Export Loans	-	-	-	-
Import Loans	-	-	-	-
Financial Loans	-	-	-	-
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
Other	6,778	-	-	-
Specialized Loans	1,099,300	-	-	-
Other Receivables	-	-	-	-
Total	1,106,843	-	-	-

Prior Period

Cash Loans	Standard Quality Loans	Loans Under Close Monitoring		
		Those not Included in the Scope of Restructuring	Restructured	
			Change in Contract Conditions	Refinancing
Non-Specialized Loans	8,111	-	-	-
Business Loans	933	-	-	-
Export Loans	-	-	-	-
Import Loans	-	-	-	-
Financial Loans	-	-	-	-
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
Other	7,178	-	-	-
Specialized Loans	430,346	-	-	-
Other Receivables	13	-	-	-
Total	438,470	-	-	-

i. Number of Amendments Regarding Extension of the Payment Plan:

None. (31 December 2022: None.)

3) Information on consumer loans, personal credit cards and personnel loans and personnel credit cards:

None. (31 December 2022: None.)

4) Information on commercial installment loans and corporate credit cards:

None. (31 December 2022: None.)

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Explanations and Notes Related to Financial Statements (cont’d)

I. Explanations and Notes Related to the Assets of the Balance Sheet (cont’d)

e) Information on loans (cont’d):

5) Distribution of credits by users:

	30 June 2023	31 December 2022
Public	-	-
Private	1,106,843	438,457
Total	1,106,843	438,457

6) Distribution of Loans by Domestic/Foreign:

	30 June 2023	31 December 2022
Domestic Loans	1,106,843	438,457
Foreign Loans	-	-
Total	1,106,843	438,457

7) Distribution of loans by maturity:

	30 June 2023	31 December 2022
Short-Term	1,082,578	424,024
Medium and Long-Term	24,265	14,433
Total	1,106,843	438,457

8) Loans granted to investments in subsidiaries and associates:

Associate Subsidiary	Company	30 June 2023	31 December 2022
Subsidiary	Golden Global Emtia İç Ve Dış Ticaret A.Ş.	47,500	10,554

9) Special provisions for loans:

	30 June 2023	31 December 2022
Allocated for Loans with Limited Collection	-	-
Allocated for Doubtful Loans (*)	-	-
Allocated for Loss Loans	-	-
Total	-	-

(*) The Bank has been exempted from TFRS 9 application since it was newly established and due to the requirement for the credit history to be known in order to determine the expected loss provisions.

10) Information on non-performing loans:

(i) Information on non-performing loans restructured or rescheduled and other receivables: None (31 December 2022: None).

(ii) Information on the movement of total non-performing loans: None (31 December 2022: None).

(iii) Information on non-performing loans granted as foreign currency loans: None (31 December 2022: None).

(iv) Breakdown of non-performing loans according to their gross and net values: None (31 December 2022: None).

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Explanations and Notes Related to Unconsolidated Financial Statements (cont'd)

I. Explanations and Notes Related to the Assets of Unconsolidated Balance Sheet (cont'd)

e) Information on loans (cont'd):

11) Main guidelines for liquidation process of uncollectible loans and other receivables:

Loans and other receivables, which were deemed impossible to be collected in accordance with the principles of the "Regulation on the Procedures and Principles Regarding Classification of Loans and Provisions to be Reserved" published in the Official Gazette dated 1 November 2006 and numbered 26333, are classified as loan qualified as loss by fulfilling the requirements of the Tax Procedure Law within the scope of the decision taken by the top management of the bank.

12) Explanations on write-off policy :

As a result of the follow-up transactions, non-performing loans that are uncollectible are written off from assets with the decision of the Board of Directors.

f) Information on financial assets measured at amortized cost:

1) Information on financial assets measured at amortized cost:

None. (31 December 2022: None)

2) Movements of financial assets measured at amortized cost during the year:

None. (31 December 2022: None)

3) Main characteristics of financial assets measured at amortized cost given as collateral:

None. (31 December 2022: None)

4) Financial assets measured at amortized cost subject to repo transactions:

None. (31 December 2022: None)

g) Information about associates (Net):

None. (31 December 2022: None)

h) Information about subsidiaries (Net):

Title	Address (City/ Country)	Bank's Share Ratio-If Different Voting Ratio (%)	Share Ratio of Other Partners (%)
Golden Global Emtia İç ve Dış Ticaret A.Ş.	İstanbul/Turkey	100	-
Golden Global Varlık Kiralama A.Ş.	İstanbul/Turkey	100	-

	Total Assets	Equity	Current Period Profit/(Loss)	Prior Period Profit/(Loss)
Golden Global Emtia İç ve Dış Ticaret A.Ş.	89,394	10,000	1,703	1,163
Golden Global Varlık Kiralama A.Ş.	226,931	50	-	-

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Explanations and Notes Related to Unconsolidated Financial Statements (cont’d)

I. Explanations and Notes Related to the Assets of Unconsolidated Balance Sheet (cont’d)

h) Information about subsidiaries (Net) (cont’d)

Sector information on subsidiaries and related recorded amounts

	30 June 2023	31 December 2022
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Subsidiaries	10,050	10,050

i) Information on entities under common control (joint ventures) (Net):

None. (31 December 2022: None)

j) Information on financial lease receivables (Net):

None. (As of 31 December 2022, the value of financial leasing receivables is TL 14 gross and TL 13 net.)

k) Information on the hedging derivative financial assets:

None. (31 December 2022: None)

l) Information on the investment properties:

None. (31 December 2022: None)

m) Explanations on deferred tax asset / liability:

As of 30 June 2023, the Bank has calculated a deferred tax asset amounting to TL 302 (As of 31 December 2022, there is no deferred tax asset, deferred tax liability is 722 TL).

Current Period 30 June 2023	Accumulated Temporary Differences	Deferred Tax Asset/(Liability)
Differences Related to Provisions For Employee Benefits	(217)	(65)
Differences Between the Carrying Value of Tangible and Intangible Assets and Tax Base	(969)	(291)
Differences Resulting from the Application of TFRS 16	1,234	370
Other	(1,054)	(316)
Deferred Tax Asset, Net	(1,006)	(302)

Prior Period 31 December 2022	Accumulated Temporary Differences	Deferred Tax Asset/(Liability)
Differences Related to Provisions For Employee Benefits	875	175
Differences Between the Carrying Value of Tangible and Intangible Assets and Tax Base	(5,029)	(1,006)
Differences Resulting from the Application of TFRS 16	432	86
Other	115	23
Deferred Tax Asset, Net	(3,607)	(722)

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Explanations and Notes Related to Financial Statements (cont'd)

I. Explanations and Notes Related to the Assets of Unconsolidated Balance Sheet (cont'd)

m) Explanations on deferred tax asset / liability (cont'd)

The deferred tax asset/liability movement is as follows:

	30 June 2023	30 June 2022
Balance at the beginning of the period	(722)	3,052
Deferred tax (expense)/income recognized in profit or loss,	1,024	(3,001)
Deferred tax recognized in equity	-	-
Balance at the end of the period	302	51

n) Explanation on non-current assets held for sale and related to discontinued operations:

None. (31 December 2022: None)

o) Explanations on current tax assets:

None. (31 December 2022: None)

p) Information on other assets:

Other Assets item of the balance sheet amounts to TL 40,090 and covers 1% of the balance sheet total.
(31 December 2022: TL 21,472).

	30 June 2023		31 December 2022	
	TL	FC	TL	FC
Cash Guarantees Given	-	3,254	-	2,356
Other Prepaid Expenses	3,262	-	2,439	-
Deposits Given in TL	4,384	-	315	-
Withholding Income Taxes	-	-	2	-
POS Exchange	11	5,173	-	-
Other (*)	19,233	4,773	16,052	308
Total	26,890	13,200	18,808	2,664

(*) As of 30 June 2023, TL 15,441 of the other item consists of member merchant pos chargeback transactions, and as stated in Article 5 of Note II-g, provision has been made for the entire balance.

II. Explanations and Notes Related to the Liabilities of Balance Sheet

a) Information on deposit:

Since the Parent Bank is an investment bank, it does not accept deposits (31 December 2022: None).

b) Information on derivative financial liabilities held for trading:

None (31 December 2022: None).

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Explanations and Notes Related to Financial Statements (cont'd)

II. Explanations and Notes Related to the Liabilities of Unconsolidated Balance Sheet (cont'd)

c) Information on borrowings:

1. Information on banks and other financial institutions:

	30 June 2023		31 December 2022	
	TL	FC	TL	FC
To the Banks	26	3,642	-	23,428
The Central Bank of Turkey	-	-	-	-
To Domestic Banks	26	3,642	-	23,428
To Foreign Banks	-	-	-	-
To the Foreign Headquarters and Branches	-	-	-	-
To the Other Institutions	165,599	1,132,914	102,608	25,519
Total	165,625	1,136,556	102,608	48,947

2. Maturities of borrowings:

	30 June 2023	31 December 2022
Less than 1 Year	1,302,181	151,555
1-4 Years	-	-
More than 4 Years	-	-
Total	1,302,181	151,555

d) Information on other liabilities:

The distribution of transactions constituting Other Liabilities item of the balance sheet;

	30 June 2023		31 December 2022	
	TL	FC	TL	FC
Free Transfer Payables	-	-	-	-
Foreign Trade Transfer Payables	-	97,061	-	75,287
Blocked Currency	50	18,206	153	5,456
Import Transfer Orders	-	23,229	-	13,874
Miscellaneous Payables (*)	57,272	3,103,704	40,647	1,633,000
Total	57,322	3,242,200	40,800	1,727,617

(*) TL 3,142,025 accounted for under miscellaneous payables includes the money held for intermediation purposes for the daily transactions of the Bank's customers such as payments, fund transfers and collections, and is followed under miscellaneous payables pursuant to the communiqué no. 24049440.010.06.02[5/1]-1 dated 2 February 2015. (31 December 2022: TL 1,667,343)

e) Information on borrowings from lease transactions:

	30 June 2023		31 December 2022	
	Gross	Net	Gross	Net
Less than 1 Year	1,425	1,193	35	34
1-4 Years	24,635	13,716	4,675	3,329
More than 4 Years	-	-	7,316	4,442
Total (*)	26,060	14,909	12,026	7,805

(*) Payables from lease transactions 'Gross Amount' The amount to be paid in the payment schedules created for TFRS 16 is classified according to the remaining maturity. The 'Net Amount' is classified according to the remaining maturity by taking the difference between the amount to be paid and the interest.

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Explanations and Notes Related to Financial Statements (cont’d)

II. Explanations and notes related to the liabilities (cont’d)

f) Information on hedge derivative financial liabilities:

None. (31 December 2022: None)

g) Explanations on provisions:

1) General loan provisions are explained:

TL 16,306 of them consists of provisions for cash loans, TL 1,344 for non-cash loans and TL 615 for derivative transactions. (31 December 2022: TL 6,426 of them are for cash loans, TL 428 of them are for non-cash loans and TL 177 for derivative transactions).

2) Foreign exchange provisions for foreign currency indexed loans are explained:

As of 30 June 2023, there are no foreign currency indexed loans and foreign currency reserves (31 December 2022 : None).

3) Specific provisions for non-cash loans that are not indemnified and converted into cash or expected loss provisions for non-cash loans:

There are no specific provisions for non-cash loans that have not been issued and converted into cash (31 December 2022: None).

4) Liabilities regarding provision for employee benefits:

According to the Turkish Labor Law, the Bank has to pay employment termination benefit for its personnel who completed one year and has been dismissed or retired due to compulsory reasons, completed 25 years of service (20 for women) and earned the right to retirement (age 58 for women, 60 for men), recruited or deceased. After the legislative change on 23 May 2002, some transition period articles regarding the employment termination benefit period before retirement were removed.

Employment termination benefits to be paid is up to one month's salary for each year of service and this amount is limited to TL 23,489.83 (full TL amount) for 30 June 2023. The employment termination benefit is not legally subject to any funding and there is no funding requirement.

TAS 19, “Turkish Accounting Standard for Employee Benefits”; requires actuarial valuation methods to be used to calculate liabilities of entities. Therefore, in the calculation of the Bank's probable liability, the interest rate is calculated using the 17.48% inflation rate, 21% interest rate and 3% discount rate assumptions.

The provision for employment termination benefit and unused vacation rights for the employees of the Bank is presented below.

	30 June 2023	31 December 2022
Provision for Vacation	551	488
Provision for Notice Pay	-	-
Provision for Severance Pay	382	662
Total	933	1,150

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Explanations and Notes Related to Financial Statements (cont'd)

II. Explanations and notes related to the liabilities (cont'd)

g) Explanations on provisions (cont'd)

5) Information on other provisions:

(i) Information on provisions for possible risks:

None. (31 December 2022: None)

(ii) If other provisions exceed 10% of the total provisions, the items causing the excess and their amounts are explained:

The Parent Bank has collected TL 240 for the lawsuit provision of TL 15,676, which it has set aside in 2022, and the remaining balance of TL 15,432 continues to be followed in the relevant provision accounts. The remaining transactions with a value of TL 674 are set aside as provision for impairment (on 31 December 2022, a provision of TL 15,676 has been made for litigation).

h) Explanations on tax payable:

1) Explanations on current tax payable:

(i) Information on taxes payable:

	30 June 2023	31 December 2022
Corporate Tax Payable	215,569	31,289
Taxation on Securities	176	-
Capital Gains Tax on Property	37	21
Banking Insurance Transaction Tax (BITT)	3,042	1,622
Foreign Exchange Tax	1,530	60
Value Added Tax Payable	1,544	765
Other	2,800	980
Total	224,698	34,737

(ii) Information on premium:

	30 June 2023	31 December 2022
Social Security Premiums-Employee	612	296
Social Security Premiums-Employer	827	336
Bank Social Aid Pension Fund Premiums-Employee	-	-
Bank Social Aid Pension Fund Premiums-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	38	21
Unemployment Insurance-Employer	75	41
Other	-	-
Total	1,552	694

2) Information on deferred tax payable:

Presented in Section V note I-o.

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Explanations and Notes Related to Financial Statements (cont’d)

II. Explanations and notes related to the liabilities (cont’d)

i) Information on equity:

1) Presentation of paid-in capital:

	30 June 2023	31 December 2022
Provision for Common Stock	150,000	150,000
Provision for Preferred Stock	-	-

2) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at the Parent Bank and if so, amount of registered share capital ceiling:

Share capital system is not applied in the Parent Bank.

3) Information on share capital increases and their sources and other information on increase capital shares:

None. (31 December 2022: None)

4) Information on the portion of capital reserves added to the capital in the current period:

As of 30 June 2023, the Group has TL 11,025 legal reserves. (As of 31 December 2022, the Bank has TL 1,405 legal reserve)

5) Indicators of the Bank’s income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank’s equity due to the uncertainty of these indicators: None. (31 December 2022: None)

6) Indicators of the Parent Bank’s income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank’s equity due to the uncertainty of these indicators:

Since the Parent Bank assumes that there is no uncertainty in the previous period indicators related to its income, profitability and liquidity, it does not anticipate an estimated effect on its equity. No negative developments are expected in the profitability and liquidity of the Parent Bank.

7) Summary information on the privileges granted to the shares representing the capital:

None. (31 December 2022: None)

8) Information on the securities value increase fund:

As a result of the investment fund valuation, a valuation profit was made in the securities increase fund of TL 1,348. (31 December 2022: None)

9) Information on revaluation value increase fund:

None. (31 December 2022: None)

10) Information on minority shares:

None. (31 December 2022: None)

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Explanations and Notes Related to Unconsolidated Financial Statements (cont’d)

III. Explanations and notes related to the Unconsolidated Off-balance Sheet Items

a) Explanations on off-balance sheet liabilities:

1) Nature and amount of irrevocable loan commitments:

As of 30 June 2023, the Group has no payment commitments for irrevocable checks. (31 December 2022: None)

2) Type and amount of probable losses and obligations arising from off-balance sheet items:

(i) Non-cash loans including guarantees, acceptances, financial guarantee and other letter of credits:

There are no possible losses arising from off-balance sheet items. Commitments consisting of off-balance sheet liabilities are presented in the “Off-Balance Sheet Liabilities Table”.

(ii) Total amount of non-cash loans:

	30 June 2023		31 December 2022	
	TL	FC	TL	FC
Letters of Guarantee	93,349	68,173	27,012	31,881
Letters of Credit	-	17,640	-	479,867
Total	93,349	85,813	27,012	511,748

b) Information on derivative instruments:

Types of Purchase Transactions	30 June 2023	31 December 2022
Derivative Transactions Related to Foreign Exchange (I) (*)	229,603	101,193
<i>Derivative Transactions Related to Interest</i>	100,432	-
<i>Other Purchase Derivative Transactions</i>	129,171	-
A. Total Derivative Transactions Held for Trading (I+II+III)	229,603	101,193
Types of Derivative Transactions for Hedging Purposes	-	-
B. Total Derivative Transactions for Hedging Purposes	-	-
Total Derivative Transactions (A+B)	229,603	101,193

(*) Includes foreign currency purchase transactions.

c) Explanations on contingent liabilities and assets:

As of 30 June 2023, there is 1 labor receivable lawsuit filed against the Parent Bank in Istanbul Labor Court (As of 31 December 2022, there is 1 workmanship receivable lawsuit filed against the Parent Bank in Istanbul Labor Court).

As of 30 June 2023, there is 1 ongoing enforcement lawsuit filed by the Parent Bank. (As of 31 December 2022, there is 1 enforcement action lawsuit filed by the Parent Bank).

d) Explanations on the services rendered on behalf of and account of other persons:

None (31 December 2022: None).

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Explanations and Notes Related to Financial Statements (cont’d)

IV. Explanations and notes related to the income Statement

a) Information on profit share income:

1) Information on profit share income on loans:

	30 June 2023		30 June 2022	
	TL	FC	TL	FC
Short-term Loans	34,370	8,891	12,680	313
Medium and Long-Term Loans	1,684	-	58	-
Non-Performing Loans	-	-	-	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	36,054	8,891	12,738	313

2) Information on profit share received from banks:

	30 June 2023		30 June 2022	
	TL	FC	TL	FC
The Central Bank of Turkey	-	-	-	-
Domestic Banks	49,712	627	3,035	976
Foreign Banks	-	-	-	-
Total	49,712	627	3,035	976

3) Information on profit share income from marketable securities:

There is a profit share of TL 9,604 taken from the securities. (30 June 2022 : TL 29)

4) Information on profit share income received from associates and subsidiaries:

	30 June 2023	30 June 2022
Golden Global Emtia İç ve Dış Ticaret A.Ş.	958	-
Golden Global Varlık Kiralama A.Ş.	-	-

b) Information on profit share expense:

1) Information on profit share expense on funds borrowed:

	30 June 2023		30 June 2022	
	TL	FC	TL	FC
To the Banks	31,380	14,158	535	199
The Central Bank of Turkey	-	-	-	-
To Domestic Banks	31,380	14,158	535	199
To Foreign Banks	-	-	-	-
To the Foreign Headquarters and Branches	-	-	-	-
To the Other Institutions	3,226	-	-	-
Total	34,606	14,158	535	199

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
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Explanations and Notes Related to Unconsolidated Financial Statements (cont’d)

IV. Explanations and Notes Related to the Unconsolidated Income Statement (cont’d)

b) Information on profit share expenses (cont’d)

2) Information on profit share expense to associates and subsidiaries:

There is a profit share expense of TL 29,797 given to subsidiaries. (30 June 2022: None)

3) Information on profit share expense to marketable securities issued:

None. (30 June 2022: None)

c) Explanations on trading profit/loss (Net):

	30 June 2023	30 June 2022
Profit	3,064,109	279,705
Profit on Capital Market Operations	10	-
Profit on Derivative Financial Instruments	119,084	1,055
Foreign Exchange Gains	2,945,015	278,650
Loss (-)	(2,047,442)	(199,883)
Loss on Capital Market Operations	(442)	-
Loss on Derivative Financial Instruments	(123,774)	(817)
Foreign Exchange Losses	(1,923,226)	(199,066)

d) Explanation on other operating income:

Other Operating Income	30 June 2023	30 June 2022
Abandoned Income Tax Withholding Income	-	-
General Provision Reversal	5,354	1,125
Provision Reversals	1,619	14,530
Other	380	635
Total	7,353	16,290

e) Provisions for impairment on loans and other receivables of banks:

None. (31 December 2022: None)

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Explanations and notes related to Financial Statements (cont'd)

IV. Explanations and Notes Related to the Unconsolidated Income Statement (cont'd)

f) Explanations on other operating expenses:

	30 June 2023	30 June 2022
Personnel Expenses	52,198	14,128
Provision for Employment Termination Benefit	98	196
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	1,104	556
Impairment Expenses of Intangible Assets	-	-
Depreciation Expenses of Intangible Assets	10,288	4,360
Impairment for Investments Accounted for under Equity Method	-	-
Operating Lease Expenses	884	343
<i>Maintenance and Repair Expenses</i>	450	204
<i>Advertisement Expenses</i>	434	139
Other Operating Expenses	137,070	78,610
<i>Communication Expenses</i>	1,610	674
<i>Computer Usage Expenses</i>	15,825	8,729
<i>Overseas Clearing Services</i>	62,381	45,087
<i>Dues</i>	1,075	530
<i>Financial Activity Fees</i>	1,064	477
<i>Audit and Consultancy Fees</i>	5,450	1,805
<i>Banking and Insurance Transactions Tax</i>	5,432	228
<i>Provision for Legal Cases</i>	-	15,676
<i>Other</i>	44,233	5,404
Total	201,642	98,193

g) Explanations on tax provision:

1) Explanations on calculated current tax income or expense and deferred tax income or expense:

As of 30 June 2023, the Parent Bank does not have TL 263,071 current tax expense (30 June 2022: None) still a deferred tax expense of TL 1,023 (30 June 2022: TL 3,001 expense)

2) Explanations on deferred tax income or expense arising from the origination or reversal of temporary differences:

The deferred tax income of the Parent Bank arising from temporary differences is TL 1,023. (30 June 2022: TL 3,001 deferred tax expense).

3) Explanations on deferred tax income or expense reflected in the income statement on temporary differences, financial losses and tax deductions and exceptions: As of 30 June 2023, the Parent Bank has a net deferred tax income of TL 1,023 arising from temporary differences. (30 June 2022: TL 3,001 deferred tax expense).

h) Explanations on profit/loss from continued and discontinued operations before tax:

As of 30 June 2023, the profit before tax from the continued operations is TL 1,032,240 (30 June 2022: TL 39,483).

i) Explanations on net profit/loss for the periods:

There is no change in the quality of income and expense items arising from ordinary banking transactions.

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
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Explanations and notes related to Financial Statements (cont’d)

IV. Explanations and notes related to the statement of income (cont’d)

- j) If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are presented:

The amount of fees and commissions received in the income statement of the Parent Bank in the current period is TL 256,623 and TL 256,154 of this amount is classified as “Other”.

	30 June 2023	30 June 2022
Overseas Remittance Commission	26,351	6,686
Pos Transaction Commission	105,419	50,609
Remittance, EFT and Withdrawal Commission	119,917	14,865
Commodity Transaction Revenue	-	4,034
Other Transaction Commission	4,467	493
Total	256,154	76,687

- k) Explanations on the fees and commissions given:

	30 June 2023	30 June 2022
Given for Pos Transaction Commission	78,293	49,819
Given to Overseas Correspondents	23,269	720
Given for EFT & Swift	1,307	420
Given to Non-Cash Loans	16	13
Total	102,885	50,972

V. Explanations and notes related to the risk group that the Parent Bank belongs to

- a) Information on loans and other receivables related to the risk group that the Parent Bank belongs to

	Associates, Subsidiaries and Joint Ventures (Joint Partnerships)		Direct and Indirect Partnerships of the Bank		Other Real and Legal Persons Included in the Risk Group	
The Risk Group that the Bank Belongs to (*)	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Balance at the Beginning of the Period	10,554	-	-	-	-	-
Balance at the End of the Period	2,614	18,500	-	-	-	-
Interest and Commission Income Received	958	33	-	-	-	-
Other Receivables						
Interest and Commission Income Received	9,932	-	-	-	-	-

(*) It is defined in Article 49 of the Banking Law No. 5411.

- b) Information on funds and loans related to the risk group that the Parent Bank belongs to

	Associates, Subsidiaries, and Entities Under Common Control (Joint Ventures)		The Bank's Direct and Indirect Partnerships		Other Real and Legal Persons Included in The Risk Group	
Risk Group Included by the Bank (*)	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Balance at the Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	250,000	-	-	-	-	-
Dividend and Commission Income Given	29,797	-	-	-	-	-

(*) It is defined in Article 49 of the Banking Law No. 5411.

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Explanations and Notes Related to Unconsolidated Financial Statements (cont’d)

V. Explanations and notes related to the risk group that the Parent Bank belongs to (cont’d)

c) Matters to be disclosed regarding key management:

TL 2,170 (31 December 2022: TL 3,248) was paid to the Parent Bank’s key management for the period 30 June 2023.

d) Information on the Bank's rating:

On behalf of the Parent Bank, the rating statement dated 31.01.2023 by JCR Avrasya Derecelendirme A.Ş. is as follows.

Long-Term National Institution Credit Rating	: BBB- (tr) / (Stable View)
Short-Term National Institution Credit Rating	: J2 (tr) / (Stable View)
Long-Term International Foreign Currency Institution Credit Rating	: BB- / (Negative View)
Long-Term International Local Currency Institution Credit Rating	: BB- / (Negative View)

e) Matters to be disclosed regarding post-balance sheet matters

In accordance with the Presidential Decree numbered 7346 published in the Official Gazette dated 07 July 2023, the general VAT rate applied as 18% for taxable general transactions has been increased to 20% and the VAT rate applied for other deliveries and services subject to 8% VAT rate has been increased to 10% to enter into force on 10 July 2023. This matter is considered as an event after the reporting period that does not require an adjustment within the scope of TAS 10 Events after the Reporting Period.

Pursuant to the “Law on the Issuance of Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and the Decree Law No. 375” published in the Official Gazette dated 15 July 2023; the corporate tax rate of 25% for banks, financial leasing, factoring, financing and savings finance companies, electronic payment and money institutions, authorised foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been increased to 30% and the corporate tax rate of 20% for other companies has been increased to 25%. The tax rate change will be effective for the earnings of the companies in 2023 and the following taxation periods. This matter is considered as a non-adjusting event after the reporting period within the scope of TAS 10 Events After the Reporting Period, and the Group continues to evaluate the possible effects of the relevant Law as of the date of publication of the financial statements.

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
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SECTION SIX

Auditor’s review report

I. Explanations on independent auditor’s review report

The financial statements as of 30 June 2023 and for the period then ended were reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the review report dated 3 August 2023 was presented before the financial statements.

II. Explanations and notes prepared by independent auditor

None.

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
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SECTION SEVEN

Other explanations and disclosures

I. Other explanations on the Bank’s activities

None.

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
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SECTION EIGHT

Interim Activity Report

I. The Bank’s Interim Activity Report

A. Assessments of the Chairman of the Board of Directors and the General Manager on Interim Activities and Expectations for the Future

a) Message from the Chairman of the Board of Directors

Dear stakeholders,

Unfortunately, 2023 will be remembered as a year in which one of the greatest disasters in the history of the world was experienced for our country, and the hearts of all of us were teared out. In February, the Kahramanmaraş-centered earthquakes caused so much pain while thousands of people lost their lives in 11 provinces. I take this opportunity to express my condolences to our citizens who lost their lives in the earthquake, and to their relatives and our nation.

We have been fulfilling our responsibilities since the first day in order to compensate for the devastating effects of the earthquake and to re-construct the region. I do not doubt that we will heal our wounds as soon as possible as a nation, and I hope that we will build and revive the earthquake zone in the best way with the dedication of our nation and the effort of our state.

2023 has been a year when inflation pressure was felt even more after the pandemic and war agenda. The steps taken by the countries in order to minimize the effects of the pandemic began to return to them as inflation and current account deficit. Despite this result, of course, interest rate hike and monetary tightening came first among the measures taken. The ongoing interest rate policies since the end of 2021 continue to be implemented in many central banks. While central banks continue to increase interest rates to reduce inflation pressure, global markets are forced to take a position in line with monetary tightening measures.

With their latest moves, the total number of interest rate hikes by the world's leading central banks in 2023 has reached 950 basis points, with 28 increases. Looking at the moves made since September 2021, when the first significant rate hike was made, the world's leading central banks have increased interest rates by 3,765 basis points so far. As a matter of fact, the International Monetary Fund (IMF) warned that central banks will need a while to reduce inflation and a new financial turmoil could prolong the process.

When the FED passed for the first time after raising interest rates from March 2022 to last June, there was hope that the inflation effect would decrease. However, after FED Chairman Jerome Powell said he did not expect inflation to reach the targeted level this year or next year, stock markets followed a volatile course with the expectation of further rate hikes. These fluctuations in the stock market were not only seen in the USA but also in most European countries. While certain central banks continued to increase interest rates, some banks kept interest rates stable with the effect of labor markets, but the lack of desired continuity caused unpredictable changes in both the stock market and foreign currency.

However, it is still possible to state that global markets are resilient despite the changes that occur with inflation measures. Despite all these problems, it is foreseen that the US and European central banks will not need capital support. On the other hand, despite the volatility in the markets, the world stock markets managed to gain stability in the upward momentum. Although the monetary tightening steps taken by the central banks to prevent the rise in global inflation, the persistence of geopolitical risks and the ongoing recession concerns caused fluctuations in the stock markets, the world stock markets completed the last year with gains.

In addition to the impact of global and regional developments in our country, the earthquake we experienced at the beginning of the year unfortunately caused inflation to decrease more slowly than expected. The economic policies implemented in the past years have given a wide scope to support production and exports. After the Kahramanmaraş-centered earthquakes we experienced in February, the decreases experienced in the BIST 100 index, which were closed for 5 days and were closed for trading, were compensated after the elections and were completed at 5,759.11 points in June. BIST 100 index ranked second after Argentina with a gain of nearly 140 percent in TL terms in the last year.

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I. The Bank’s Interim Activity Report (cont’d)

A. Assessments of the Chairman of the Board of Directors and the General Manager on Interim Activities and Expectations for the Future (cont’d)

a) Message from the Chairman of the Board of Directors

We consider that the foreseen decreases will be achieved in a short time with the new monetary policies implemented to reduce inflation following the elections held in May. After Turkey's decision regarding Sweden's NATO membership and the important messages it gave about full membership to the European Union, the fact that the CDS risk premium has also decreased significantly shows us that the Turkish economy will recover much faster in the new period and that the necessary capital resources can be found in order to establish an economic resistance line.

As Golden Global Bank, which presents innovative solutions and sustainable practices at the point of providing financial support to its stakeholders, we will continue to contribute to economic development thanks to Turkey's energy and opportunities. I believe that we will make the best use of the opportunities our country has, and we will always reach better places in becoming one of the important commercial actors in our region and in the world.

I would like to thank all of our stakeholders, who have not left us alone in this mission, who have always shown a greater contribution to the services we provide, and all our colleagues who have enabled us to continue our work in an efficient manner.

Recep KABA

Chairman of the Board of Directors

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
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I. The Bank's Interim Activity Report (cont'd)

A. Assessments of the Chairman of the Board of Directors and the General Manager on Interim Activities and Expectations for the Future (cont'd)

a) Message from the General Manager

Dear stakeholders,

While we welcomed 2023 with hope after consecutive crises, unfortunately, the great disaster we experienced in February deeply saddened our nation and caused great damage to our country both materially and morally. Although it will of course take a little longer to recover from the psychological and mental damage caused by the earthquake, we hope that the work carried out with great devotion to eliminate the effects of the material destruction will show its results as soon as possible. We believe wholeheartedly that Turkey will overcome these difficult days once again, as it has done many times in its history. I take this opportunity to wish Allah's mercy upon all our citizens who lost their lives in the earthquakes in Kahramanmaraş on 6 February, and patience for their families in pain. I also wish our injured citizens a speedy recovery.

The year we left behind has been a year where the steps taken by countries to protect their citizens against the problems arising due to global and regional developments have turned into inflation. Countries that offered financial support to their citizens or expanded their credibility against the problems caused by the pandemic that emerged in 2019 and the political crises that followed inevitably started to face high inflation. Of course, at the beginning of the steps to be taken against this problem, interest rate hike was the first step. Several Central Banks either increase interest rates for a long time or try to reduce the pressure of inflation by keeping the interest rate the same.

While the US Federal Reserve (Fed) continued its tightening steps this year, which it started in March last year, the European Central Bank (ECB) increased interest rates 8 times in the last year, trying to prevent inflation, which was 6.1 percent in May in the Euro Zone. As the ECB raises interest rates, it signals further tightening in the future.

While the Bank of England (BoE) has increased interest rates in all meetings in the last year, it has signaled that it will implement monetary tightening steps if inflation remains high. The Bank of Canada, similarly, continued to increase interest rates, reaching the highest level of the last 22 years. The Swiss National Bank, which had to raise interest rates for the first time in a long time in September 2022, preferred to increase interest rates in all meetings in the last year.

Countries such as Norway, India, China, Korea, Japan, Australia and New Zealand continued their policy of increasing interest rates in the past year. The world's leading central banks surprised the markets by making the highest monthly interest rate hike ever in the wave of interest rate hikes last June. Thus, central banks signaled more monetary tightening while trying to gain superiority in the fight against inflation with monetary policy tools. The fact that inflation continues to be above the targets of the central banks and that FED Chairman Jerome Powell's statements that inflation will not decrease for a long time and that monetary tightening measures will continue show us that interest rate hikes will continue for a while.

While this attitude of central banks increased the expectations of the markets for monetary tightening, it also caused investors to be highly affected by it. Economists think that the rate hikes that started in 2022 led to a rapid monetary policy turnaround, which will cause a total loss of 55 billion Euros in 2023. However, despite this, economists' view is that central banks will make profit after loss and this amount will be fully compensated. According to the IMF, Eurozone central banks will soon face losses, but this loss will not require cash injections from governments.

Turkey, which has been following a different path against the global crisis with a policy focused on production and exports with a low interest policy, joined the list of countries that increased interest rates in June.

The introduction of new policies against inflation by the Central Bank and the new economy increased international confidence, while reducing our country's risk premium. At this point, Standard & Poor's (S&P)'s Turkey analysis points to a promising future for us. Because S&P points out that the change in monetary policy may contribute to the increase of foreign exchange reserves again. However, the warning in the same report should be taken into account by all policy makers. In the warning, it is emphasized that we may have to struggle with high inflation and currency volatility for a long time.

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I. The Bank's Interim Activity Report (cont'd)

A. Assessments of the Chairman of the Board of Directors and the General Manager on Interim Activities and Expectations for the Future (cont'd)

b) Message from General Manager (cont'd)

Moody's report was another positive report for our industry. In its report on Turkish banks, Moody's stated that with the normalization in monetary policy, there will be an improvement in the profitability of the banks. While Moody's stated in its report that the gradual normalization policy will support the profitability of the banking sector, it did not ignore the warning that wrong steps pose a risk in returning to orthodox policy.

Therefore both as a sector and as a country, our duty in this new process will be to take the rational measures to reduce inflation carefully, not to evaluate the results of monetary tightening with enthusiasm and in the short term, but to ensure a more effective process is followed. As the fight against inflation requires determination, and economic policies require time. At this point, we should not lose sight of S&P's analysis. The effect of the interest rate hike by the central banks has not yet been felt. This shows us that we need to be a little more patient in order to reduce the pressure on inflation.

According to experts, the concern about the resurgence of the Ukraine-Russia war, which is thought to have cooled in the coming period, China's policy to impose restrictions on the exports of two metals used in the manufacture of many electronic products, especially chips, persistent inflation and climate change-related situations will continue to pose risks for the global economy. In this case, developing countries like Turkey will need to act calmly against the fragility in the economy and policy makers will need to give reassurance for a predictable economy.

We consider that it is as important as the fight against inflation that the credibility that has fallen as a result of monetary tightening measures does not reduce our country's export capacity. This is exactly why we, as Golden Global Bank, continued to stand by our investors with the strength of our capital accumulation and financial structure in this very busy period in terms of economy, and we will continue to do so from now on. We anticipate that the financial support needed by our investors and entrepreneurs will be reflected in our country as economic growth. For this reason, While we were trying to develop new cooperation models as a requirement of interest-free financial banking, we continued to produce innovative solutions in order to provide better service to our stakeholders.

In 2023, which was an economically challenging year for the world and for Turkey, as Golden Global Bank, we have left behind a successful period by increasing our net profitability by 462%, offering innovative solutions to provide financial support to investors. While our return on assets reached 31%, our return on equity was 202%.

I sincerely believe that with the strong financial structure and innovative solutions of Golden Global Bank, we will achieve many more successes in the future, as we have done so far, I would like to thank all of our stakeholders who contributed to Turkey's trade capacity, who trusted us and did not leave us alone.

Ahmet Sefa ŞEN

Board Member and General Manager

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
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I. The Bank’s Interim Activity Report (cont’d)

B. Information on the Chairman and Members of the Board of Directors, General Manager, Assistant General Managers and Managers of the Units within the Scope of Internal Systems

Name Surname	Title	Assignment Date	Education	Experience in Banking and Business Administration
Recep Kaba	Chairman of the Board	08.04.2022	High School	31
Esra KÖSEOĞLU	Vice Chairman of the Board	08.04.2022	Master Degree	22
Bedri SAYIN	Board of Directors and Audit Committee Member	08.04.2022	Bachelor’s Degree	39
Avni DEMİRCİ	Board of Directors and Audit Committee	10.05.2022	Bachelor’s Degree	32
Ahmet Sefa ŞEN	Board Member and General Manager	16.09.2022	Master Degree	24
Nurullah OKUR	Board Member	07.04.2023	Doctorate	23
Tayfun ARI	Internal Control Manager	20.03.2023	Master Degree	16
Tolga ÇİÇEK	Internal Control and Compliance Manager	11.05.2019	Bachelor’s Degree	21
Tuğba ÖZKAN	Information Technologies and Process Audit Manager	11.05.2019	Bachelor’s Degree	9

Information on the Activities of the Committees Established within the Scope of Risk Management as per the Regulation on the Credit Committee and the Internal Systems of Banks, and the Names and Surnames of the Board of Managers Responsible for Internal Audit and Control and the Principal Functions of the Chairman and Members of These Committees

Committees and their member within our bank are as follows;

Asset-Liability (ALCO) Committee *(It gathers monthly and makes report.)*

- | | |
|-----------------------|-------------------------------------|
| - Ahmet Sefa ŞEN | - Board Member and General Manager |
| - Serhan ZAFER | - Director |
| - Mustafa UYSAL | - Director / Deputy General Manager |
| - Adem DARICI | - Director |
| - Metin AKDOĞAN | - Director |
| - Yasemin DOĞAN | - Manager |
| - Dilek NUH HARMANDAR | - Manager |
| - Emrah ERGÜNAY | - Manager |

Information Systems Continuity Committee *(It gathers monthly.)*

- | | |
|-----------------|---|
| - Emrah ERGÜNAY | - Risk Management Manager |
| - İlker ÖZKAN | - Information Technologies and Project Management Manager |
| - Tolga ÇİÇEK | - Internal Control and Compliance Unit Manager |
| - Tuğba ÖZKAN | - Internal Audit Manager |

Audit Committee

It gathers every three months with the Internal Audit, Internal Control and Risk Management units, working under them and make reports.

- | | |
|----------------|----------|
| - Bedri SAYIN | - Member |
| - Avni DEMİRCİ | - Member |

MASAK Compliance Officer

- | | |
|--------------|----------------------|
| - Deniz ULUS | - Compliance Manager |
|--------------|----------------------|

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
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Interim Activity Report (cont'd)

I. The Bank's Interim Activity Report (cont'd)

Historical Development of the Bank and Changes Made in the Articles of Association, if any, during the Period and Reasons

There are no changes in the articles of association during the period.

Capital and Shareholding Structure of the Bank

As of 30 June 2023, the Bank's nominal capital is TL 150,000, fully paid.

Explanations on the Number of Personnel and Banks, the Type of Service and Fields of Activity of the Bank

Our bank has been operating with only branch in Istanbul in Turkey. The total number of employees is 75.

It serves as the first investment bank to operate on interest-free principles in Turkey.

Research and Development Practices Regarding New Services and Activities

As of March period, the Bank started to serve its prepaid card and member merchant customers and works to provide mobile banking, credit card and virtual pos services.

Condensed Financial Information on Operational Results for the Accounting Period

	30 June 2023	31 December 2022
Assets		
Cash and Central Bank	480,573	340,502
Banks and Financial Institutions	4,375,032	1,714,769
Receivables from Money Market	-	-
Securities	132,002	10
Loans	1,106,843	438,470
Frozen Receivables	-	-
Provision for Expected Losses (-)	-	-
Provisions for TFRS 9 (-)	-	-
Fixed Assets	21,501	13,136
Other Assets (*)	108,841	58,738
	6,224,792	2,565,625
Liabilities		
Loans Received	1,302,181	151,555
Provisions	35,304	24,015
Other Liabilities (**)	3,751,202	2,024,142
Paid-in Capital	150,000	150,000
Legal Reserves	11,025	1,405
Prior Years' Profit/Losses	204,888	22,104
Profit/Loss for the Period	770,192	192,404
	6,224,792	2,565,625
Off-Balance Sheet Items		
Letter of Guarantee	161,522	58,893
Letter of Credit	17,640	479,867
Other Off-Balance Sheet Items	8,288,888	4,395,864
	8,468,050	4,934,624

(*) Other Assets include Other Assets, Intangible Assets, Deferred Tax Asset, Subsidiaries and Derivative Financial Assets.

(**) Other Liabilities include Other Liabilities, Derivatives, Funds and Current Tax Payable.

GOLDEN GLOBAL YATIRIM BANKASI ANONİM ŞİRKETİ
EXPLANATIONS AND NOTES TO THE FINANCIAL STATEMENTS
AS OF 30 JUNE 2023

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

Interim Activity Report (cont’d)

I. The Bank’s Interim Activity Report (cont’d)

Condensed Financial Information on Operational Results for the Accounting Period (cont’d)

	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Income Statement		
Profit Share Income	104,888	17,102
Profit Share Expense	(48,764)	(1,403)
Net Profit Share Income	56,124	15,699
Other Income	7,353	16,290
Other Expenses	(47,904)	(72,328)
Trade Profit/Loss	1,016,667	79,822
Provision Expense	-	-
Tax Provision	(262,048)	(10,106)
Profit/Loss After Tax	770,192	29,377

	30 June 2023	30 June 2022
Condensed Information on Unconsolidated Capital Adequacy Standard Ratio		
Required Capital Liability for Credit Risk (CLCR)	2,500,209	431,703
Required Capital Liability for Market Risk (CLMR)	206,400	33,806
Required Capital Liability for Operational Risk (CLOR)	334,464	118,149
Equity	1,097,553	191,591
Equity/((CLCR+CLMR+CLOR)*12.5*100)	451	410
Main Capital /((CLCR+CLMR+CLOR) *12.5*100)	444	405
Core Capital /((CLCR + CLMR + CLOR) *12.5*100)	444	405

Assessment of Financial Condition, Profitability and Debt Payment

As of the end of June 2023, all ratios of our Bank were within the limits and its profitability was realized above the expected.

Our bank closed June 2023 with a gross profit of **TL 1,032,240** and a net profit of **TL 770,192**.

Our bank has a capital adequacy ratio of 36.07% and a liquidity coverage ratio (monthly average; FC: 38% - TL+FC: 91%) above the minimum rate specified in the legislation.