

# **Albaraka Türk Katılım Bankası Anonim Şirketi**

**Consolidated financial statements  
and related disclosures at March 31, 2023  
together with limited review report**

(Convenience translation of the independent auditor's report and  
financial statements originally issued in Turkish – see section three Note I.b)



## AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

**(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I.b of Section Three)**

To the General Assembly of Albaraka Türk Katılım Bankası Anonim Şirketi;

### *Introduction*

We have reviewed the consolidated balance sheet of Albaraka Türk Katılım Bankası Anonim Şirketi ("the Bank") and its consolidated subsidiaries (collectively referred to as "the Group") at 31 March 2023 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the three-month period then ended. The Group 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 this 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.

### *Basis for the Qualified Conclusion*

As explained in Section Five Part II. 6.b of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 31 March 2023 include a free provision amounting to TL 1.885.000 thousand which consist of TL 1.800.000 thousand provided in prior periods, TL 85.000 thousand recognized in the current period by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.



#### *Qualified Conclusion*

Based on our review, except for the effects of the matter on the consolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial information do not present fairly in all material respects the consolidated financial position of Albaraka Türk Katılım Bankası Anonim Şirketi and its consolidated subsidiaries at 31 March 2023 and the results of its consolidated operations and its consolidated cash flows for the three-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 Seven, is not consistent with the reviewed consolidated financial statements and disclosures in all material respects.

#### *Additional Paragraph for Convenience Translation:*

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 March 2023. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Didem Demer Kaya, SMMM  
Partner

Istanbul, 16 May 2023

## CONSOLIDATED FINANCIAL REPORT OF ALBARAKA TÜRK KATILIM BANKASI A.Ş. AS OF AND FOR THE THREE MONTH MARCH 31, 2023

Parent Bank's headquarter address : Saray Mah. Dr. Adnan Büyükdeniz Cad. No:6  
34768 Ümraniye/İstanbul  
Parent Bank's phone number and facsimile : 00 90 216 666 01 01 – 00 90 216 666 16 00  
Parent Bank's website : www.albaraka.com.tr  
Electronic mail contact info : albarakaturk@albarakaturk.com.tr

The consolidated interim financial report prepared in accordance with the Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by the Banking Regulation and Supervision Agency is comprised of the following sections.

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- LIMITED REVIEW REPORT
- INTERIM REPORT

Investments in subsidiaries, real estate investment funds, venture capital investment funds and joint ventures whose financial statements have been consolidated in this consolidated financial report are as follows:

	Subsidiaries	Real Estate Investment Funds	Venture Capital Investment Funds	Joint Ventures
1.	Bereket Varlık Kiralama A.Ş.	Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu	Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu	Katılım Emeklilik ve Hayat A.Ş.
2.	Değer Varlık Kiralama A.Ş.	Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu	Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu	-
3.	Albaraka Portföy Yönetimi A.Ş.	Albaraka Portföy Yönetimi A.Ş. Bereket Katılım Gayrimenkul Yatırım Fonu	Albaraka Portföy Yönetimi A.Ş. İnovasyon Girişim Sermayesi Yatırım Fonu	-
4.	Getinsha GmbH	-	Albaraka Portföy Yönetimi A.Ş. Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu	-
5.	-	-	Albaraka Portföy Yönetimi A.Ş. İkinci Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu	-

Bereket One Ltd, Albaraka Sukuk Ltd and Albaraka CT One Ltd which are not subsidiaries of the Bank but over which the Bank has 100% controlling power, have been included in the consolidation due to the reason that these companies are "Structured Entity".

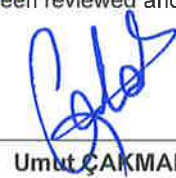
The consolidated financial statements and related disclosures and footnotes; presented in **thousands of Turkish Lira** unless otherwise indicated; have been prepared in accordance with the Communiqué on Accounting Applications of Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related appendices and interpretations and in compliance with the records of our Bank, have been reviewed and presented as attached.



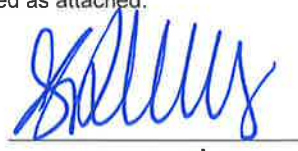
**Houssem BEN HAJ AMOR**  
Chairman of the Board of Directors



**Malek Khodr TEMSAH**  
General Manager



**Umur ÇAKMAK**  
Assistant General Manager



**Kemalettin DİLBAZ**  
Financial Reporting and Budget Management Manager



**Mustafa BÜYÜKBAÇI**  
Chairman of the Audit Committee



**Mohamed Ali CHATTI**  
Member of the Audit Committee

Contact information of the personnel in charge of the addressing of questions about this financial report:  
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**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2023**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

**SECTION ONE**

**General Information**

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

Albaraka Türk Katılım Bankası Anonim Şirketi ("The Parent Bank") was incorporated on November 5, 1984 with the name of Albaraka Türk Özel Finans Kurumu A.Ş., based on the decision of the Council of Ministers numbered 83/7506 and dated December 16, 1983 regarding establishments of Special Finance Houses and obtained the operating permission from the Central Bank of Türkiye with the letter numbered 10912 and dated January 21, 1985.

Special Finance Houses, operating in accordance with the Communiqués of Under Secretariat of Treasury and the Central Bank of Türkiye based on the decision of Council of Ministers numbered 83/7506, have been subjected to the provisions of the Banking Law numbered 4389 with the change of law dated December 17, 1999 and numbered 4491. Special Finance Houses have been subjected to the provisions of "Communiqué Related to the Incorporation and Activities of Special Finance Houses" published in the Official Gazette dated September 20, 2001 numbered 24529 by the Banking Regulation and Supervision Agency ("BRSA"). "Communiqué Related to the Incorporation and Activities of Special Finance Houses" has been superseded by the "Communiqué Related to Credit Operations of Banks" published in the Official Gazette dated November 1, 2006 numbered 26333 and the Parent Bank operates in accordance with the Banking Law numbered 5411 published in the Official Gazette dated November 1, 2005 numbered 25983.

The decision regarding the change in the title of the Parent Bank, in relation with the provisions of the Banking Law numbered 5411, was agreed in the Extraordinary General Meeting dated December 21, 2005 and the title of the Parent Bank was changed as "Albaraka Türk Katılım Bankası A.Ş.". The change in the title was registered in Istanbul Trade Registry on December 22, 2005 and published in the Trade Registry Gazette dated December 27, 2005, numbered 6461.

The Parent Bank together with its consolidated ownerships is referred to as the "Group" in the accompanying consolidated financial statements.

The Parent Bank's head office is located in Istanbul and is operating through 223 (December 31, 2022: 223) local branches and 2 (December 31, 2022: 2) foreign branches and with 2.648 (December 31, 2022: 2.695) staff as of December 31, 2022. The Group has 2.672 (December 31, 2022: 2.719) staff as of March 31, 2023.

**II. Shareholding structure, shareholders having direct or indirect, joint or individual control over the management and supervision of the Parent Bank and the disclosures on related changes in the current year, if any:**

As of March 31, 2023, 43,37% (December 31, 2022: 43,37%) of the Parent Bank's shares are owned by Albaraka Group, 8,30% (December 31, 2022: 8,30%) owned by Dallah Albaraka Group, 4,23% (December 31, 2022: 4,23%) owned by Islamic Development Bank, 42,02% (December 31, 2022: 42,02%) of the shares are publicly traded and quoted at Borsa İstanbul. Rest belongs to different real persons and corporate entities.

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2023**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

**III. Explanation on the chairman and members of board of directors, members of audit committee, general manager and assistant general managers, their areas of responsibility and their shares in the Parent Bank, if any:**

<b>Title</b>	<b>Name and Surname</b>	<b>Administrative Function and Responsibility</b>	<b>Educational Degree</b>	<b>Ownership Percentage (%)</b>
<b>Chairman of the Board of Directors (BOD):</b>	Housseem BEN HAJ AMOR	Chairman of BOD	Bachelor	-
<b>Members of BOD:</b>	Dr. Bekir PAKDEMİRLİ	Deputy Independent Member of BOD	Doctorate	-
	Mustafa BÜYÜKABACI	Member of BOD	Master	-
	Dr. Mohamed Ali CHATTI	Member of BOD	Doctorate	-
	Ghassan Ahmed M. AMODI	Independent Member of BOD	Bachelor	-
	Khaled A. Mohamed ATEEQ	Member of BOD	Doctorate	-
	Azhar Aziz DOGAR	Member of BOD	Master	-
	Akram YASSIN	Independent Member of BOD	Master	-
<b>General Manager:</b>	Malek Khodr TEMSAH	Member of BOD/General Manager	Master	-
<b>Assistant General Managers:</b>	Turgut SİMİTÇİOĞLU	Chief Assistant General Manager	Master	-
	Muhammet Faruk TORLAK	Assistant General Manager Responsible for Credits	Doctorate	-
	Mehmet Emin ÇONKAR	Assistant General Manager Responsible for Credit Monitoring and Legal Follow-Up	Bachelor	-
	Serhan YILDIRIM	Assistant General Manager Responsible for Treasury and International Banking	Bachelor	-
	Muzaffer ÇÖLMEK	Assistant General Manager Responsible for Operations	Bachelor	-
	Mehmet ULUDAĞ	Assistant General Manager Responsible for Individual and Private Banking	Master	-
	Serhan AKYILDIZ	Assistant General Manager Responsible for Corporate Banking	Bachelor	-
	Umut ÇAKMAK	Assistant General Manager Responsible for Finance and Human Values	Bachelor	-
	Ömer EMEÇ	Assistant General Manager Responsible for Strategy and Transformation	Doctorate	-
	Yasemin AYDIN	Assistant General Manager Responsible for Information Technologies and Digital Channels Development	Master	-
<b>Audit Committee:</b>	Mustafa BÜYÜKABACI	Chairman of Audit Committee	Master	-
	Dr. Mohamed Ali CHATTI	Member of Audit Committee	Doctorate	-

**IV. Information on the Parent Bank's qualified shareholders:**

The Parent Bank's paid in capital amounting to TL 2.500.000 consists of 2.500.000.000 number of shares with a nominal value of TL 1 (full) for each share. TL 1.084.167 of the paid in capital is owned by qualified shareholders who are listed below:

<b>Name/Commercial Name</b>	<b>Share amount (nominal)</b>	<b>Share ratio<sup>(*)</sup></b>	<b>Paid shares</b>	<b>Unpaid shares</b>
Albaraka Group	1.084.167	43,37%	1.084.167	-

<sup>(\*)</sup> Shares purchased from Stock Exchange is not included.



**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2023**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

**V. Summary on the Parent Bank's service activities and field of operations:**

The Parent Bank operates in accordance with the principles of interest-free banking as a participation bank. The Parent Bank mainly collects funds through current accounts and participation accounts based on profit and loss sharing agreements and investment agency agreements, which are only for legal entities. The Parent Bank lends such funds through corporate finance support, retail finance support, profit/loss sharing investment, finance lease, financing commodity against document and joint investments.

The Parent Bank classifies current and profit-sharing accounts separately from other accounts in accordance with their maturities. Profit sharing accounts are classified under six different maturity groups; up to one month, up to three months (three months included), up to six months (six months included), up to one year (one year included), one year and more than one year (with monthly, quarterly, semi-annual and annual profit share payment) and accumulated participation accounts.

The Bank may determine the profit rate following operating the participation accounts or estimated rates for investment agencies. The rate of participation accounts' participation to the loss is one hundred percent.

The Parent Bank constitutes specific fund pools with minimum maturities of one month, to be allocated to individually predetermined projects for financing purposes. Profit sharing accounts, which are part of the funds collected for project financing purpose, are managed in accordance with their maturities and independently from other accounts and transfers from these accounts to any other maturity groups are not executed. Specific fund pools are liquidated at the end of the financing period.

In addition to its ordinary banking activities, the Parent Bank operates as an insurance agency on behalf of Bereket Sigorta, Anadolu Sigorta, Türkiye Sigorta, Neova Sigorta, Coface Sigorta, HDI Sigorta and HDI Katılım Sigorta as a private pension insurance agency on behalf of Anadolu Hayat Emeklilik, Agesa Emeklilik Hayat and Katılım Emeklilik ve Hayat, and as a brokerage agency on behalf of Bizim Menkul Değerler A.Ş. and Oyak Yatırım Menkul Değerler A.Ş. through its branches, engages in purchase and sale of precious metals, provides intermediary services in quick money transfers, credit card and member business (P.O.S.) services. Moreover, the Parent Bank is involved in providing non-cash loans that mainly comprise letters of guarantee, letters of credit and acceptances.

Transactions, which can be carried out by the Parent Bank, are not limited to the clauses listed above. If any activities other than those mentioned are considered as beneficial to the Parent Bank, the application must be recommended by the Board of Directors, approved by the General Assembly and authorized by relevant legal authorities, which then needs to be approved by the Ministry of Trade since such applications, are amendments in nature to the Article of Association. The application is included in the Article of Association after all necessary approvals are obtained.

**VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards with respect to consolidation and short explanation about the institutions subject to full or proportional consolidation and institutions, which are deducted from equity or not included in these three methods:**

Albaraka Kültür Sanat ve Yayıncılık A.Ş., Albaraka Teknoloji Bilişim Sistemleri ve Pazarlama Ticaret A.Ş. and Insha Ventures Teknoloji Geliştirme ve Pazarlama A.Ş. which are subsidiary investments of "Inovasyon Girişim Sermayesi Yatırım Fonu" and Natura Gıda Sanayi ve Ticaret A.Ş., which is an subsidiary investment of "Değer Girişim Sermayesi Yatırım Fonu" controlled by the Parent Bank, have not been consolidated since they are non-financial entities.

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2023**

*(Thousand of Turkish Lira (TL) unless otherwise stated)*

**VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards with respect to consolidation and short explanation about the institutions subject to full or proportional consolidation and institutions, which are deducted from equity or not included in these three methods (continued):**

The Parent Bank consolidates Katılım Emeklilik ve Hayat A.Ş., an entity under common control, and Bereket Varlık Kiralama A.Ş., Değer Varlık Kiralama A.Ş., Albaraka Portföy Yönetimi A.Ş., Getinsha GmbH the subsidiaries of the Bank, through equity method and full consolidation method, respectively. Real estate investment funds "Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Bereket Katılım Gayrimenkul Yatırım Fonu" and Venture Capital Investment Funds: "Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Inovasyon Girişim Sermayesi Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. İkinci Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu" and "Bereket One Ltd", "Albaraka Sukuk Ltd" and "Albaraka CT One Ltd." which are not subsidiaries of the Bank but over which the Bank has 100% controlling power have been included in the consolidation due to the reason that these companies are "Structured Entity".

**VII. The existing or potential, actual or legal obstacles on immediate transfer of equity or reimbursement of liabilities between the parent bank and its subsidiaries:**

There is no immediate transfer of equity between the Parent Bank and its subsidiaries. There is no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Parent Bank and its subsidiaries.

## **SECTION TWO**

### **The consolidated financial statements**

- I. Consolidated balance sheet (Statement of financial position)
- II. Consolidated statement of off-balance sheet
- III. Consolidated statement of profit or loss
- IV. Consolidated statement of profit or loss and other comprehensive income
- V. Consolidated statement of changes in shareholders' equity
- VI. Consolidated statement of cash flows

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS OF MARCH 31, 2023**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

ASSETS	Notes (Section Five-I)	CURRENT PERIOD March 31, 2023			PRIOR PERIOD December 31, 2022		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>9.534.782</b>	<b>34.398.018</b>	<b>43.932.800</b>	<b>10.536.939</b>	<b>37.196.823</b>	<b>47.733.762</b>
<b>1.1 Cash and Cash Equivalents</b>	<b>(1)</b>	<b>4.939.137</b>	<b>24.263.537</b>	<b>29.202.674</b>	<b>6.432.226</b>	<b>27.376.699</b>	<b>33.808.925</b>
1.1.1 Cash and Balances with Central Bank		2.312.765	19.133.894	21.446.659	2.326.791	22.538.285	24.865.076
1.1.2 Banks		2.714.032	5.173.623	7.887.655	2.480.843	4.859.668	7.340.511
1.1.3 Money Market Placements		-	-	-	1.725.715	-	1.725.715
1.1.4. Expected Credit Losses (-)		87.660	43.980	131.640	101.123	21.254	122.377
<b>1.2 Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)</b>	<b>(2)</b>	<b>3.780.536</b>	<b>9.047.713</b>	<b>12.828.249</b>	<b>3.240.020</b>	<b>8.433.506</b>	<b>11.673.526</b>
1.2.1 Government Securities		3.161.154	8.989.694	12.150.848	3.005.016	8.381.142	11.386.158
1.2.2 Equity Securities		67.197	42.316	109.513	103.951	37.912	141.863
1.2.3 Other Financial Assets		552.185	15.703	567.888	131.053	14.452	145.505
<b>1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)</b>	<b>(3)</b>	<b>806.216</b>	<b>1.086.768</b>	<b>1.892.984</b>	<b>850.542</b>	<b>1.386.618</b>	<b>2.237.160</b>
1.3.1 Government Securities		726.173	107.091	833.264	650.796	603.298	1.254.094
1.3.2 Equity Securities		7.667	24.578	32.245	7.667	23.865	31.532
1.3.3 Other Financial Assets		72.376	955.099	1.027.475	192.079	759.455	951.534
<b>1.4 Derivative Financial Assets</b>	<b>(5)</b>	<b>8.893</b>	<b>-</b>	<b>8.893</b>	<b>14.151</b>	<b>-</b>	<b>14.151</b>
1.4.1 Derivative Financial Assets Measured at Fair Value through Profit/Loss		8.893	-	8.893	14.151	-	14.151
1.4.2 Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)</b>		<b>59.807.959</b>	<b>40.176.089</b>	<b>99.984.048</b>	<b>49.455.724</b>	<b>42.620.222</b>	<b>92.075.946</b>
<b>2.1 Loans</b>	<b>(6)</b>	<b>54.285.537</b>	<b>27.682.615</b>	<b>81.968.152</b>	<b>45.080.816</b>	<b>29.515.189</b>	<b>74.596.005</b>
<b>2.2 Lease Receivables</b>	<b>(7)</b>	<b>528.817</b>	<b>550.714</b>	<b>1.079.531</b>	<b>322.764</b>	<b>585.979</b>	<b>908.743</b>
<b>2.3 Financial Assets Measured at Amortised Cost</b>	<b>(4)</b>	<b>6.646.047</b>	<b>13.809.934</b>	<b>20.455.981</b>	<b>6.198.303</b>	<b>13.252.626</b>	<b>19.450.929</b>
2.3.1 Government Securities		6.636.395	13.549.947	20.186.342	6.032.245	13.127.122	19.159.367
2.3.2 Other Financial Assets		9.652	259.987	269.639	166.058	125.504	291.562
<b>2.4 Expected Credit Losses (-)</b>	<b>(6)</b>	<b>1.652.442</b>	<b>1.867.174</b>	<b>3.519.616</b>	<b>2.146.159</b>	<b>733.572</b>	<b>2.879.731</b>
<b>III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	<b>(8)</b>	<b>337.297</b>	<b>-</b>	<b>337.297</b>	<b>341.132</b>	<b>-</b>	<b>341.132</b>
3.1 Asset Held for Resale		337.297	-	337.297	341.132	-	341.132
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>IV. OWNERSHIP INVESTMENTS (Net)</b>	<b>(9)</b>	<b>638.534</b>	<b>-</b>	<b>638.534</b>	<b>426.134</b>	<b>-</b>	<b>426.134</b>
<b>4.1 Associates (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
<b>4.2 Subsidiaries (Net)</b>		<b>481.359</b>	<b>-</b>	<b>481.359</b>	<b>281.359</b>	<b>-</b>	<b>281.359</b>
4.2.1 Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		481.359	-	481.359	281.359	-	281.359
<b>4.3 Joint Ventures (Net)</b>		<b>157.175</b>	<b>-</b>	<b>157.175</b>	<b>144.775</b>	<b>-</b>	<b>144.775</b>
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		157.175	-	157.175	144.775	-	144.775
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>	<b>(10)</b>	<b>2.709.549</b>	<b>25.456</b>	<b>2.735.005</b>	<b>2.707.146</b>	<b>27.233</b>	<b>2.734.379</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	<b>(11)</b>	<b>207.103</b>	<b>10.531</b>	<b>217.634</b>	<b>166.770</b>	<b>10.505</b>	<b>177.275</b>
6.1 Goodwill		-	7.930	7.930	-	7.911	7.911
6.2 Others		207.103	2.601	209.704	166.770	2.594	169.364
<b>VII. INVESTMENT PROPERTY (Net)</b>	<b>(12)</b>	<b>1.982.213</b>	<b>-</b>	<b>1.982.213</b>	<b>1.869.188</b>	<b>-</b>	<b>1.869.188</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>717</b>	<b>-</b>	<b>717</b>	<b>62</b>	<b>-</b>	<b>62</b>
<b>IX. DEFERRED TAX ASSET</b>	<b>(13)</b>	<b>536.252</b>	<b>-</b>	<b>536.252</b>	<b>453.958</b>	<b>-</b>	<b>453.958</b>
<b>X. OTHER ASSETS</b>	<b>(14)</b>	<b>1.636.662</b>	<b>263.644</b>	<b>1.900.306</b>	<b>1.029.848</b>	<b>121.479</b>	<b>1.151.327</b>
<b>TOTAL ASSETS</b>		<b>77.391.068</b>	<b>74.873.738</b>	<b>152.264.806</b>	<b>66.986.901</b>	<b>79.976.262</b>	<b>146.963.163</b>

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

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS OF MARCH 31, 2023**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

LIABILITIES	Notes (Section Five-II)	CURRENT PERIOD March 31, 2023			PRIOR PERIOD December 31, 2022		
		TL	FC	Total	TL	FC	Total
<b>I. FUNDS COLLECTED</b>	<b>(1)</b>	<b>59.891.370</b>	<b>54.151.700</b>	<b>114.043.070</b>	<b>51.231.044</b>	<b>61.122.192</b>	<b>112.353.236</b>
<b>II. FUNDS BORROWED</b>	<b>(2)</b>	<b>983.858</b>	<b>7.936.301</b>	<b>8.920.159</b>	<b>19.284</b>	<b>3.471.519</b>	<b>3.490.803</b>
<b>III. BORROWINGS FROM MONEY MARKETS</b>		<b>224.131</b>	<b>323.991</b>	<b>548.122</b>	<b>-</b>	<b>7.817.681</b>	<b>7.817.681</b>
<b>IV. SECURITIES ISSUED (Net)</b>	<b>(3)</b>	<b>846.168</b>	<b>-</b>	<b>846.168</b>	<b>627.095</b>	<b>-</b>	<b>627.095</b>
<b>V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VI. DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(4)</b>	<b>6.208</b>	<b>4.065</b>	<b>10.273</b>	<b>12.819</b>	<b>1.660</b>	<b>14.479</b>
6.1 Derivative Financial Liabilities at Fair Value through Profit or Loss		6.208	4.065	10.273	12.819	1.660	14.479
6.2 Derivative Financial Liabilities at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
<b>VII. LEASE PAYABLES</b>	<b>(5)</b>	<b>496.335</b>	<b>26.893</b>	<b>523.228</b>	<b>450.407</b>	<b>26.399</b>	<b>476.806</b>
<b>VIII. PROVISIONS</b>	<b>(6)</b>	<b>2.484.746</b>	<b>22.468</b>	<b>2.507.214</b>	<b>2.566.552</b>	<b>17.641</b>	<b>2.584.193</b>
8.1 Restructuring Reserves		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		524.853	-	524.853	693.984	-	693.984
8.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
8.4 Other Provisions		1.959.893	22.468	1.982.361	1.872.568	17.641	1.890.209
<b>IX. CURRENT TAX LIABILITY</b>	<b>(7)</b>	<b>771.419</b>	<b>32.211</b>	<b>803.630</b>	<b>709.606</b>	<b>32.539</b>	<b>742.145</b>
<b>X. DEFERRED TAX LIABILITY</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Assets Held for Sale		-	-	-	-	-	-
11.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>XII. SUBORDINATED LOANS</b>	<b>(9)</b>	<b>-</b>	<b>6.872.048</b>	<b>6.872.048</b>	<b>-</b>	<b>4.694.238</b>	<b>4.694.238</b>
12.1 Loans		-	6.872.048	6.872.048	-	4.694.238	4.694.238
12.2 Other Debt Instruments		-	-	-	-	-	-
<b>XIII. OTHER LIABILITIES</b>	<b>(10)</b>	<b>4.248.532</b>	<b>4.397.625</b>	<b>8.646.157</b>	<b>3.049.602</b>	<b>1.765.097</b>	<b>4.814.699</b>
<b>XIV. SHAREHOLDERS' EQUITY</b>	<b>(11)</b>	<b>8.541.234</b>	<b>3.503</b>	<b>8.544.737</b>	<b>9.319.246</b>	<b>28.542</b>	<b>9.347.788</b>
14.1 Paid-In Capital		2.500.000	-	2.500.000	2.500.000	-	2.500.000
14.2 Capital Reserves		3.312.342	-	3.312.342	1.608.402	-	1.608.402
14.2.1 Share Premium		23.278	-	23.278	23.278	-	23.278
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserves		3.289.064	-	3.289.064	1.585.124	-	1.585.124
14.3 Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss		820.497	-	820.497	841.487	-	841.487
14.4 Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss		778.934	3.503	782.437	692.719	28.542	721.261
14.5 Profit Reserves		1.527.648	-	1.527.648	1.839.959	-	1.839.959
14.5.1 Legal Reserves		283.821	-	283.821	152.093	-	152.093
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		1.239.889	-	1.239.889	1.683.926	-	1.683.926
14.5.4 Other Profit Reserves		3.938	-	3.938	3.940	-	3.940
14.6 Profit or Loss		(474.489)	-	(474.489)	1.059.352	-	1.059.352
14.6.1 Prior Years Profit/(Loss)		(838.124)	-	(838.124)	(639.809)	-	(639.809)
14.6.2 Current Year Profit/(Loss)		363.635	-	363.635	1.699.161	-	1.699.161
14.7 Minority Shares		76.302	-	76.302	777.327	-	777.327
<b>TOTAL LIABILITIES</b>		<b>78.494.001</b>	<b>73.770.805</b>	<b>152.264.806</b>	<b>67.985.655</b>	<b>78.977.508</b>	<b>146.963.163</b>

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

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED STATEMENT OF OFF- BALANCE SHEET**  
**AS OF MARCH 31, 2023**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

STATEMENT OF OFF-BALANCE SHEET	Notes (Section Five-III)	CURRENT PERIOD March 31, 2023			PRIOR PERIOD December 31, 2022		
		TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>18.048.132</b>	<b>12.612.564</b>	<b>30.660.696</b>	<b>16.770.259</b>	<b>13.216.005</b>	<b>29.986.264</b>
<b>I. GUARANTEES AND SURETIES</b>	<b>(1)</b>	<b>11.974.987</b>	<b>10.176.510</b>	<b>22.151.497</b>	<b>11.430.631</b>	<b>9.692.379</b>	<b>21.123.010</b>
1.1. Letters of Guarantees		11.852.216	6.582.990	18.435.206	11.302.364	6.147.271	17.449.635
1.1.1. Guarantees Subject to State Tender Law		1.792.000	259.959	2.051.959	1.704.625	223.781	1.928.406
1.1.2. Guarantees Given for Foreign Trade Operations		165	2.214.679	2.214.844	165	2.104.485	2.104.650
1.1.3. Other Letters of Guarantee		10.060.051	4.108.352	14.168.403	9.597.574	3.819.005	13.416.579
1.2. Bank Loans		-	37.395	37.395	-	70.414	70.414
1.2.1. Import Letter of Acceptances		-	37.395	37.395	-	70.414	70.414
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letter of Credits		4.653	3.537.182	3.541.835	11.385	3.456.459	3.467.844
1.3.1. Documentary Letter of Credits		-	-	-	-	-	-
1.3.2. Other Letter of Credits		4.653	3.537.182	3.541.835	11.385	3.456.459	3.467.844
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Other Guarantees		-	18.943	18.943	-	18.235	18.235
1.7. Other Collaterals		118.118	-	118.118	116.882	-	116.882
<b>II. COMMITMENTS</b>	<b>(1)</b>	<b>4.908.685</b>	<b>691.634</b>	<b>5.600.319</b>	<b>3.744.209</b>	<b>561.809</b>	<b>4.306.018</b>
2.1. Irrevocable Commitments		4.864.185	691.634	5.555.819	3.690.709	561.809	4.252.518
2.1.1. Asset Purchase and Sale Commitments		275.077	691.634	966.711	19.940	561.809	581.749
2.1.2. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3. Loan Granting Commitments		613.961	-	613.961	618.854	-	618.854
2.1.4. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6. Payment Commitment for Cheques		1.709.877	-	1.709.877	1.109.464	-	1.109.464
2.1.7. Tax And Fund Liabilities from Export Commitments		37.946	-	37.946	30.942	-	30.942
2.1.8. Commitments for Credit Card Expenditure Limits		2.226.141	-	2.226.141	1.910.259	-	1.910.259
2.1.9. Commitments for Promotions Related with Credit Cards and Banking Activities		625	-	625	687	-	687
2.1.10. Receivables From Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Other Irrevocable Commitments		558	-	558	563	-	563
2.2. Revocable Commitments		44.500	-	44.500	53.500	-	53.500
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		44.500	-	44.500	53.500	-	53.500
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(2)</b>	<b>1.164.460</b>	<b>1.744.420</b>	<b>2.908.880</b>	<b>1.595.419</b>	<b>2.961.817</b>	<b>4.557.236</b>
3.1. Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2. Held for Trading Transactions		1.164.460	1.744.420	2.908.880	1.595.419	2.961.817	4.557.236
3.2.1. Forward Foreign Currency Buy/Sell Transactions		365.102	348.522	713.624	525.019	705.963	1.230.982
3.2.1.1. Forward Foreign Currency Transactions-Buy		204.082	154.327	358.409	307.298	310.779	618.077
3.2.1.2. Forward Foreign Currency Transactions-Sell		161.020	194.195	355.215	217.721	395.184	612.905
3.2.2. Other Forward Buy/Sell Transactions		799.358	1.395.898	2.195.256	1.070.400	2.255.854	3.326.254
3.3. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>242.551.993</b>	<b>80.656.090</b>	<b>323.208.083</b>	<b>195.850.209</b>	<b>76.219.165</b>	<b>272.069.374</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>9.911.794</b>	<b>28.581.830</b>	<b>38.493.624</b>	<b>8.003.258</b>	<b>25.965.959</b>	<b>33.969.217</b>
4.1. Assets Under Management		2.277.340	-	2.277.340	1.337.798	-	1.337.798
4.2. Investment Securities Held in Custody		22.640	7.219.328	7.241.968	19.853	274.662	294.515
4.3. Cheques Received for Collection		5.522.414	278.473	5.800.887	4.909.013	357.854	5.266.867
4.4. Commercial Notes Received for Collection		1.844.217	291.134	2.135.351	1.491.411	268.677	1.760.088
4.5. Other Assets Received for Collection		103	-	103	103	-	103
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		211.126	1.666.775	1.877.901	211.126	9.509.633	9.720.759
4.8. Custodians		33.954	19.126.120	19.160.074	33.954	15.555.133	15.589.087
<b>V. PLEDGED ITEMS</b>		<b>232.640.199</b>	<b>52.074.260</b>	<b>284.714.459</b>	<b>187.846.951</b>	<b>50.253.206</b>	<b>238.100.157</b>
5.1. Marketable Securities		19.376.862	11.015.151	30.392.013	19.153.683	10.676.095	29.829.778
5.2. Guarantee Notes		5.070.734	138.368	5.209.102	4.325.462	184.003	4.509.465
5.3. Commodity		33.813.463	4.372.237	38.185.700	26.851.614	4.243.573	31.095.187
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		154.771.938	32.578.099	187.350.037	122.373.633	31.168.237	153.541.870
5.6. Other Pledged Items		19.386.520	3.960.365	23.346.885	14.892.518	3.971.600	18.864.118
5.7. Pledged Items-Depository		220.682	10.040	230.722	250.041	9.698	259.739
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>260.600.125</b>	<b>93.268.654</b>	<b>353.868.779</b>	<b>212.620.468</b>	<b>89.435.170</b>	<b>302.055.638</b>

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

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AS OF MARCH 31, 2023**

(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF PROFIT OR LOSS	Notes (Section Five-IV)	CURRENT PERIOD January 1- March 31, 2023	PRIOR PERIOD January 1- March 31, 2022
<b>I. PROFIT SHARE INCOME</b>	<b>(1)</b>	<b>3.243.013</b>	<b>1.810.572</b>
1.1 Profit Share on Loans		2.379.400	1.346.675
1.2 Income Received from Reserve Deposits		1.046	40.451
1.3 Income Received from Banks		10	108
1.4 Income Received from Money Market Placements		3.961	-
1.5 Income Received from Marketable Securities Portfolio		812.087	407.808
1.5.1 Financial Assets at Fair Value Through Profit and Loss		282.652	197.216
1.5.2 Financial Assets at Fair Value through Other Comprehensive Income		79.492	71.915
1.5.3 Financial Assets Measured at Amortised Cost		449.943	138.677
1.6 Finance Lease Income		25.446	14.011
1.7 Other Profit Share Income		21.063	1.519
<b>II. PROFIT SHARE EXPENSE</b>	<b>(2)</b>	<b>1.795.744</b>	<b>939.331</b>
2.1 Expense on Profit Sharing Accounts		1.508.803	680.129
2.2 Profit Share Expense on Funds Borrowed		204.249	93.149
2.3 Profit Share Expense on Money Market Borrowings		13.028	5.571
2.4 Profit Share Expense on Securities Issued		24.879	128.509
2.5 Finance Lease Expense		21.048	14.466
2.6 Other Profit Share Expense		23.737	17.507
<b>III. NET PROFIT SHARE INCOME (I – II)</b>		<b>1.447.269</b>	<b>871.241</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSES</b>		<b>212.699</b>	<b>158.525</b>
4.1 Fees and Commissions Received		405.189	215.488
4.1.1 Non-Cash Loans		71.070	59.269
4.1.2 Other	<b>(3)</b>	334.119	156.219
4.2 Fees and Commissions Paid (-)		192.490	56.963
4.2.1 Non-Cash Loans		103	72
4.2.2 Other	<b>(3)</b>	192.387	56.891
<b>V. DIVIDEND INCOME</b>	<b>(4)</b>	<b>80</b>	<b>2.692</b>
<b>VI. TRADING INCOME/LOSS(net)</b>	<b>(5)</b>	<b>315.414</b>	<b>403.539</b>
6.1 Capital Market Transaction Income/(Loss)		(97.888)	152.728
6.2 Profit/(Loss) from Derivative Financial Instruments		(60)	33.946
6.3 Foreign Exchange Income/(Loss)		413.362	216.865
<b>VII. OTHER OPERATING INCOME</b>	<b>(6)</b>	<b>918.800</b>	<b>543.869</b>
<b>VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>2.894.262</b>	<b>1.979.866</b>
<b>IX. EXPECTED CREDIT LOSS (-)</b>	<b>(7)</b>	<b>1.239.894</b>	<b>1.114.252</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	<b>(7)</b>	<b>102.621</b>	<b>123.923</b>
<b>XI. PERSONNEL EXPENSES (-)</b>		<b>680.866</b>	<b>236.958</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>(8)</b>	<b>446.699</b>	<b>261.162</b>
<b>XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>424.182</b>	<b>243.571</b>
<b>XIV. EXCESS AMOUNT RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XV. PROFIT/(LOSS) ON EQUITY METHOD</b>		<b>11.977</b>	<b>8.264</b>
<b>XVI. PROFIT/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XVII. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)</b>	<b>(9)</b>	<b>436.159</b>	<b>251.835</b>
<b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(10)</b>	<b>68.952</b>	<b>130.192</b>
18.1 Provision for Current Taxes		97.700	3.165
18.2 Deferred Tax Expense Effect (+)		383.056	248.170
18.3 Deferred Tax Income Effect (-)		411.804	121.143
<b>XIX. NET INCOME/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	<b>(11)</b>	<b>367.207</b>	<b>121.643</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>	<b>(11)</b>	-	-
20.1 Income from Assets Held For Sale		-	-
20.2 Income from Sale Of Associates, Subsidiaries And Jointly Controlled Entities (Joint Vent.)		-	-
20.3 Income from Other Discontinued Operations		-	-
<b>XXI. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
21.1 Loss from Assets Held for Sale		-	-
21.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-
21.3 Loss from Other Discontinued Operations		-	-
<b>XXII. PROFIT/(LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)</b>		-	-
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
23.1 Provision for Current Taxes		-	-
23.2 Deferred Tax Expense Effect (+)		-	-
23.3 Deferred Tax Income Effect (-)		-	-
<b>XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		-	-
<b>XXV. NET PROFIT/LOSS (XIX+XXIV)</b>	<b>(12)</b>	<b>367.207</b>	<b>121.643</b>
25.1 Group's Income/Loss		363.635	114.134
25.2 Minority Shares Profit/Loss (-)		3.572	7.509
Earnings Per Share		0,14545	0,08454

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

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**AS OF MARCH 31, 2023**

*(Thousand of Turkish Lira (TL) unless otherwise stated)*

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		CURRENT PERIOD January 1- March 31, 2023	PRIOR PERIOD January 1- March 31, 2022
<b>I.</b>	<b>CURRENT PERIOD PROFIT/LOSS</b>	<b>367.207</b>	<b>121.643</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>40.186</b>	<b>56.441</b>
<b>2.1</b>	<b>Other Income/Expense Items not to be Recycled to Profit or Loss</b>	<b>(20.990)</b>	<b>(2.945)</b>
2.1.1	Revaluation Surplus on Tangible Assets	(16.575)	-
2.1.2	Revaluation Surplus on Intangible Assets	-	-
2.1.3	Defined Benefit Plans' Actuarial Gains/Losses	-	-
2.1.4	Other Income/Expense Items not to be Recycled to Profit or Loss	(4.415)	(2.945)
2.1.5	Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	-	-
<b>2.2</b>	<b>Other Income/Expense Items to be Recycled to Profit or Loss</b>	<b>61.176</b>	<b>59.386</b>
2.2.1	Foreign Currency Translation Differences	59.896	54.427
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Fair Value through Other Comprehensive Income	1.707	5.803
2.2.3	Gains/losses from Cash Flow Hedges	-	-
2.2.4	Gains/Losses on Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Income/Expense Items to be Recycled to Profit or Loss	-	-
2.2.6	Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	(427)	(844)
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>407.393</b>	<b>178.084</b>

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



**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**AS OF MARCH 31, 2023**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss								
	Notes (Section Five-V)	Paid-in Capital	Share Premi um	Share Cancellation Profits	Other Capital Reserves <sup>(*)</sup>	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity Before Minority Shares	Minority Shares	Total Shareholders ' Equity
CURRENT PERIOD (January 1 – March 31, 2023)																	
I. Closing balance		2.500.000	23.278	-	1.585.124	1.034.726	(193.239)	-	530.140	191.121	-	1.839.959	(639.809)	1.699.161	8.570.461	777.327	9.347.788
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning Of Period (I-II)		2.500.000	23.278	-	1.585.124	1.034.726	(193.239)	-	530.140	191.121	-	1.839.959	(639.809)	1.699.161	8.570.461	777.327	9.347.788
IV. Total Comprehensive Income		-	-	-	-	(20.990)	-	-	59.896	1.280	-	-	-	363.635	403.821	3.572	407.393
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Others Changes		-	-	-	1.703.940	-	-	-	-	-	-	(1.665.074)	(544.713) <sup>(**)</sup>	-	(505.847)	(704.597)	(1.210.444)
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	1.352.763	346.398	(1.699.161)	-	-	-
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1.352.763	(1.352.763)	-	-	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	-	1.699.161	(1.699.161)	-	-	-
Balances at end of the period (III+IV...+X+XI)		2.500.000	23.278	-	3.289.064	1.013.736	(193.239)	-	590.036	192.401	-	1.527.648	(838.124)	363.635	8.468.435	76.302	8.544.737

<sup>(\*)</sup> The Parent Bank has recognized undated additional tier 1 capital amounting to USD 205.000.000 issued through "Bereket One Ltd" under "other capital reserves" as per TAS 32: "Financial Instruments: Presentation" standard.

<sup>(\*\*)</sup> The Parent Bank has paid TL 193.028 in February 2023, the coupon payment amount of undated additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 24.565, the deferred tax expense related to the payment has been recognized under "prior periods' profit/ loss" as well.

1. Tangible and Intangible Assets Revaluation Reserve,
2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans,
3. Others (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)
4. Currency Translation Differences,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Others (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

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

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**AS OF MARCH 31, 2023**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY							Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss								
		Notes (Section Five-V)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves <sup>(*)</sup>	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity Before Minority Shares	Minority Shares	Total Shareholders' Equity
PRIOR PERIOD (January 1 - March 31, 2022)																		
I.	Closing balance		1.350.000	14.855	-	1.193.669	444.616	(56.592)	-	303.295	18.401	-	1.745.919	(591.729)	332.836	4.755.270	1.943.910	6.699.180
II.	Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Balances at Beginning Of Period (I+II)		1.350.000	14.855	-	1.193.669	444.616	(56.592)	-	303.295	18.401	-	1.745.919	(591.729)	332.836	4.755.270	1.943.910	6.699.180
IV.	Total Comprehensive Income		-	-	-	-	(2.945)	-	-	54.427	4.959	-	-	-	114.134	170.575	7.509	178.084
V.	Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Others Changes		-	-	-	79.649	-	-	-	-	-	-	(23)	(160.809) <sup>(**)</sup>	-	(81.183)	(959.843)	(1.041.026)
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	332.836	(332.836)	-	-	-
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	332.836	(332.836)	-	-	-
Balances at end of the period (III+IV...+X+XI)			1.350.000	14.855	-	1.273.318	441.671	(56.592)	-	357.722	23.360	-	1.745.896	(419.702)	114.134	4.844.662	991.576	5.836.238

<sup>(\*)</sup> The Parent Bank has recognized undated additional tier 1 capital amounting to USD 205.000.000 issued through "Bereket One Ltd" under "other capital reserves" as per TAS 32: "Financial Instruments: Presentation" standard.

<sup>(\*\*)</sup> The Parent Bank has paid TL 139.436 in February and August 2022, the coupon payment amount of undated additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 17.094, the deferred tax expense related to the payment has been recognized under "prior periods' profit/ loss" as well.

1. Tangible and Intangible Assets Revaluation Reserve,
2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans,
3. Others (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)
4. Currency Translation Differences,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Others (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

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

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS**  
**AS OF MARCH 31, 2023**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

STATEMENT OF CASH FLOWS		Notes (Section Five-VI)	CURRENT PERIOD January 1- March 31, 2023	PRIOR PERIOD January 1- March 31, 2022
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	<b>Operating Profit Before Changes In Operating Assets And Liabilities</b>		<b>195.259</b>	<b>327.658</b>
1.1.1	Profit Share Income Received		3.125.831	1.574.863
1.1.2	Profit Share Expense Paid		(1.601.243)	(621.875)
1.1.3	Dividend Received		80	445
1.1.4	Fees and Commissions Received		331.668	154.957
1.1.5	Other Income		493.909	434.830
1.1.6	Collections from Previously Written Off Loans		77.251	140.730
1.1.7	Payments to Personnel and Service Suppliers		(859.855)	(309.724)
1.1.8	Taxes Paid		(56.856)	(33.189)
1.1.9	Others		(1.315.526)	(1.013.379)
<b>1.2</b>	<b>Changes In Operating Assets And Liabilities</b>		<b>(2.516.994)</b>	<b>676.812</b>
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		(784.421)	(533.130)
1.2.2	Net (Increase) Decrease in Due From Banks and Other Financial Institutions		3.077.683	(560.424)
1.2.3	Net (Increase) Decrease in Loans		(6.185.978)	(3.249.465)
1.2.4	Net (Increase) Decrease in Other Assets		669.782	(174.298)
1.2.5	Net Increase (Decrease) in Bank Deposits		278.770	(757.996)
1.2.6	Net Increase (Decrease) in Other Deposits		373.981	5.715.673
1.2.7	Net Increase (Decrease) in Financial Liabilities Measured at Financial Assets at Fair Value Through Profit or Loss		-	-
1.2.8	Net Increase (Decrease) in Funds Borrowed		-	-
1.2.9	Net Increase (Decrease) in Matured Payables		-	-
1.2.10	Net Increase (Decrease) in Other Liabilities		53.189	236.452
<b>I.</b>	<b>Net Cash Flow From Banking Operations</b>		<b>(2.321.735)</b>	<b>1.004.470</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	<b>Net cash flow from investing activities</b>		<b>(250.924)</b>	<b>(356.164)</b>
2.1	Cash Paid For Acquisition of Investments, Associates and Subsidiaries		-	(2.986)
2.2	Cash Obtained From Disposal of Investments, Associates and Subsidiaries		-	-
2.3	Purchases of Property and Equipment		(102.829)	(34.445)
2.4	Disposals of Property and Equipment		55.086	179.989
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(1.990.604)	-
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		2.409.392	336.499
2.7	Purchase of Financial Assets Measured at Amortised Cost		(802.668)	(2.624.653)
2.8	Sale of Financial Assets Measured at Amortised Cost		180.699	1.789.432
2.9	Other		-	-
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	<b>Net Cash Flow From Financing Activities</b>		<b>2.313.620</b>	<b>(345.657)</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued		18.819.133	7.840.165
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(16.280.214)	(8.019.587)
3.3	Issued Capital Instruments		-	-
3.4	Dividends Paid		-	-
3.5	Payments for Leases		(32.271)	(26.799)
3.6	Other		(193.028)	(139.436)
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>173.829</b>	<b>411.748</b>
<b>V.</b>	<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>		<b>(85.210)</b>	<b>714.397</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at the Beginning of the Period</b>		<b>13.520.568</b>	<b>13.944.196</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the Period</b>		<b>13.435.358</b>	<b>14.658.593</b>

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

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2023**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

**SECTION THREE**

**Accounting Policies**

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

**a) The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures Regarding Banks' Accounting Application and Safeguarding of Documents:**

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

The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette numbered 28337, dated June 28, 2012, and amendments to this Communiqué. The Parent Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets, liabilities, revalued real estates and investment properties carried at fair value.

On 20 January 2022, the Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements at the December 31, 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies. As of the preparation date of the financial statements, no new announcement has been made by the Public Oversight Authority in this context, and no inflation adjustment has been made within the scope of TAS 29 Financial Reporting Standard in Hyperinflationary Economies in the financial statements dated March 31, 2023.

**b) Additional paragraph for convenience translation:**

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

**c) Accounting policies and valuation principles applied in the preparation of consolidated financial statements:**

The accounting policies and valuation principles applied in the preparation of consolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TFRS. As of March 31, 2023, ownership investment accounted using equity method is Katılım Emeklilik ve Hayat A.Ş. The subsidiaries, real estate funds, venture capital investment funds accounted using full consolidation method are Bereket Varlık Kiralama A.Ş., Değer Varlık Kiralama A.Ş., Albaraka Portföy Yönetimi A.Ş., Getinsha GmbH, Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Bereket Katılım Gayrimenkul Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. İnovasyon Girişim Sermayesi Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu and Albaraka Portföy Yönetimi A.Ş. İkinci Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu respectively.

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

**c) Accounting policies and valuation principles applied in the preparation of consolidated financial statements (continued):**

The preparation of the consolidated financial statements according to BRSA Reporting and Accounting Legislation requires the Group's management to make estimates and assumptions related to assets and liabilities in the balance sheet and contingent issues as of the balance sheet date. Such estimates and assumptions include the fair value calculations of the financial instruments, deferred tax assets and liabilities provisions for the lawsuits, impairment of the financial assets and revaluation of immovables and reviewed periodically and when adjustments are considered necessary they are reflected in the financial statements. The assumptions and estimates used are explained in the related notes. Accounting policies and evaluation principles in preparing Financial statements are determined and applied as per the principles stated in "BRSA Accounting and Financial Reporting Legislation" and consistent with the accounting policies applied for December 31, 2022 financial statements.

The tension between Russia and Ukraine since the beginning of 2022 has turned into a crisis and continues as of the date of the report. The Parent Bank does not operate in either country, and the crisis is not expected to have a direct impact on the Parent Bank's operations. The developments are followed and their estimated effects are evaluated within the scope of the relevant accounting standards and reflected in the financial statements.

The effects of the earthquake disaster that occurred in Kahramanmaraş and surrounding provinces in February 2023 were reviewed and it was evaluated that there was no effect on the financial statements that would affect the going concern.

**d) Restatement of the financial statements according to the current purchasing power of money:**

Accompanying financial statements are subjected to TAS 29 "Financial Reporting in Hyperinflationary Economies" until December 31, 2004 and with regard to this the BRSA explained with its decision numbered 1623 and dated April 21, 2005 and its circular dated April 28, 2005 that the conditions for applying inflation accounting was no longer applicable and accordingly inflation accounting has not been applied in the accompanying financial statements starting from January 1, 2005.

**e) Comparative information and classifications:**

The changes in accounting policies are applied retrospectively and previous period financial statements are restated. The Financial statements of the Parent bank are prepared comparative to the previous term in order to determine its financial position and performans trends. If appropriate, the comparative information are restated in order to provide comparativeness to the statements of current period financial statements.

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

The Group creates its strategies on financial instruments considering its sources of financing. The main financing sources consist of current and profit-sharing accounts. Other than current and profit-sharing accounts, the Parent Bank's most important funding sources are its equity and borrowings from foreign financial institutions. The Parent Bank sustains its liquidity to cover matured liabilities by holding adequate level of cash and cash equivalents.

The Parent Bank's transactions in foreign currencies are accounted in accordance with the TAS 21 "Accounting Standard on the Effect of Changes in Foreign Currency Rates", and converted with the exchange rate ruling at the transaction date into Turkish Lira. Foreign currency assets and liabilities have been translated into Turkish Lira at the rate of exchange rates ruling at the balance sheet date announced by the Parent Bank. Gains or losses arising from foreign currency transactions and translation of foreign currency assets and liabilities are reflected in the income statement as foreign exchange gain or loss.

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**II. Explanations on strategy of using financial instruments and foreign currency transactions (continued):**

If the loans recognized in the foreign currency accounts are switched to non-performing, they are continued to be recognized in the foreign currency accounts and evaluated with the current exchange rates.

The foreign currency exchange differences resulting from the translation of debt securities issued and monetary financial assets into Turkish Lira are included in the income statement.

The balance sheet items of the foreign branches and foreign subsidiary of the Parent Bank included in the financial statements are translated into Turkish lira at the exchange rate ruling at the balance sheet date announced by the Parent Bank. Income statement items are translated into Turkish lira by exchange rate ruling at the transaction date and all exchange differences arising from translation are accounted in other capital reserves under equity according to TAS 21.

Precious metals (gold and silver) accounted under assets and liabilities, which do not have fixed maturity, are translated into Turkish lira by using the buying rate at the balance sheet date announced by the Parent Bank and resulting evaluation differences are reflected as foreign exchange gain or loss.

There are no foreign currency differences capitalized by the Group.

**III. Information on consolidated associates:**

Consolidated financial statements are prepared in accordance with the decrees, notes and explanations set forth in Communiqué on "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette dated November 8, 2006, numbered 26340 and "Turkish Accounting Standard for Consolidated Financial Statements" ("TFRS 10").

**a) Consolidation principles on joint ventures:**

The joint venture is an entity in which the Parent Bank participates in its capital and has joint control and whose main operation is private pension and insurance and operates according to special legislation with permission and license and is established in Türkiye. The related joint venture has been consolidated through equity method. Where necessary, accounting policies of the joint venture have been harmonized to ensure consistency with the policies adopted by the Parent Bank.

Equity method is an accounting method which foresees the increase or decrease of the book value of capital share in a joint venture from the changes in the participated joint venture's shareholders' equity during the period attributable to the portion of the investor and the deduction of the dividend received from the associate from the revised value of the joint venture amount.

The joint venture included in consolidation, its title, its place of incorporation, main activities and effective shareholding rates are as follows:

Title	Operation Center (City/Country)	Main Activities	Effective Rates (%)	Direct and Indirect Rates (%)
Katılım Emeklilik ve Hayat A.Ş.	İstanbul/Türkiye	Private pension and insurance	50,00	50,00

**b) Consolidation principles on subsidiaries:**

Subsidiaries are the entities controlled directly or indirectly by the Parent Bank. Subsidiaries are consolidated using the full consolidation method considering materiality principle, taking account the operation results, size of asset and shareholders' equity. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Parent Bank.

Control is accepted as when Parent Bank has power over its investee, or exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the full consolidation method, 100% of subsidiaries' assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank's assets, liabilities, and income, expense and off-balance sheet items. The carrying amount of the Group's investment in each subsidiary and the Group's portion of the cost value of the capital of each subsidiary are eliminated. Intragroup balances and intragroup transactions and resulting unrealized profits and losses are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Parent Bank.

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**III. Information on consolidated associates (continued):**

**b) Consolidation principles on subsidiaries (continued):**

The subsidiaries included in consolidation, its title, its place of incorporation, main activities and effective shareholding rates are as follows:

Title	Operation Center (City/Country)	Main Activities	Effective Partnership Rates (%)	Direct and Indirect Partnership Rates (%)
Bereket Varlık Kiralama A.Ş.	Istanbul/Türkiye	Sukuk Issue	100,00	100,00
Değer Varlık Kiralama A.Ş.	Istanbul/Türkiye	Sukuk Issue	100,00	100,00
Albaraka Portföy Yönetimi A.Ş.	Istanbul/Türkiye	Investment Fund Foundation and Management	100,00	100,00
Getinsha GmbH	Berlin/Germany	Providing digital participation banking services with the banking license of Solarisbank AG in Germany, collecting funds with this license through mudaraba method and evaluating the funds in accordance with the principles of interest-free finance and contract signed.	100,00	100,00

**c) Consolidation principles on investment funds:**

The investment funds, founded by the Parent Bank's subsidiary "Albaraka Portföy Yönetimi A.Ş." over which the Group has control as per procedures and principles stated in TFRS 10 "Turkish Financial Reporting Standards on consolidated Financial Statements", are accounted as per full consolidation method. For investment funds over which the Parent Bank does not have full control, minority shares are calculated separately under income statement and shareholders' equity. The information on the funds is represented as follows:

Title	Operation Center (City/Country)	Main Activities	Parent Bank's Effective Percentage of Shares (%)	Group's Direct and Indirect Effective Percentage of Shares (%)
Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu	Istanbul/Türkiye	Buy real estate and rights based on real estates, rent, lease and sell	96,63	96,63
Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu	Istanbul/Türkiye	Buy real estate and rights based on real estates, rent, lease and sell	99,28	99,28
Albaraka Portföy Yönetimi A.Ş. Bereket Katılım Gayrimenkul Yatırım Fonu <sup>(1)</sup>	Istanbul/Türkiye	Buy real estate and rights based on real estates, rent, lease and sell	0,00	100,00
Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu	Istanbul/Türkiye	To invest in company shares that can be financially and institutionally structured and developed, and to terminate the investment in the development or further stages of the company through methods such as sales, merger, and public offering.	100,00	100,00
Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu	Istanbul/Türkiye	To invest in the initial stages of technology and innovation companies that provide products or services to Fintech venture companies or financial companies or to terminate the investment in the advanced stages by methods such as sale, merger and public offering.	100,00	100,00
Albaraka Portföy Yönetimi A.Ş. Inovasyon Girişim Sermayesi Yatırım Fonu	Istanbul/Türkiye	To incorporate innovative fintech projects inside the Parent Bank as co-founder or make the fintech projects more flexible and active in present companies by becoming their partner, to invest these companies' shares and terminate the investment in the development or advanced phase by sale, merger, public offer.	82,70	100,00
Albaraka Portföy Yönetimi A.Ş. Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu <sup>(1)</sup>	Istanbul/Türkiye	The main investment strategy of the fund is to invest in lease certificates, of which venture companies whose shares are not traded on the stock exchange are the fund users, provided that they comply with the principles of participation financing. In this context, at least 80% of the total value of the fund consists of lease certificates (sukuk), which are in the nature of venture capital investment.	0,00	56,58
Albaraka Portföy Yönetimi A.Ş. İkinci Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu <sup>(1)</sup>	Istanbul/Türkiye	The main investment strategy of the fund is to invest in lease certificates, of which venture companies whose shares are not traded on the stock exchange are the fund users, provided that they comply with the principles of participation financing. In this context, at least 80% of the total value of the fund consists of lease certificates (sukuk), which are in the nature of venture capital investment.	0,00	100,00

<sup>(1)</sup> Relevant fund is controlled by the funds which are consolidated and controlled by the Parent Bank. Therefore, The Parent Bank has indirect control over this fund.

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**III. Information on consolidated associates (continued):**

**d) Presentation of consolidated subsidiaries, associates and joint ventures in consolidated financial statements:**

Turkish Lira denominated investments in consolidated associates and subsidiaries are accounted at cost value, less any impairment, in accordance with "Turkish Accounting Standards for Individual Financial Statements ("TAS 27")" in the consolidated financial statements.

In the consolidated financial statements, credit institutions, which are not included in consolidation, or subsidiaries, which are not financial institutions, are accounted at cost value, less any impairment in the consolidated financial statements.

If the cost amount exceeds the recoverable amount (the higher of an asset's fair value less costs of disposal and its value in use) the value of the related associates and subsidiaries is equal to the recoverable amount.

**IV. Explanations on forward, option contracts and derivative instruments:**

The derivative financial instruments of the Group generally consist of forward foreign currency, forward security and swap agreements. Derivative transactions portfolio may change as per market conditions in related terms. The Group records the spot foreign currency transactions in asset purchase and sale commitments.

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contract values. Derivative transactions are initially recorded at their fair values. In the periods following the recognizing of derivative transactions, depending on whether the fair value is positive or negative, the portion which is reflected to Income Statement for derivative assets and derivative liabilities are represented in Balance Sheet. Differences in fair values as a result of the valuation are recognized in trading income/loss line in the Income Statement as profit (loss) from derivative financial instruments and foreign exchange income (loss)



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**V. Explanations on profit share income and expenses:**

**Profit share income**

Profit share income is accounted in accordance with the internal rate of return method, which is equal to the net present value of the future cash flows of the financial asset determined in TFRS 9 and reflected to the accrual basis.

Profit-loss Investment projects are recognized under the “Loans” account in the balance sheet. Profit and loss investment projects are subject to valuation periodically every year and positive differences related to valuation are represented under “Profit Share on Loans”.

The Parent Bank has begun to calculate accrual for non-performing loans as of January 1, 2018. Net book value of non-performing receivables (Gross Book Value- Expected Loss Provision) is accounted at the gross book value of accruals with effective profit share rate.

**Profit share expense**

The Parent Bank records profit share expenses on accrual basis. The profit share expense accrual calculated in accordance with the unit value method on profit sharing accounts has been included under the account “Funds Collected” in the balance sheet.

**VI. Explanations on fees, commission income and expenses:**

Other than commission income and fees and expenses for various banking services that are reflected as income/expense when collected/paid, fees and commission income and expenses are reflected to income statement depending on the term of the related transaction.

The commissions and fees other than those, whose amortised costs are integral part of their effective profit rate, are accounted for in accordance with the TFRS 15 Revenue From Contracts With Customers Standard.

In accordance with provisions of TFRS, the portion of the commission and fees which are related to the reporting period and collected in advance for cash and non-cash loans granted is reflected to the income statement by using the internal rate of return method and straight line methods, respectively over the commission period of the related loan, respectively. Fees and commissions collected in advance which are related to the future periods are recorded under the account “Unearned Revenues” and included in “Other Liabilities” in the balance sheet. The commission received from cash loans corresponding to the current period is presented in “Profit Share from Loans” in the statement of profit or loss.

In the correspondence of BRSA dated June 8, 2012 and numbered B.02.1.BDK.0.13.00.0-91.11-12061, it has been stated that there is no objection to recording the commissions received from long term non-cash loans collected in quarterly periods or periods less than a quarter directly as income. Consequently, the Parent Bank records the related cash and non-cash loans commissions directly as income.

**VII. Explanations on financial assets:**

Financial assets are recognized or derecognized according to TFRS 9 section three: “Recognition and Derecognition”. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than “Financial Assets at Fair Value Through Profit or Loss”, transaction costs are added to fair value or deducted from fair value. They are included in the balance sheet of the Parent Bank, if the Parent Bank is a legal party to these instruments.

On which category financial instruments shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**Assessment of business model:**

As per TFRS 9, the Parent Bank’s business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Parent Bank’s business model does not depend on management’s intentions for an individual instrument. Accordingly, this condition is not a classification approach on the basis of a financial instrument but an evaluation by combining financial assets.

The Parent Bank’s business models are divided into three categories. These categories are defined below:

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

**a) The Business model whose objective is to hold assets in order to collect contractual cash flows:**

A business model whose objective is to hold assets of The Parent Bank in order to collect contractual cash flows over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortised cost when the contractual terms of the financial asset meet the cash flow test that includes profit share payments arising only from principal and principal amount at specific dates.

**b) The Business model whose objective is achieved by both collecting contractual cash flows and selling financial assets:**

The Parent Bank may hold financial assets in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Fair value changes of the financial assets that are held within the scope of this business model are accounted under other comprehensive income when the contractual terms of the financial asset meet the cash flows test that includes profit share payments arising only from principal and principal amount at specific dates.

**c) Other business models:**

Financial assets are measured at fair value through profit or loss if they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

**Contractual cash flows that contains solely payments of principal and profit share:**

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

**Financial assets at the fair value through profit or loss:**

Financial assets at fair value through profit/loss are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and profit share at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. The Parent Bank recognizes profit and loss investments under "loans" as per BRSA uniform chart of accounts and measures them at fair value considering TFRS 9 provisions. The fair value measurements of profit and loss investments are based on the valuation reports prepared by the valuation experts.

In evaluating profit share investment projects various assumptions and estimations have been used. Work projects, discount rates and fair value parameters may fluctuate and sensitive to economical conjuncture, sectoral position and other market conditions.

Sukuk (lease certificates) which are represented under Financial Assets Measured at Fair Value through Profit/Loss are evaluated with the weighted average clearing prices in Istanbul Stock Exchange and which are not quoted in Istanbul Stock Exchange evaluated with their prices determined in Central Bank of Türkiye.

As per the correspondence by BRSA numbered E-43890421-101.02.02-7182, the accounting of outright repurchase and sales of investment funds under Financial Assets Measured at Fair Value through Profit/Loss are approved Parent Bank's Advisory Committee in accordance with its decisions on condition that there is no agreement and/or condition with the customer regarding repurchase/resale and there is not even a custom that there is an obligation to repurchase/resale. Profits or losses arising from buying and selling are accounted in Capital Market Transaction Income/(Loss) under Trading income/ loss.

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

**c) Other business models (continued):**

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

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and profit share at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Profit share income calculated with effective profit share rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the value corresponding to the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated Other Comprehensive Income or Expense to be Reclassified Through Profit or Loss" under shareholders' equity. The accumulated fair value differences that are reflected in shareholders' equity are reflected in the income statement when the stated securities are collected or disposed.

Equity securities, which are classified as financial assets at fair value through other comprehensive income are accounted for at fair value when they are traded in an organized market and / or the fair value can be reliably measured and these financial assets are not subject to expected losses recognition. The valuation differences of the mentioned securities are accounted under the "Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss" in shareholders' equity

**Financial assets measured at amortized cost:**

Financial assets that are held for collection of contractual cash flows within the scope of business model where those cash flows represent solely payments of principal and profit share on certain dates are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs, which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective internal rate of return method. Profit share income obtained from financial assets measured at amortized cost is accounted in income statement.

**Loans:**

Loans are non derivative financial assets that have fixed or determinable payments terms and are not quoted in an active market. Stated loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Profit Share Rate (internal rate of return) Method".

The Parent Bank's all loans including profit and loss investments are recorded under the "Measured at Amortized Cost" account. As per BRSA uniform chart of accounts, the Parent Bank recognizes profit and loss investments under "loans" and considering TFRS 9 provisions, measures them at fair value.

Granted cash loans are accounted by using the relevant accounts in accordance with the principles set out in the "Uniform Chart of Accounts to be Applied by the Participation Banks" and published in the Official Gazette dated September 20, 2017 and numbered 30186.

The Parent Bank periodically evaluates the provisions allocated for loans and other receivables as per TFRS 9 retrospectively and as a result of those evaluations, if appropriate, updates the classification rules and parameters on allocation of provisions.

**VIII. Explanations on expected credit losses:**

The Parent Bank allocates impairment for expected loss on financial assets measured at amortized cost and measured at fair value through other comprehensive income. As of January 1, 2018, the Parent Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. In this framework, as of January 1, 2018, method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under TFRS 9.

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**VIII. Explanations on expected credit losses (continued):**

The provisions written back are credited to “provision expenses”, and if such write backs are arising from previous year they are accounted under “other operating income”. The expected credit loss model includes instruments that are recorded at amortized cost or at fair value in other comprehensive income tables (such as bank deposits, loans and finance lease receivables) and, in addition, financial lease receivables that are not measured at fair value through profit or loss, credit commitments and financial guarantee contracts.

As stated in the note of significant estimates and assumptions in preparing financial statements, The Parent Bank has reflected the estimations and judgments used in the calculation of credit losses as of March 31, 2023, using the best estimation method with the maximum effort principle.

-In provisioning parameters, base scenario rate has been updated as 80% negative condition scenario rate has been updated as 20% and positive condition scenario has been revoked.

-In order to calculate the impact of macroeconomical factors to lifetime expected credit losses, the model has been set by using approximately 10 years of data from first quarter of 2010 to third quarter of 2020. In this model NPL rates of the banks operating in the same sector has been used and supportive data from previous terms have been received. As a result of model update works, the parameters of unemployment and consumer price index have been found meaningful.

Under this context, the approach used through 2023 has been maintained and will be reviewed in the coming reporting periods by considering the changes in credit portfolio and expectations related to the future.

The guiding principle of the expected credit loss model is to reflect the increase in credit risk of financial instruments or the general view of the recovery. The amount of allowance for the loss depends on the extent of the increase in credit risk since the initial issuance of the loan.

Expected credit loss is an estimate of the expected credit losses over the life of a financial instrument also the following aspects are important for the measurement.

- Probability-weighted and neutral amount determined by taking into account possible outcomes,
- Reasonable and supportable information on past events, current conditions and forecast of future economic conditions, at the time of reporting, without excessive cost and effort.

Provisions for these financial assets are calculated using two different approaches: 12-month expected loss and expected lifetime loss. Credit risk parameters used in the calculations are as follows:

**Parameters used when calculating expected credit losses:**

**Probability of Default (PD):**

PD refers to the likelihood that a loan will default within a specified time horizon. Based on TFRS 9, the Parent Bank uses two different PDs in order to calculate expected credit losses:

- 12-Months PD: As the estimated probability of default occurring within the next 12 months following the reporting date.
- Lifetime PD: As the estimated probability of default occurring over the remaining life of the financial instrument.

**Loss Given Default (LGD):**

If a loan default occurs, it represents the economic loss incurred on the loan. It is expressed as a percentage.

**Exposure at Default (EAD):**

For cash loans, it corresponds to the amount of loan granted as of the reporting date. For non-cash loans and commitments, it is the value calculated through using credit conversion factors. Credit conversion rate corresponds to the factor which adjust the potential increase of the exposure between the current date and the default date.

Financial Assets are divided into the following three categories depending on observable increases in their credit risks:

**12 Month Expected Credit Losses (Stage 1):**

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition and the delay days do not exceed 30 days. Impairment for credit risk is recorded in the amount of 12-month expected credit losses. It is valid for all assets unless there is a significant deterioration in the quality of the loan. The expected 12 month loss values (within 12 months after the reporting date or within a shorter period if the life of a financial instrument is shorter than 12 months) are part of the estimation of loss of life expectancy.

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**VIII. Explanations on expected credit losses (continued):**

**Significant Increase in Credit Risk (Stage 2):**

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses.

The Parent Bank classifies financial assets as Level 2 by considering the following criteria:

- Loans with a delay over 30 days but not exceed 90 days
- The data obtained from the early warning system and the evaluation that the Parent Bank will make in this case
- The Parent Bank management's conclusion that there is significant increase in credit risk. At this point the Parent Bank compares probability of default of the loan in its origination with current status.
- Loans for which the repayment amount is fully collateralized and the collateral falls below the net realizable value.

**Default (Stage 3/Specific Provision):**

If the following conditions exist in accordance with the Parent Bank's internal procedures, the related financial asset is evaluated as default:

- Loans past 90 days from the last installment date
- Loans restructured and classified as performing receivables and restructured in the 1-year monitoring period at least once again and & or loans whose principal / profit payment is 30 days overdue.

The collective assessment of financial instruments is performed by building on homogeneous group assets arising from portfolio segmentation based on similar credit risk and product characteristics. This section provides an overview of the risk parameter estimation methods associated with the expected loss calculation approach for each stage on a common basis.

Loans whose cash flows differ or have different characteristics from other loans can be evaluated individually instead of collectively. Expected credit loss can be defined as the difference between all contractual cash flows due as per the whole contract and cash flows expected to be collected that have been discounted with the original effective profit ratio. When measuring expected credit losses, the Bank shall consider the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low. The Bank makes such assessment by reflecting the estimate of expected credit loss which is unbiased and probability-weighted determined by evaluating a range of possible outcomes.

The following situations are taken into account when estimating cash flows.

- The conditions of the contract during the expected life of the financial instrument,
- Cash flows expected to be obtained from collateral sales.

**Behavioral Maturity Calculation Methodology**

Expected loss provision is calculated until end of the maturity for stage one loans whose remaining maturity is less than one year and calculated yearly for stage one loans whose remaining maturity is more than one year. For second group loans, it is calculated lifelong (until the end of maturity). In this calculation, the remaining maturity information of the loan is taken as basis for each loan. While this information is used for products with real maturity information, for products without real maturity information, behavioral maturity is calculated by analyzing historical data. Expected loss provision calculations are made over these maturities, depending on the type of loan.

**Write-Off Policy**

Within the framework of the provisions of the " Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be set aside for them" published in the Official Gazette dated July 6 ,2021 and numbered 31533, the portion of the loans that are classified under "Fifth Group-Loans with a Loss Qualification" and for which a lifetime expected loan loss provision or special provision is made due to the default of the borrower, for which there are no reasonable expectations for the recovery of the loans, as of the first reporting period following their classification in this Group, are written off from the records in an appropriate time determined by the bank, taking into account the situation of the debtor within the scope of TFRS 9. Writing off loans from the records is an accounting practice and does not result in waiving the right to the receivable.

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**IX. Explanations on offsetting of financial instruments:**

Financial instruments are offset when the Group has a legally enforceable right to net off the recognized amounts, and there is an intention to settle on net basis or realize the asset and settle the liability simultaneously. The sukuk investments issued by the Group which are repurchased has been offset in financial assets measured at fair value through other comprehensive income and subordinated loan accounts.

**X. Explanations on sale and repurchase agreements and lending of securities:**

Securities subject to repurchase agreement are classified as “Financial Assets Measured at Fair Value through Profit/Loss”, “Financial Assets Measured at Fair Value through Other Comprehensive Income” and “Financial Assets Measured at Amortised Cost” according to the investment purposes of the Group and measured according to the portfolio to which they belong. Funds obtained from the related agreements are accounted under “Borrowings from Money Markets” in liabilities and the difference between the sale and repurchase price is accrued over the life of the agreements using the internal rate of return method. Profit share expense on such transactions is recorded under “Profit Share Expense on Money Market Borrowings” in the income statement.

**XI. Explanations on assets held for sale and discontinued operations and liabilities related to these assets:**

Assets held for sale (or disposal group) are measured at the lower of the carrying amount of assets and fair value less any cost to be incurred for disposal and the amortising for these assets is stopped. In order to classify an asset as held for sale, the possibility of sale should be highly probable and the asset (or disposal group) should be available for immediate sale in its present condition. Highly saleable condition requires a plan designed by an appropriate level of management regarding the sale of the asset to be disposed of together with an active program for the determination of buyers as well as for the completion of the plan. Also, the asset shall be actively marketed in conformity with its fair value.

In addition, the sale is expected to be recognized as a completed sale within one year after the classification date and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes in the plan or cancellation of the plan.

The Group has assets that are possessed due to receivables and debtors' obligations to the Parent Bank and classified as assets held for sale. In the case that the Group has not disposed of such assets within a year of receipt or failed to produce a solid plan for sale of the assets, they are reclassified as fixed assets. The Group transfers such assets from assets held for sale and discontinued operations to tangible assets.

A discontinued operation is a part of the Group's business which has been disposed of or classified as held for sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Group has not any discontinued operations.

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

Goodwill and other intangible assets are recorded at cost in accordance with TAS 38 “Turkish Accounting Standards for Intangible Assets”. As of the balance sheet date, there is no goodwill in the financial statements of the Group. The Group's intangible assets consist of softwares, capitalized information technology services and intangible rights.

The costs of the intangible assets purchased before December 31, 2004 have been restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. Intangible assets purchased after this date have been recorded at their historical costs. Intangible assets are amortised by the Parent Bank over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Parent Bank's software have been determined as 3 to 4 years and other intangible assets' useful lives have been determined as 15 years. At the the establishment of Getinsha GmbH, the subsidiary of the Parent Bank operating in Germany, Getinsha GmbH has taken over establishment expenses from Parent Bank and goodwill has arisen during this transfer. Related amount is represented both in Getinsha GmbH's financial statements and Parent Bank's consolidated financial statements.

If there is objective evidence of group impairment, the asset's recoverable amount is estimated in accordance with the TAS 36 “Turkish Accounting Standard for Impairment of Assets” and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is provided.

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**XIII. Explanations on tangible assets:**

The cost of the tangible assets purchased before December 31, 2004 have been restated by inflationary index from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. The tangible assets purchased after this date are recorded at their historical costs. Tangible assets are recorded at cost less accumulated depreciation and provision for impairment, if any in compliance with the ("TAS 16") "Turkish Accounting Standards for Tangible Assets" in the financial statements.

As of March 31, 2009, the Parent Bank has made a change in accounting policy and adopted revaluation model for real estates in accordance TAS 16 and reflected the results of appraisal reports prepared by an authorized real estate appraisal firm to the financial statements. As of December 31, 2022, the Parent Bank has revalued its immovables and reflected the results of appraisal reports prepared by independent real estate appraiser firms using comparison of similar items method to the financial statements. The revaluation fund mentioned cannot be distributed as dividend to shareholders. Current period depreciation charge relating to the revaluation has been transferred to retained earnings from revaluation fund reserve.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates which are expected to have an impact in the current or subsequent periods.

Depreciation is calculated on a straight-line basis. Depreciation rates used are determined by considering the estimated economic useful life of the assets. The annual rates used are as follows:

	Depreciation Rate %
Buildings	2
Motor vehicles	20 – 25
Furniture, fixture and office equipment	4 – 33
Safe-deposit boxes	2 – 20
Operational lease improvement costs (Leasehold improvements)	Leasing period - 5 years
Leased assets	1- 10 years

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end. Leasehold improvements are depreciated over their estimated economic useful lives in equal amounts. The estimated economic useful lives cannot exceed the leasing period. In cases where the leasing period is not certain, the useful life is determined as five years. After January 1, 2010 in cases where leasing period is more than five years, the useful life is determined as five years.

If there is an indication for impairment, the Group estimates the recoverable amount of the tangible asset in accordance with TAS 36 "Turkish Accounting Standard for Impairment of Assets" and if the recoverable amount is less than its carrying value, provides for an impairment loss. Fixed assets which are carried at fair value in the financial statements are revalued by independent Capital Markets Board licensed firms in accordance with TFRS 13.

Gain or loss resulting from disposals of the tangible assets is calculated as the difference between the net proceeds from the sale and the net book value of the related asset.

The repair and maintenance costs of the tangible assets are capitalized, if the expenditure increases the economic life of the asset. Other repair and maintenance costs are expensed.

In accordance with TFRS 16, right-of-use asset is represented under tangible assets in the balance sheet.

**XIV. Explanations on investment property:**

Investment properties are retained in order to benefit for administrative purposes and production and supply of goods or services either or both obtain rental income or appreciation gain instead of selling them in ordinary workflow. Investment properties are accounted initially at cost then at fair value for the coming periods and changes are recognized in statement of profit or loss.

The cost includes the expenses directly associated with the purchase.

If the investment property is sold, all profits and losses incurred (referring the difference between sale price and carrying value of the asset) are recognized in statement of profit or loss. If the investment properties

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**XIV. Explanations on investment property (continued):**

which are recognized as fixed assets beforehand are sold, their revaluation differences (if there are any) under equity are transferred to prior year profits.

If a real estate's intended purpose amended and it is recognized again under fixed assets, the fair value at the date of the amendment becomes the cost for the next accounting transaction.

**XV. Explanations on leasing transactions:**

Assets acquired under finance lease contracts are recorded both as an asset and as a liability at the beginning date of the lease. The basis for the determination of the balances recorded in the balance sheet as asset and liability is the lower of fair value of the leased asset at the inception of the lease and the present value of the lease payments. Finance charges arising from lease contracts are expensed in the related periods taking into consideration the internal rate of return over the period of the lease.

Assets acquired under finance lease contracts are depreciated over their useful lives and impairment provision is provided in case a decrease in recoverable amount has been determined. The Parent Bank, as a participation bank, acts as a lessor in finance leasing transactions. The Parent Bank presents finance leased assets as a receivable equal to the net investment in the lease. Financial income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

With the "TFRS 16 Leases" standard, which became effective as of 1 January 2019, the difference between the operating lease and financial lease was removed and the lease transactions were started to be recognised under "Tangible Fixed Assets" as an asset (tenure) and under "Lease Payables" as a liability.

TFRS 16 Leases standard abolishes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease. Instead, it is set forth a single model similar to the accounting of finance leases (on balance sheet). For lessors, the accounting remains almost the same.

The Parent Bank has the exemption for not applying this standard to short-term leaseings (leases with a rental period of 12 months or less) or to leases where the underlying asset is of low value (eg personal computers, some office equipment, etc.). At the effective date of the lease, the Parent Bank measures its leasing liability at the present value of the lease payments not paid at that time and depreciates the existence of the right to use as of the same date and is amortized over the lease term. If this ratio can be determined easily, lease payments are discounted using the Parent Bank's average profit rate.

If the ratio cannot be easily determined, the Parent Bank uses its own alternative borrowing rate. The profit share expense on the lease liability and the depreciation charge of the right to use is recorded separately. The lessee re-measures the lease obligation if certain events occur (for example, changes in lease duration, forward lease payments due to changes in a particular index or rate, etc.). In this case, the lessee records the reassignment effect of the lease obligation as a correction on the right to use.

**Right to use asset:**

The right to use asset is first recognized by cost method and includes:

- The initial measurement amount of the lease obligation,
- The amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease;
- All initial direct costs incurred by the Parent Bank and

When applying the cost method, the existence of the right to use:

- Accumulated depreciation and accumulated impairment losses are deducted and
- Measures the restatement of the lease obligation at the restated cost.

While the Parent Bank is depreciating the right- to- use asset it utilizes the provisions for depreciation in TAS 16 Tangible Assets Standard.



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

**The lease liabilities:**

At the effective date of the lease, the Parent Bank measures its leasing liability at the present value of the lease payments not paid at that time. If this ratio can be determined easily, lease payments are discounted using the Parent Bank's average profit rate. If the ratio cannot be easily determined, the Parent Bank uses its own alternative borrowing rate.

The lease payments included in the measurement of the lease liability consist of the payments to be made for the right of use during the lease term of the underlying asset and the unpaid payments at the effective date of the lease.

After the effective date of the lease, the Parent Bank measures the leasing liability as follows:

- Increases the book value to reflect the profit share rate on the lease obligation,
- Reduces the book value to reflect the lease payments made,
- Measures the book value to reflect reassessments and restructuring, or reflect the fixed lease payments, which is revised but inherently fixed. The profit rate on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic profit rate to the remaining balance of the lease liability.

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

Provisions and contingent liabilities, excluding the expected loss provisions for loans, are accounted in accordance with TAS 37: "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets".

Provisions are recognized when the Parent Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the cut-off principle.

A liability is recognized as a contingent liability where a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of more than one events not wholly within the control of the Parent Bank; or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability and disclosed in the footnotes.

**XVII. Explanations on liabilities regarding employee rights:**

i) Defined benefit plans:

Provision for employee severance benefits has been accounted for in accordance with TAS 19 "Employee Benefits".

In accordance with the existing social legislation in Türkiye, the Group is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated for reasons other than misconduct or due to resignation. The retirement pay is calculated for every working year within the Group over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Group.

The Group has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to TAS 19, The Group recognizes all actuarial gains and losses immediately through other comprehensive income. As of March 31, 2023, there is an actuarial loss amounts to TL 257.652 before deferred tax calculation. (December 31, 2022: TL 257.652 actuarial loss).

Provision for the employees' unused vacations have been booked in accordance with TAS 19 and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the Group's employees are members.

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**XVII. Explanations on liabilities regarding employee rights (continued):**

ii) Defined contribution plans:

The Group pays defined contribution plans to publicly administered Social Security Funds for its employees. The Group has not any further payment obligations other than this contribution share. The contributions are recognized as personnel expenses when they accrue.

iii) Short term benefits to employees:

In accordance with TAS 19, the Group measures the expected costs of the cumulative annual leaves as additional amounts anticipate to pay accumulated and unused rights as of reporting period.

**XVIII. Explanations on taxation:**

**Current tax:**

The Group is subject to tax laws and legislation effective in Türkiye.

In the financial statements as of March 31, 2023, the corporate tax rate is applied 25%. The corporate tax rate has been permanently increased to 25% for banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in accordance with the publication of the Law No. 7394 in the Official Gazette dated April 15, 2022.

Dividends paid to the resident institutions are not subject to withholding tax in Türkiye. Withholding tax rate on the dividend payments other than these is 10%. Appropriation of the retained earnings to capital is not considered as profit distribution and accordingly is not subject to withholding tax.

Corporations calculate advance tax with their current rate on quarterly profits and pay until the evening of the same day by declaring until the 17th day of the second month following that period. The prepaid taxes can be deducted from the annual corporate tax calculated on the annual corporate income. The remaining prepaid tax, if any after deduction, can be refunded in cash or deducted from other financial liabilities to the government.

75% portion of the capital gains derived from the sale of equity investments and 50% portion of the capital gains derived from the sale of immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Türkiye, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns until the last day of the following fourth month after the closing of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings and carry out sectorial investigations.

Considering the participation accounts' part in general loan loss provision as expense for tax calculation, Finance Ministry initiated a sector-specific review. The relevant documents and calculations have been requested from the Parent Bank. As of report date, there is no information or written report transmitted to the Parent Bank.

As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. However, with the Law No. 7352 on the Amendment of the Tax Procedure Law and the Corporate Tax Law, published in the Official Gazette dated January 29, 2022 numbered 31734, the temporary article 33 was added to the Tax Procedure Law No. 213, and it is enacted that financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods (including advance tax periods) and 2023 advance tax periods (for those designated as a special accounting period, as of the accounting periods ending in 2022 and 2023), regardless of whether the conditions for the inflation adjustment within the scope of repeated Article 298 are met, and December 31, 2023 financial statements will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, and the profit or loss calculations arising from the inflation adjustment will be represented in the previous years' profit/loss account.

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**XVIII. Explanations on taxation (continued):**

**Current tax (continued):**

Within the scope of the temporary article 32 of the Tax Procedure Law Numbered 213, depreciable assets were revalued and additional tax amount of 2% is levied over the revaluation difference. Assets that are included in the scope pursuant to duplicate article 298- are valued with the revaluation rate announced in the relevant year and no tax is levied over this revaluation increase.

**Deferred tax:**

The Group calculates and accounts for deferred income taxes for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with ("TAS 12") "Turkish Accounting Standard for Income Taxes". Deferred tax asset is calculated on all temporary differences to the extent that is probable that taxable profit will be available and deferred tax liability is calculated for all temporary differences. Deferred tax asset and liabilities are shown in the accompanying financial statements on a net basis. With the publication of the Law No. 7394 in the Official Gazette dated 15 April 2022, the corporate tax rate has been increased to 25% permanently, and as of 31 March 2023 and 31 December 2022, the deferred tax has been calculated over 25% for banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies

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

Deferred tax asset had not been provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004. Deferred tax rate calculation has started to be measured over temporary expected provision losses differences according to TFRS 9 articles from 1 January 2018. Deferred tax calculation is not made for free provisions.

As explained in detailed note under "XIX." Additional explanations on borrowings, deferred tax is calculated for exchange difference and coupon payment for Tier 1 under equity and deferred tax expenses.

**Transfer pricing:**

Transfer pricing is regulated through the article 13 of Corporate Tax Law titled "Disguised Profit Distribution by way of Transfer Pricing". Detailed information for the practice regarding the subject is found in the "General Communiqu  on Disguised Profit Distribution by way of Transfer Pricing".

According to the related regulation, in the case of making purchase or sales of goods or services with related persons/corporations at a price that is determined against "the arm's length principle", the gain is considered to be distributed implicitly through transfer pricing and such distribution of gains is not deductible in calculation of corporate tax.

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**XIX. Additional explanations on borrowings:**

The Group accounts its debt instruments in accordance with TFRS 9 “Financial Instruments”. In the following periods, all financial liabilities are carried at amortized cost by using the internal rate of return method. The Parent Bank has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings.

There are no debt securities issued by the Parent Bank. The Parent Bank has issued borrowings through its subsidiary Bereket Varlık Kiralama A.Ş. and its structured entities Bereket One Ltd., Albaraka Sukuk Ltd. and Albaraka CT One Ltd.

The Parent Bank has subordinated loans borrowed through sukuk issuance, which has convertible nature to the shares.

**Additional tier 1 capital borrowings:**

Undated sukuk transaction in foreign currency is issued and included in the additional capital account by the Parent Bank’s structured entity “Bereket One Ltd.”. Stated transaction evaluated as non-monetary item and accounted over historical cost in Turkish Lira under equities in the “other capital reserves” accordance with TAS 32.

**XX. Explanations on issued share certificates:**

None.

**XXI. Explanations on acceptances and availed drafts:**

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

**XXII. Explanations on government grants:**

As of the balance sheet date, there are no government grants received by the Group.

**XXIII. Explanations on segment reporting:**

Business segment is a component of the Parent Bank that engages in business activities from which the Group may earn revenues and incur expenses, whose operating results are regularly reviewed by the Parent Bank’s chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial available.

Segment reporting is disclosed in Section Four, Note XI.

**XXIV. Explanations on other matters:**

There are no other matters.

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**SECTION FOUR**

**Information on Consolidated Financial Structure and Risk Management of the Group**

**I. Explanations on consolidated capital adequacy standard ratio:**

Total capital and capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". As of March 31, 2023, the Parent Bank's total capital has been calculated as TL 12.705.330 and capital adequacy standard ratio is 14,68%. As of December 31, 2022, the Parent Bank's total capital amounted to TL 10.891.621 and capital adequacy ratio was 15,82%. The Parent Bank's capital adequacy standard ratio is above the minimum ratio required by the legislation.

**a. Information on consolidated capital:**

	Current Period	Prior Period
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	2.500.000	2.500.000
Share issue premiums	23.278	23.278
Reserves	689.524	1.200.150
Gains recognized in equity as per TAS	4.371.990	2.563.282
Profit	363.635	1.699.161
Current Period Profit	363.635	1.699.161
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Minority Share	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>7.948.427</b>	<b>7.985.871</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	<b>-</b>	<b>-</b>
Common Equity as per the 1 <sup>st</sup> clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	193.239	193.239
Improvement costs for operating leasing	15.339	17.978
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	206.930	166.508
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related 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 4 <sup>th</sup> clause of the 56 <sup>th</sup> 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	268.602	69.514
Amount exceeding 15% of the common equity as per the 2 <sup>nd</sup> clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>684.110</b>	<b>447.239</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>7.264.317</b>	<b>7.538.632</b>

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**I. Explanations on consolidated capital adequacy standard ratio (continued):**  
**a. Information on consolidated capital (continued):**

	Current Period	Prior Period
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	775.720	775.720
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Third parties' share in the Additional Tier I capital	-	-
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>775.720</b>	<b>775.720</b>
<b>Deductions from Additional Tier I Capital</b>	-	-
Direct and indirect investments of the Bank in 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	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions From Additional Tier I Capital</b>	-	-
<b>Total Additional Tier I Capital</b>	<b>775.720</b>	<b>775.720</b>
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>8.040.037</b>	<b>8.314.352</b>
<b>TIER II CAPITAL</b>	-	-
Debt instruments and share issue premiums deemed suitable by the BRSA	3.830.400	1.862.000
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Third parties' share in the Tier II Capital	-	-
Third parties' share in the Tier II Capital (Temporary Article 3)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	841.689	720.992
<b>Tier II Capital Before Deductions</b>	<b>4.672.089</b>	<b>2.582.992</b>
<b>Deductions From Tier II Capital</b>	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	-	-
<b>Total Tier II Capital</b>	<b>4.672.089</b>	<b>2.582.992</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>12.712.126</b>	<b>10.897.344</b>
<b>The sum of Tier I Capital and Tier II Capital (Total Capital)</b>	-	-
Deductions from Capital Loans granted contrary to the 50 <sup>th</sup> and 51 <sup>th</sup> 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	6.796	5.723

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**I. Explanations on consolidated capital adequacy standard ratio (continued):**  
**a. Information on consolidated capital (continued):**

	Current Period	Prior Period
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
<b>Total Capital (Total Core Capital and Supplementary Capital)</b>	<b>12.705.330</b>	<b>10.891.621</b>
<b>Total risk weighted amounts</b>	<b>86.538.990</b>	<b>68.857.752</b>
<b>Capital Adequacy Ratios</b>		
Consolidated Core Capital Adequacy Ratio (%)	8,39	10,95
Consolidated Tier 1 Capital Adequacy Ratio (%)	9,29	12,07
Consolidated Capital Adequacy Ratio (%)	14,68	15,82
<b>BUFFERS</b>		
The total additional capital requirement ratio (a + b + c)	2,50	2,50
a) Capital conservation buffer requirement (%)	2,50	2,50
b) Bank specific counter-cyclical buffer requirement (%)	0,00	0,00
c) Systemic significant bank buffer ratio (%)	0,00	0,00
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	3,89	6,45
<b>Amounts below the Excess Limits as per the Deduction Principles</b>	-	-
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation	753.292	760.815
<b>Limits related to provisions considered in Tier II calculation</b>	-	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	841.689	720.992
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	841.689	720.992
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6 % of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	-	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

(\*) Amounts in this column represents the amounts of items that are subject to transition provisions.

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**I. Explanations on consolidated capital adequacy standard ratio (continued):**

In calculating credit risk as per Regulation on Measurement and Evaluation of Capital Adequacy of Banks, it is possible that Central Bank buying exchange rates of December 31, 2021 can be used in calculating the revalued amounts of monetary and non monetary items and their specific provisions. The items which are carried at cost is out of scope. As of March 31, 2023, the Parent Bank has utilized this facility in calculating capital adequacy ratio.

**b. Details on subordinated liabilities:**

Issuer	Albaraka Sukuk Ltd.	Albaraka CT One Ltd.	Bereket One Ltd.
Unique Identifier (CUSIP, ISIN etc.)	XS1301525207	XS2594992914	XS17 72390628
Governing Law(s) of the Instrument	English Law	English Law	English Law
<b>Special Consideration in the Calculation of Equity</b>			
As of January 1, 2015, consideration to be subject to a 10% reduction application status	No	No	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated	Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Sukuk Wakala	Sukuk Wakala	Sukuk Mudaraba
Amount recognized in regulatory capital (as of most recent reporting date)	TL 1.915.200	TL 1.915.200	TL 775.720 <sup>(*)</sup>
Par Value of Instrument	TL 4.788.000	TL 1.915.200	TL 775.720
Accounting Classification	Subordinated Loan	Subordinated Loan	Equity
Original date of Issuance	November 30, 2015	February 28, 2023	February 20, 2018
Perpetual or dated	Dated	Dated	Undated
Maturity date	November 30, 2025	February 28, 2033	Undated
Issuer call subject to prior supervisory (BRSA) approval	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: November 30, 2025 Total Repayment Amount of Profit Share: USD 131.250.000 (first 5 years), USD 117.137.500 (second 5 years) Repayment Period: 6 months Principal Payment: USD 250.000.000	Last Payment Date: February 28, 2023 Total Repayment Amount of Profit Share: USD 50.000.000 (first 5 years), USD 50.000.000 (second 5 years) Repayment Period: 6 months Principal Payment: USD 100.000.000	Last Payment Date: None First refund option date: February 20, 2023 Total Repayment Amount of Profit Share: USD 102.500.000 (First 5 year) USD 117.075.500 (Second 5 year) Repayment Period: 6 months Principal Payment: USD 205.000.000
Subsequent call dates	-	-	-
<b>Profit Share/Dividends</b>			
Fixed or floating profit share/dividend	Fixed	Fixed	Fixed
Profit share rate and any related index	9,371 % (first 5 years:10,50%)	10%	10 %
Existence of a dividend stopper	As per BRSA regulations and Communiqués it is payable	As per BRSA regulations and Communiqués it is payable	As per BRSA regulations and Communiqués it is payable
Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Optional
Existence of step up or other incentive to redeem	-	-	-
Noncumulative or cumulative	Cumulative	Cumulative	Noncumulative
<b>Convertible or Non-convertible</b>			
If convertible, conversion trigger	Not Convertible	Not Convertible	Not Convertible
If convertible, fully or partially	Not Convertible	Not Convertible	Not Convertible
If convertible, conversion rate	Not Convertible	Not Convertible	Not Convertible
If convertible, mandatory or optional conversion	Not Convertible	Not Convertible	Not Convertible
If convertible, specify instrument type convertible into	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-
<b>Write-down feature</b>			
If write-down, write-down trigger(s)	Non-sustainability	Non-sustainability	Non-sustainability-The ratio of Core Capital to below 5,125%
If write-down, full or partial	Full or Partial	Full or Partial	At least to ensure that the core capital ratio exceeds 5,125%
If write down, permanent or temporary	Permanent	Permanent	Permanent and Temporary
If temporary write-down, description of write-up mechanism	-	-	In case of the ratio of core capital exceeds 5,125%
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners	After all creditors and participation fund owners	After participation fund owners, other borrowers and the debt instruments included in the Tier II capital calculation
In compliance with article number 7 and 8 of "Own fund regulation"	No	No	No
Details of incompliance with article number 7 and 8 of "Own fund regulation"	No	No	No

<sup>(\*)</sup> Represented as historical cost.



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**I. Explanations on consolidated capital adequacy standard ratio (continued):**

**c. Information on reconciliation of total capital and equity:**

The difference between Consolidated Total Capital and Equity in the consolidated balance sheet mainly arises from Stage 1 and Stage 2 expected credit losses, debt instruments and share issue premiums deemed suitable by the BRSA. In the calculation of Total Capital, Stage 1 and Stage 2 expected credit losses up to 1,25% of the credit risk is taken into consideration as Tier II Capital. On the other hand, in the calculation of the Total Capital, improvement costs for operating leases followed under tangible assets in the balance sheet, intangible assets and related deferred tax liabilities and other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

**II. Explanations on consolidated credit risk:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**III. Explanations on consolidated currency risk:**

Foreign currency risk arises from the Group's possible exposure to the changes in foreign currencies.

- a.** The Parent Bank is exposed to currency risks as a market risk and tries to balance the currency risks by avoiding to keep any long or short positions. The currency risk of the Parent Bank is monitored on a daily basis. Net foreign currency position/shareholders' equity ratio is also controlled on a daily basis. All foreign currency assets, liabilities and foreign currency forward transactions are taken into consideration while capital requirement to be employed for foreign currency risk is calculated. Standard Method used in legal reporting and amount subject to risk is calculated on a monthly basis.
- b.** The Group does not have any derivative financial instruments held for hedging purposes.
- c.** As a result of the uncertainty and volatility in the markets, foreign currency position is kept at a balance, and accordingly, no currency risk is anticipated. The Parent Bank takes necessary measures to keep the currency risk at a minimum level.
- ç.** Foreign exchange buying rates of the last five working days before the balance sheet date as publicly announced by the Parent Bank are as follows:

	USD	EUR
As of March 31, 2023 - Balance sheet evaluation rate	19,152	20,816
As of March 30, 2023	19,129	20,871
As of March 29, 2023	19,099	20,684
As of March 28, 2023	19,067	20,653
As of March 27, 2023	19,050	20,533
As of March 24, 2023	19,032	20,457

- d.** The simple arithmetical average of the major foreign exchange buying rates of the Parent Bank for the thirty days before the balance sheet date is TL 18,946 for 1 USD (December 2022: TL 18,575), TL 20,271 for 1 EUR (December 2022: TL 19,674).

The Parent Bank is mainly exposed to EUR and USD currency risks.

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**III. Explanations on consolidated currency risk (continued):**

**Information on currency risk of the Group:**

	EUR	USD	Other FC <sup>(*)</sup>	Total
<b>Current Period</b>				
<b>Assets</b>				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye	3.962.477	12.253.210	2.918.207	19.133.894
Banks	779.376	2.076.543	2.273.724	5.129.643
Financial assets at fair value through profit and loss <sup>(**)</sup>	1.230.490	1.476.637	6.340.586	9.047.713
Money market placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	1.725	1.075.405	9.638	1.086.768
Loans and financial lease receivables <sup>(***)</sup>	5.957.934	20.770.527	-	26.728.461
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	1.987.383	11.562.323	255.822	13.805.528
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	25.456	25.456
Intangible assets	10.531	-	-	10.531
Other assets <sup>(****)</sup>	62.793	106.215	104.589	273.597
<b>Total assets</b>	<b>13.992.709</b>	<b>49.320.860</b>	<b>11.928.022</b>	<b>75.241.591</b>
<b>Liabilities</b>				
Current account and funds collected from banks via participation accounts	336.670	976.649	58.392	1.371.711
Other current and profit sharing accounts	11.408.297	31.197.656	10.174.036	52.779.989
Money market borrowings	58.657	265.334	-	323.991
Funds provided from other financial institutions and subordinated loans	698.446	14.109.903	-	14.808.349
Marketable securities issued	-	-	-	-
Miscellaneous payables	783.111	2.865.489	749.025	4.397.625
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	2.475	50.581	32.581	85.637
<b>Total liabilities</b>	<b>13.287.656</b>	<b>49.465.612</b>	<b>11.014.034</b>	<b>73.767.302</b>
<b>Net balance sheet position</b>	<b>705.053</b>	<b>(144.752)</b>	<b>913.988</b>	<b>1.474.289</b>
<b>Net off balance sheet position</b>	<b>(553.871)</b>	<b>65.803</b>	<b>(254.890)</b>	<b>(742.958)</b>
Derivative financial instruments assets <sup>(*****)</sup>	20.816	770.969	54.763	846.548
Derivative financial instruments liabilities <sup>(*****)</sup>	574.687	705.166	309.653	1.589.506
Non-cash loans <sup>(*****)</sup>	2.718.193	7.247.397	210.920	10.176.510
<b>Prior Period</b>				
Total assets	17.521.293	51.089.827	11.866.166	80.477.286
Total liabilities	16.308.170	51.537.155	11.088.973	78.934.298
<b>Net balance sheet position</b>	<b>1.213.123</b>	<b>(447.328)</b>	<b>777.193</b>	<b>1.542.988</b>
<b>Net off balance sheet position</b>	<b>(1.204.011)</b>	<b>931.364</b>	<b>37.065</b>	<b>(235.582)</b>
Derivative financial instruments assets	59.703	1.430.583	153.736	1.644.022
Derivative financial instruments liabilities	1.263.714	499.219	116.671	1.879.604
Non-cash loans <sup>(*****)</sup>	2.892.867	6.729.280	70.232	9.692.379

<sup>(\*)</sup> TL 2.745.645 (December 31, 2022: TL 3.002.738 ) of the balance in Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye in other FC column represent precious metals, TL 993.475 (December 31, 2022: TL 1.321.927) of the balance in Banks in other FC column represent precious metals accounts with banks, TL 9.179.808 (December 31, 2022: TL 8.902.072) of the balance in Other current and profit sharing accounts in other FC column represent precious metals deposits accounts, TL 6.340.586 (December 31, 2022: TL 5.851.412) of the balance in other FC column in financial assets at fair value through profit and loss represents gold-indexed lease certificates (sukuk)

<sup>(\*\*)</sup> Derivative financial instruments are included.

<sup>(\*\*\*)</sup> The balance includes foreign currency indexed loans and financial lease receivables of TL 362.306 (December 31, 2022: TL 452.057).

<sup>(\*\*\*\*)</sup> Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 5.547 (December 31, 2022: TL 4.892) is included in other assets.

<sup>(\*\*\*\*\*)</sup> In the current period, derivative financial instruments assets include foreign currency purchase commitment in the amount of TL 395.673 (December 31, 2022: TL 271.449) and derivative financial instruments liabilities include foreign currency sale commitment in the amount of TL 295.361 (December 31, 2022: TL 290.360).

<sup>(\*\*\*\*\*)</sup> Does not have any effect on the net off-balance sheet position.

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**III. Explanations on consolidated currency risk (continued):**

**Other issues related to currency risk:**

Since the Parent Bank has issued undated additional tier 1 capital amount to USD 205.000.000 (Historical cost: TL 775.720) and recognized under the equity as “Other Capital Reserves”, this stated amount is not included in the above table.

**IV. Explanations on consolidated position risk of equity securities in banking book:**

The Parent Bank does not have any associate and subsidiary quoted at Borsa İstanbul.

The Parent Bank’s equity securities which are not quoted at Borsa İstanbul are recognized at fair values and if the fair values are not measured reliably, they are recognized at cost.

The equity securities under banking book calculated as per credit risk standard method amount to TL 739.691 100% risk weight is applied to related whole amount (December 31, 2022: TL 542.504).

**V. Explanations on consolidated liquidity risk:**

Liquidity risk is managed by Asset and Liability Committee (“ALCO”) in line with risk management policies and risk appetite approved by the Board of Directors in order to take the necessary measures in a timely and correct manner against possible liquidity shortages that may result from market conditions and balance sheet structure of the Parent Bank. Under stressed conditions, liquidity risk is managed within the Contingency Funding Plan framework.

The Board of Directors reviews the liquidity risk management strategy, policy and practices and approves the liquidity strategy and policies within the framework of risk management strategy and policies, ensures the effective of practice of policies and integrations with Parent Bank’s risk management strategy. The Board of Directors determines the basic metrics in liquidity risk measurement and monitoring. The Board of Directors establishes risk appetite of the Parent Bank in liquidity risk management, identifies the risk limits in accordance with the risk appetite, and reviews it regularly.

ALCO takes necessary decisions which will be executed by related departments by assessing the liquidity risk that the Parent Bank is exposed to and considering the Parent Bank’s strategy and conditions of competition and pursues the implementations.

Risk Management Department defines the Parent Bank’s liquidity risk, measures and monitors the risks with liquidity risk measurement methods that are in compliance with legal legislation, presents measurement results periodically to related departments, committees and senior management. Risk Management Department coordinates related parties in order to ensure compliance of risk management process in accordance with the Parent Bank’s risk profile, operation environment and strategic plan with regulations. The liquidity risk analysis and the important early warning signals are reported periodically to related senior management. Additionally, analysis and monitored internal reserve limit ratios related to liquidity risk are presented in ALCO report. Reserve limit ratios and alert levels approved by the Board of Directors are monitored and reported regularly to related parties.

The Parent Bank’s funding management is carried out in compliance with the ALCO decisions in the direction of the Fund Transfer Pricing (FTP) committee. Funding and placement strategies are developed by assessing liquidity of the Parent Bank. In liquidity risk management actions that will be taken and procedures are determined by considering normal economic conditions and stress conditions.

Diversification of assets and liabilities is assured to be able to continuously meet the obligations, also considering the relevant currencies. Funding sources are monitored actively during identification of concentration risk related to funding. The Parent Bank’s funding base of funds collected and other borrowing transactions are diversified in order to prevent the concentration of a particular funding source. Factors that could trigger the sudden and significant run off in funds or impair the accessibility of the funding sources are analyzed.

In the context of TL and foreign currencies liquidity management, the Parent Bank monitors the cash flows regarding assets and liabilities and forecasts the required liquidity in future periods. In cash flow analysis, stress is applied to items that affect the liquidity by volume and rate of change from a liquidity management point of view. Liquidity risk exposed by the Parent Bank is managed by establishing risk appetite, effective control environment and closely monitoring by limits.

The results of liquidity risk stress testing are taken into consideration in the assessment of liquidity adequacy and identification of strategy, policy and procedures regarding liquidity risk and contingency funding plan is prepared within this framework. There exists “Liquidity Risk Management Contingency Funding Plan” in the Parent Bank including mechanisms to prevent increase in liquidity risk during normal and liquidity crisis scenarios for different conditions and levels.

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**V. Explanations on consolidated liquidity risk (continued):**

**Consolidated liquidity coverage ratio:**

		Rate of "Percentage to be taken into account" not Implemented Total Value <sup>(*)</sup>		Rate of "Percentage to be taken into account" Implemented Total Value <sup>(*)</sup>	
	Current Period	TL+FC	FC	TL+FC	FC
	<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1	HIGH QUALITY LIQUID ASSETS			<b>47.099.755</b>	<b>39.275.545</b>
	<b>CASH OUTFLOWS</b>				
2	Retail and Small Business Funds Collected	57.596.266	37.918.650	5.367.309	3.791.865
3	Stable Funds Collected	7.846.353	-	392.318	-
4	Less stable Funds Collected	49.749.913	37.918.650	4.974.991	3.791.865
5	Unsecured Funding other than Retail and Small Business Customers Deposits	26.189.460	16.369.818	17.018.270	9.160.820
6	Operational Funds Collected	18.235.996	12.867.972	4.558.999	3.216.993
7	Non-Operational Funds Collected	4.167.780	935.630	2.214.482	432.362
8	Other Unsecured Funding	3.785.684	2.566.216	10.244.789	5.511.465
9	Secured funding			-	-
10	Other Cash Outflows	2.077.240	1.454.998	2.077.240	1.454.998
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	2.077.240	1.454.998	2.077.240	1.454.998
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	24.579.592	9.635.259	2.465.739	1.350.201
16	<b>TOTAL CASH OUTFLOWS</b>			<b>26.928.558</b>	<b>15.757.884</b>
	<b>CASH INFLOWS</b>				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	14.908.111	6.048.848	10.837.371	5.007.108
19	Other contractual cash inflows	2.119.422	971.171	2.119.422	971.171
20	<b>TOTAL CASH INFLOWS</b>	<b>17.027.533</b>	<b>7.020.019</b>	<b>12.956.793</b>	<b>5.978.279</b>
				<b>Upper limit applied amounts</b>	
21	<b>TOTAL HQLA</b>			<b>47.099.755</b>	<b>39.275.545</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>13.971.765</b>	<b>9.779.605</b>
23	<b>Liquidity Coverage Ratio (%)</b>			<b>337,11</b>	<b>401,61</b>

<sup>(\*)</sup> Calculated from the average amounts of the last three months (calculated as of end of the month).

As per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette numbered 28948, dated March 21, 2014, the dates on which the minimum and maximum liquidity coverage ratios have been calculated for the last three months are as follows:

Liquidity Coverage Ratio (%)	Current Period	
	TL+FC	FC
Lowest	303,03	359,57
Date	March 31, 2023	March 31, 2023
Highest	379,29	442,44
Date	January 31, 2023	February 28, 2023
Average	337,11	401,61

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**V. Explanations on consolidated liquidity risk (continued):**

**Consolidated liquidity coverage ratio (continued):**

		Rate of "Percentage to be taken into account" not Implemented Total Value <sup>(*)</sup>		Rate of "Percentage to be taken into account" Implemented Total Value <sup>(*)</sup>	
		TL+FC	FC	TL+FC	FC
	<b>Prior Period</b>				
	<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1	HIGH QUALITY LIQUID ASSETS			<b>47.968.698</b>	<b>39.607.589</b>
	<b>CASH OUTFLOWS</b>				
2	Retail and Small Business Funds Collected	63.028.430	46.592.147	6.017.172	4.659.215
3	Stable Funds Collected	5.713.420	-	285.671	-
4	Less stable Funds Collected	57.315.010	46.592.147	5.731.501	4.659.215
5	Unsecured Funding other than Retail and Small Business Customers Deposits	27.308.254	17.866.072	14.845.517	7.563.628
6	Operational Funds Collected	19.374.905	14.098.919	4.843.726	3.524.730
7	Non-Operational Funds Collected	5.428.836	1.743.912	2.969.780	866.795
8	Other Unsecured Funding	2.504.513	2.023.241	7.032.011	3.172.103
9	Secured funding			-	-
10	Other Cash Outflows	3.247.032	2.809.385	3.247.032	2.809.385
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	3.247.032	2.809.385	3.247.032	2.809.385
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	23.164.448	9.902.819	2.515.266	1.475.538
16	<b>TOTAL CASH OUTFLOWS</b>			<b>26.624.987</b>	<b>16.507.766</b>
	<b>CASH INFLOWS</b>				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	16.204.354	7.900.602	12.457.422	6.867.505
19	Other contractual cash inflows	3.251.860	2.286.502	3.251.860	2.286.502
20	<b>TOTAL CASH INFLOWS</b>	<b>19.456.214</b>	<b>10.187.104</b>	<b>15.709.282</b>	<b>9.154.007</b>
				<b>Upper limit applied amounts</b>	
21	<b>TOTAL HQLA</b>			<b>47.968.698</b>	<b>39.607.589</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>10.915.705</b>	<b>7.353.759</b>
23	<b>Liquidity Coverage Ratio (%)</b>			<b>439,45</b>	<b>538,60</b>

<sup>(\*)</sup> Calculated from the average amounts of the last three months (calculated as of end of the month).

As per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette numbered 28948, dated March 21, 2014, the dates on which the minimum and maximum liquidity coverage ratios have been calculated for the last three months for 2022 are as follows:

Liquidity Coverage Ratio (%)	Prior Period	
	TL+FC	FC
Lowest	353,86	420,43
Date	December 31, 2022	December 31, 2022
Highest	525,63	603,58
Date	November 30, 2022	November 30, 2022
Average	439,45	538,60

Consolidated liquidity coverage ratio is calculated by comparing the high-quality liquid assets owned by the Parent Bank to net cash outflow in 30 days maturity. Balance sheet accounts that are significant on the ratio can be listed as reserve requirements maintained at CBRT, marketable securities that are not subject to repurchase agreements or not given as collateral, banks receivables, funds collected, funds borrowed. The effect of these accounts on the liquidity coverage ratio is higher than other accounts, since these accounts have a higher share in liquid assets and net cash outflows.

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**V. Explanations on consolidated liquidity risk (continued):**

High quality liquid assets consist of cash, deposits in central banks and securities considered as high quality liquid assets. Reserve deposits are included in high quality liquid assets, limited by the amount that is allowed by central bank to use in liquidity shortages. Group's high quality liquid assets are composed of 3,24% cash, 45,07% deposits in central banks and 51,69% securities considered as high-quality liquid assets.

Group's main funding sources are funds collected, funds borrowed, borrowings from money market, issued securities and subordinated loans. Funding source composition in report date is 86,90% funds collected, 13,10% funds borrowed, borrowings from money market, subordinated loans and securities issued.

Cash flows of derivatives that will take place within 30 days are considered in calculation of liquidity coverage ratio. Cash outflows of derivatives that arise from margin obligations, are reflected to the results in accordance with the methodology articulated in the related legislation.

The Parent Bank manages all the transactions with its foreign branches and subsidiaries consolidated in the framework of central bank, markets and related legislation of the country in which the institutions are located. Consolidated liquidity risk of the Parent Bank, its foreign branches and subsidiaries that are to be consolidated are managed within the regulatory limits and in accordance with group strategies. The liquidity positions of consolidated subsidiaries are continuously monitored by the Parent Bank.

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**V. Explanations on consolidated liquidity risk (continued):**

**Presentation of assets and liabilities according to their remaining maturities:**

	Demand <sup>(1)</sup>	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated <sup>(****)(*****)</sup>	Total
<b>Current Period</b>								
<b>Assets</b>								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye	8.428.159	13.018.207	-	-	-	-	-	21.446.366
Banks	4.770.860	2.692.004	293.444	-	-	-	-	7.756.308
Financial Assets at Fair Value Through Profit and Loss <sup>(**)</sup>	2.185.900	271.225	120.526	6.899.917	3.044.571	315.003	-	12.837.142
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	32.245	1.226.216	10.028	130.245	494.150	100	-	1.892.984
Loans <sup>(***)</sup>	324.762	8.358.819	16.138.071	34.333.225	17.980.122	2.242.903	150.165	79.528.067
Financial Assets Measured at Amortised Cost	-	2.281.498	106.979	1.746.531	12.937.527	3.383.446	-	20.455.981
Other Assets	-	21.943	3.254	12.855	228.684	383.071	7.698.151	8.347.958
<b>Total Assets</b>	<b>15.741.926</b>	<b>27.869.912</b>	<b>16.672.302</b>	<b>43.122.773</b>	<b>34.685.054</b>	<b>6.324.523</b>	<b>7.848.316</b>	<b>152.264.806</b>
<b>Liabilities</b>								
Current account and funds collected from banks via participation accounts	1.364.131	-	38	29.262	-	-	-	1.393.431
Other current and profit-sharing accounts	48.933.952	29.888.366	18.585.153	13.875.075	1.367.093	-	-	112.649.639
Funds provided from other financial institutions and subordinated loans	-	3.998.732	4.002.350	137.812	7.653.313	-	-	15.792.207
Money Market Borrowings	-	548.122	-	-	-	-	-	548.122
Marketable securities issued	-	102.557	202.400	65.570	475.641	-	-	846.168
Miscellaneous payables	-	982.294	255.213	109.876	90	-	7.298.684	8.646.157
Other liabilities	775.720	715	136	3.711	156.326	335.446	11.117.028	12.389.082
<b>Total Liabilities</b>	<b>51.073.803</b>	<b>35.520.786</b>	<b>23.045.290</b>	<b>14.221.306</b>	<b>9.652.463</b>	<b>335.446</b>	<b>18.415.712</b>	<b>152.264.806</b>
<b>Net Liquidity Gap</b>	<b>(35.331.877)</b>	<b>(7.650.874)</b>	<b>(6.372.988)</b>	<b>28.901.467</b>	<b>25.032.591</b>	<b>5.989.077</b>	<b>(10.567.396)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>171</b>	<b>106.837</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107.308</b>
Financial Derivative Assets	-	1.148.272	353.706	6.116	-	-	-	1.508.094
Financial Derivative Liabilities	-	1.148.101	246.869	5.816	-	-	-	1.400.786
<b>Non-Cash Loans</b>	<b>13.279.550</b>	<b>442.916</b>	<b>1.307.549</b>	<b>5.081.882</b>	<b>2.020.479</b>	<b>19.121</b>	<b>-</b>	<b>22.151.497</b>
<b>Prior Period</b>								
Total Assets	13.477.143	30.809.410	16.878.470	31.522.992	41.190.209	6.354.451	6.730.488	146.963.163
Total Liabilities	52.976.901	41.594.973	22.798.170	8.005.675	5.796.055	289.836	15.501.553	146.963.163
<b>Net Liquidity Gap</b>	<b>(39.499.758)</b>	<b>(10.785.563)</b>	<b>(5.919.700)</b>	<b>23.517.317</b>	<b>35.394.154</b>	<b>6.064.615</b>	<b>(8.771.065)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>(4.582)</b>	<b>2.217</b>	<b>3.015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>650</b>
Financial Derivative Assets	-	1.854.901	171.071	252.971	-	-	-	2.278.943
Financial Derivative Liabilities	-	1.859.483	168.854	249.956	-	-	-	2.278.293
<b>Non-Cash Loans</b>	<b>12.960.558</b>	<b>311.074</b>	<b>1.239.464</b>	<b>4.434.515</b>	<b>2.149.613</b>	<b>27.786</b>	<b>-</b>	<b>21.123.010</b>

<sup>(1)</sup> Loans include accruals, other liabilities include undated additional Tier 1 Capital accounted under Shareholders' Equity.

<sup>(\*\*)</sup> Derivative financial instruments are included.

<sup>(\*\*\*)</sup> Leasing receivables are included under loans. Unallocated amount represents the net non-performing loans

<sup>(\*\*\*\*)</sup> Certain assets in the balance sheet that are necessary for the banking operations but cannot be readily convertible into cash in the near future, such as tangible assets, right of use of movables and real estates, investments in associates and subsidiaries, stationary supplies, prepaid expenses are included here.

<sup>(\*\*\*\*\*)</sup> The unallocated other liabilities column consists of equity, provisions and (if any) deferred tax liabilities.

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**VI. Explanations on consolidated leverage ratio:**

	<b>Current Period<sup>(*)</sup></b>	<b>Prior Period<sup>(**)</sup></b>
Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards <sup>(*)</sup>	152.264.806	146.505.295
The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements"	-	-
The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	3.504.397	6.802.739
The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	862.026	3.813.120
The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	61.339	60.708
Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	-	-
<b>Total Risk Amount</b>	<b>185.640.065</b>	<b>178.899.039</b>

<sup>(\*)</sup> Consolidated financial statements prepared in compliance with the paragraph 6 of article 5 of the communiqué "Preparation of Consolidated Financial Statements".

<sup>(\*\*)</sup> Represents average of the three months.



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**VI. Explanations on consolidated leverage ratio (continued):**

As of March 31, 2023, consolidated leverage ratio of the Group calculated from the arithmetic average of the last three months is 4,23% (December 31, 2022: 4,53%). Leverage ratio is required to remain minimum 3% as per "Communiqué on Measurement and Evaluation for Leverage Ratios of Banks". The reason for the difference in leverage ratio between current and previous period is that increase in average capital amount is lower than increase in average total risk amount.

	Current Period <sup>(*)</sup>	Prior Period <sup>(*)</sup>
<b>Balance sheet assets</b>		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	151.151.723	147.993.237
2 (Assets deducted from Core capital)	(226.193)	(192.871)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	150.925.530	147.800.366
<b>Derivative financial assets and credit derivatives</b>		
4 Cost of replenishment for derivative financial assets and credit derivatives	17.603	23.520
5 Potential credit risk amount of derivative financial assets and credit derivatives	17.729	34.310
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	35.332	57.830
<b>Financing transactions secured by marketable security or commodity</b>		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	7.140.848	5.491.016
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	7.140.848	5.491.016
<b>Off-balance sheet transactions</b>		
10 Gross notional amount of off-balance sheet transactions	27.578.405	25.587.177
11 (Correction amount due to multiplication with credit conversion rates)	(40.050)	(37.350)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	27.538.355	25.549.827
<b>Capital and total risk</b>		
13 Core Capital	7.848.949	8.102.215
14 Total risk amount (sum of lines 3, 6, 9 and 12)	185.640.065	178.899.039
<b>Leverage ratio</b>		
15 Leverage ratio (%)	<b>4,23</b>	<b>4,53</b>

(\*) The average of the last three months in the related periods

**VII. Explanations on presentation of consolidated financial assets and liabilities at fair value:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks"

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**VIII. Explanations regarding the activities carried out on behalf and account of other persons:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**IX. Explanations on consolidated risk management:**

Notes and explanations in this section have been prepared in accordance with the Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks that have been published in Official Gazette numbered 29511 dated October 23, 2015 and became effective as of March 31, 2016. Due to usage of standard approach for the calculation of capital adequacy ratio by the Parent Bank, tables which have to be prepared within the scope of Internal rating-based (IRB) approach have not been presented.

- RWA flow statements of credit risk exposures under the Internal Rating-Based approach ("IRB").
- RWA flow statements of CCR exposures under the Internal Model Method.
- RWA flow statements of market risk exposures under an Internal Model Approach.

**a. Consolidated risk management strategy and risk weighted amounts:**

**a.1. Risk management strategy:**

Not prepared in compliance with the "Regulation on Calculation of Risk Management Disclosures".

**a.2. Risk weighted amounts:**

		Risk Weighted Amount		Minimum capital requirement
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	67.297.734	57.601.956	5.383.819
2	Standardised approach (SA)	67.297.734	57.601.956	5.383.819
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	37.366	77.419	2.989
5	Standardised approach for counterparty credit risk (SA-CCR)	37.366	77.419	2.989
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	9.750.074	6.714.409	780.006
17	Standardised approach (SA)	9.750.074	6.714.409	780.006
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	9.453.816	4.463.968	756.305
20	Basic Indicator Approach	9.453.816	4.463.968	756.305
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
<b>25</b>	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>86.538.990</b>	<b>68.857.752</b>	<b>6.923.119</b>

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**X. Explanations on consolidated business segments:**

The Parent Bank operates in retail, commercial and corporate banking segments via profit/loss sharing method in accordance with its mission.

<b>Current Period</b>	<b>Retail</b>	<b>Commercial and Corporate</b>	<b>Treasury</b>	<b>Undistributed</b>	<b>Total</b>
Operating Income (Net)	(483.758)	2.369.113	1.630.538	117.647	3.633.540
Operating Expenses <sup>(*)</sup>	(870.792)	(1.484.188)	(767.431)	(74.970)	(3.197.381)
Operating Income/Expenses	(1.354.550)	884.925	863.107	42.677	436.159
Profit/(Loss) Before Tax	(1.354.550)	884.925	863.107	42.677	436.159
Tax Income (Expense)	-	-	-	(68.952)	(68.952)
<b>Current Year Profit/(Loss)</b>	<b>(1.354.550)</b>	<b>884.925</b>	<b>863.107</b>	<b>(26.275)</b>	<b>367.207</b>
<b>Total Assets</b>	<b>6.631.271</b>	<b>78.747.111</b>	<b>64.295.289</b>	<b>2.591.135</b>	<b>152.264.806</b>
<b>Total Liabilities</b>	<b>84.187.697</b>	<b>38.122.290</b>	<b>17.829.198</b>	<b>12.125.621</b>	<b>152.264.806</b>

<b>Prior Period</b>	<b>Retail</b>	<b>Commercial and Corporate</b>	<b>Treasury</b>	<b>Undistributed</b>	<b>Total</b>
Operating Income (Net)	(161.247)	1.030.281	1.097.171	484.207	2.450.412
Operating Expenses <sup>(*)</sup>	(337.506)	(918.246)	(524.164)	(418.661)	(2.198.577)
Operating Income/Expenses	(498.753)	112.035	573.007	65.546	251.835
Profit/(Loss) Before Tax	(498.753)	112.035	573.007	65.546	251.835
Tax Income (Expense)	-	-	-	(130.192)	(130.192)
<b>Current Year Profit/(Loss)</b>	<b>(498.753)</b>	<b>112.035</b>	<b>573.007</b>	<b>(64.646)</b>	<b>121.643</b>
<b>Total Assets</b>	<b>5.532.646</b>	<b>71.798.138</b>	<b>66.032.104</b>	<b>3.600.275</b>	<b>146.963.163</b>
<b>Total Liabilities</b>	<b>81.411.164</b>	<b>39.240.006</b>	<b>17.318.068</b>	<b>8.993.925</b>	<b>146.963.163</b>

<sup>(\*)</sup> Operating expenses have been allocated to business segments by using branch segment and number of branch employees allocation keys.

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**SECTION FIVE**

**Explanations and notes on the consolidated financial statements**

**I. Explanations and notes related to consolidated assets:**

**1. a. Cash and balances with the Central Bank of Republic of Türkiye (CBRT):**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Foreign currency	199.333	1.089.630	242.111	1.688.995
CBRT	1.706.513	17.335.160	1.634.851	20.015.114
Other <sup>(*)</sup>	406.919	709.104	449.829	834.176
<b>Total</b>	<b>2.312.765</b>	<b>19.133.894</b>	<b>2.326.791</b>	<b>22.538.285</b>

<sup>(\*)</sup> Includes precious metals amounting to TL 188.452 (December 31, 2022: TL 64.374) and cash in transit amounting to TL 927.571 (December 31, 2022: TL 1.219.631) as of March 31, 2023.

**b. Information related to CBRT:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	1.706.513	4.316.660	1.634.851	3.782.156
Unrestricted time deposit	-	-	-	-
Restricted time deposit <sup>(*)</sup>	-	13.018.500	-	16.232.958
<b>Total</b>	<b>1.706.513</b>	<b>17.335.160</b>	<b>1.634.851</b>	<b>20.015.114</b>

<sup>(\*)</sup> As of March 31, 2023, the reserve requirement held in standard gold is TL 2.557.193 (December 31, 2022: TL 2.938.364)

In accordance with the "Communiqué Regarding the Reserve Requirements numbered 2005/1", banks operating in Türkiye are required to maintain reserves in CBRT for TL and foreign currency liabilities. According to the Communiqué Regarding the Reserve Requirements, reserve requirements can be maintained in TL, USD and/or EURO and standard gold.

As of March 31, 2023, the Parent Bank's applicable rates for Turkish lira required reserves are between 3% and 8%, depending on the maturity structure for participation funds and other liabilities and the applicable rates for FX required reserves are between 5% and 26%, depending on the maturity structure of participation funds and other liabilities.

In accordance with the instruction dated September 2, 2022, the commission practice according to the share of Turkish Lira deposits/ funds collected in total deposits/funds collected has been changed to be applied as of 23 December 2022. As per this amendment, banks with a share of Turkish Lira deposits/funds collected below 50% will pay 8% commission and banks with a share between 50% and 60% will pay 3% commission, separately for real and legal persons. The commissions to be paid will be calculated over the amount of reserve requirements for foreign currency deposits/funds collected liabilities.

**c.1. Information on banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic <sup>(*)</sup>	2.714.032	1.103.673	2.480.843	1.550.031
Abroad	-	4.069.950	-	3.309.637
Foreign head offices and branches	-	-	-	-
<b>Total</b>	<b>2.714.032</b>	<b>5.173.623</b>	<b>2.480.843</b>	<b>4.859.668</b>

<sup>(\*)</sup> Includes blockaged amount TL 2.692.004 (December 31, 2022: TL 2.387.687) booked under TL accounts arising from POS transactions

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**I. Explanations and notes related to consolidated assets (continued):**

**c.2. Information on foreign bank accounts:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**2. Information on financial assets measured at fair value through profit/loss:**

**a. Information on financial assets measured at fair value through profit/loss subject to repurchase transactions and given as collateral or blocked:**

As of March 31, 2023, the nominal investment amounts subject to repurchase agreements is TL 316.825 (December 31, 2022: TL 2.485.290).

As of March 31, 2023, the collateralized /blocked nominal investment amount is TL 167.291. (December 31, 2022: TL 120.000).

**b. Information on financial assets measured at fair value through profit/loss:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Sukuk	3.713.110	8.989.695	3.136.030	8.381.142
Equity Securities	67.197	42.316	103.951	37.912
Others	229	15.702	39	14.452
<b>Total</b>	<b>3.780.536</b>	<b>9.047.713</b>	<b>3.240.020</b>	<b>8.433.506</b>

**3. Information on financial assets measured at fair value through other comprehensive income:**

**a. Information on financial assets measured at fair value through other comprehensive income subject to repurchase transactions, given as collateral or blocked:**

As of March 31, 2023, there is not any investment amount subject to repurchase agreements (December 31, 2022: 344.775 TL).

As of March 31, 2023, the collateralized /blocked nominal investment amount is TL 100 (December 31, 2022: TL 100).

**b. Detailed table of financial assets measured at fair value through other comprehensive income:**

	Current Period	Prior Period
<b>Debt securities</b>	<b>1.860.742</b>	<b>2.205.636</b>
Quoted on a stock exchange	1.860.742	2.205.636
Unquoted	-	-
<b>Investment Funds</b>	<b>-</b>	<b>-</b>
Quoted on a stock exchange	-	-
Unquoted	-	-
<b>Share certificates</b>	<b>32.245</b>	<b>31.532</b>
Quoted on a stock exchange	-	-
Unquoted	32.245	31.532
<b>Impairment provision (-)</b>	<b>3</b>	<b>8</b>
<b>Total</b>	<b>1.892.984</b>	<b>2.237.160</b>

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**I. Explanations and notes related to consolidated assets (continued):**

**4. Information on financial assets measured at amortised cost:**

**a. Information on financial assets measured at amortised cost subject to repurchase transactions, given as collateral or blocked:**

As of March 31, 2023, the nominal investment amount subject to repurchase agreements amount is TL 226.941 (December 31, 2022: 5.113.467)

As of March 31, 2023, the collateralized/blocked nominal investment amount is TL 7.185.469 (December 31, 2022: TL 5.072.373).

**b. Information on related to debt securities measured at amortised cost:**

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities <sup>(*)</sup>	20.186.342	19.159.367
Other Debt Securities	269.639	291.562
<b>Total</b>	<b>20.455.981</b>	<b>19.450.929</b>

<sup>(\*)</sup> Consists of Sukuk certificates issued by Ministry of Treasury and Finance of Türkiye.

**c. Information related to financial assets measured at amortised cost:**

	Current Period	Prior Period
Debt Securities	20.455.981	19.450.929
Quoted on a stock exchange	20.455.981	19.450.929
Unquoted	-	-
Impairment provision (-)	-	-
<b>Total</b>	<b>20.455.981</b>	<b>19.450.929</b>

**ç. Movements of the financial investments measured at amortised cost:**

	Current Period	Prior Period
Balance at beginning of period	19.450.929	8.103.211
Foreign currency differences on monetary assets	410.493	3.495.559
Purchases during period <sup>(*)</sup>	802.668	9.810.181
Disposals through sales and redemptions <sup>(*)</sup>	(180.699)	(2.441.847)
Impairment provision (-)	-	-
Reclassifications	-	-
Increases (decreases) in income accruals	(27.410)	483.825
<b>Closing balance</b>	<b>20.455.981</b>	<b>19.450.929</b>

<sup>(\*)</sup> Represented on nominal values.

**5. Information on derivative financial assets:**

**a. Table of positive differences related to derivative financial assets:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	8.684	-	12.515	-
Swap Transactions	209	-	1.636	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>8.893</b>	<b>-</b>	<b>14.151</b>	<b>-</b>

The Parent Bank has not any derivative financial assets for hedging purposes (December 31, 2022: None).

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**I. Explanations and notes related to consolidated assets (continued):**

**6. Information on loans:**

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

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	35.625	5.555	45.232	5.114
Corporate shareholders	32.055	5.205	42.171	5.114
Real person shareholders	3.570	350	3.061	-
Indirect loans granted to shareholders	1.487.974	31.558	1.472.808	63.544
Loans granted to employees	79.244	38	45.914	38
<b>Total</b>	<b>1.602.843</b>	<b>37.151</b>	<b>1.563.954</b>	<b>68.696</b>

**b. Information on standard loans and loans under close monitoring including restructured or rescheduled loans:**

**b1. Detailed table for standard loans and loans under close monitoring including restructured or rescheduled loans:**

Current Period		Loans Under Close Monitoring		
		Not under the scope of restructuring or rescheduling	Restructured	
Cash Loans	Standard loans		Amendments to the Terms of Contracts	Refinancing
Loans				
Export loans	7.172.515	2.898	-	-
Import loans	5.026.485	31.120	-	-
Business loans	31.352.266	1.214.532	2.859.311	3.280.045
Consumer loans	6.017.880	128.792	1.904	-
Credit cards	1.383.007	20.013	15	-
Loans given to financial sector	3.254.029	74	-	-
Other(*)	18.255.453	374.878	279.209	99.397
Other receivables	-	-	-	-
Total	72.461.635	1.772.307	3.140.439	3.379.442

<sup>(\*)</sup> Details of other loans are provided below:

Commercial loans with installments	7.001.100
Other investment credits	2.947.581
Loans given to abroad	3.519.280
Profit and loss sharing investments <sup>(**)</sup>	4.816.541
Loans for purchase of marketable securities for customer	679.772
Other	44.663

<b>Total</b>	<b>19.008.937</b>
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<sup>(\*\*)</sup> As of March 31, 2023, the related balance represents profit and loss sharing investment projects (6 projects) which are real estate development projects in various regions of Istanbul and Ankara. Revenue sharing of profit and loss sharing investment projects is done within the framework of the signed contract between the Bank and the counterparty after the cost of the projects is clarified and net profit of projects is determined once the project/stages of the project are completed. In case the transaction subject to the profit and loss sharing investment project results in a loss, the Bank's share of loss is limited with the funds invested in the project by the Parent Bank. As of March 31, 2023, the profit and loss partnership investments are evaluated as financial assets measured at fair value through profit or loss. Total cumulative valuation profit is TL 1.031.948 and valuation loss is TL 15.000 for profit and loss sharing investments.

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**I. Explanations and notes related to consolidated assets (continued):**

**6. Information on loans (continued):**

**b. Information on standard loans and loans under close monitoring including restructured or rescheduled loans (continued):**

**b1. Detailed table for standard loans and loans under close monitoring including restructured or rescheduled loans (continued):**

Prior Period		Loans Under Close Monitoring		
		Not Under the Scope of	Restructured	
		Restructuring or	Amendments to the	
Cash Loans	Standard Loans	Rescheduling	Terms of Contracts	Refinancing
<b>Loans</b>				
Export loans	6.615.023	5.236	-	-
Import loans	4.537.954	37.534	-	-
Business loans	28.124.411	931.874	2.179.889	2.969.768
Consumer loans	4.966.072	104.602	2.030	-
Credit cards	1.301.384	20.886	28	-
Loans given to financial sector	2.973.629	116	-	-
Other <sup>(*)</sup>	17.926.598	327.212	103.782	-
Other receivables	-	-	-	-
<b>Total</b>	<b>66.445.071</b>	<b>1.427.460</b>	<b>2.285.729</b>	<b>2.969.768</b>

<sup>(\*)</sup> Details of other loans are provided below:

Commercial loans with installments	6.104.959
Other investment credits	2.973.558
Loans given to abroad	3.590.206
Profit and loss sharing investments <sup>(**)</sup>	4.939.322
Loans for purchase of marketable securities for customer	656.460
Other	93.087
<b>Total</b>	<b>18.357.592</b>

<sup>(\*\*)</sup> As of December 31, 2022, the related balance represents profit and loss sharing investment projects (6 projects) which are real estate development projects in various regions of Istanbul and Ankara. Revenue sharing of profit and loss sharing investment projects is done within the framework of the signed contract between the Bank and the counterparty after the cost of the projects is clarified and net profit of projects is determined once the project/stages of the project are completed. In case the transaction subject to the profit and loss sharing investment project results in a loss, the Bank's share of loss is limited with the funds invested in the project by the Bank. As of December 31, 2022, the profit and loss partnership investments are evaluated as financial assets measured at fair value through profit or loss, and the net profit amounts to TL 810.218 for 2022 (TL 771.845 valuation profit, TL 38.373 valuation loss reversal) between the total risk of the Bank and independent valuation reports of the related projects is reflected to the profit and loss statement. Total cumulative valuation profit is TL 1.086.555 and valuation loss is TL 15.000 for profit and loss sharing investments.

**b2. Information on expected credit losses for standard loans and loans under close monitoring:**

Current Period	Standard Loans	Loans under close monitoring
12 Month Expected Credit Losses	653.930	-
Significant Increase in Credit Risk	-	1.801.522
Prior Period	Standard Loans	Loans under close monitoring
12 Month Expected Credit Losses	262.832	-
Significant Increase in Credit Risk	-	1.314.229



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**I. Explanations and notes related to consolidated assets (continued):**

**6. Information on loans (continued):**

**c. Maturity analysis of cash loans:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**ç. Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards:**

<b>Current Period</b>	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
<b>Consumer loans-TL</b>	<b>213.456</b>	<b>5.845.022</b>	<b>6.058.478</b>
Housing loans	34.498	3.864.731	3.899.229
Vehicle loans	53.006	1.028.005	1.081.011
Consumer loans	125.952	952.286	1.078.238
Other	-	-	-
<b>Consumer loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	<b>-</b>	<b>25.448</b>	<b>25.448</b>
Housing loans	-	12.572	12.572
Vehicle loans	-	-	-
Consumer loans	-	12.876	12.876
Other	-	-	-
<b>Retail credit cards-TL</b>	<b>403.065</b>	<b>175</b>	<b>403.240</b>
With installment	137.725	142	137.867
Without installment	265.340	33	265.373
<b>Retail credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>53.323</b>	<b>11.327</b>	<b>64.650</b>
Housing loans	-	755	755
Vehicle loans	341	7.465	7.806
Consumer loans	52.982	3.107	56.089
Other	-	-	-
<b>Personnel loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	<b>14.594</b>	<b>-</b>	<b>14.594</b>
With installment	6.966	-	6.966
Without installment	7.628	-	7.628
<b>Personnel credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without-installment	-	-	-
<b>Overdraft account-TL (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft account-FC (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>684.438</b>	<b>5.881.972</b>	<b>6.566.410</b>

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**I. Explanations and notes related to consolidated assets (continued):**

**ç. Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards (continued):**

Prior Period	Short-term	Medium and long-term	Total
<b>Consumer loans-TL</b>	<b>166.404</b>	<b>4.848.210</b>	<b>5.014.614</b>
Housing loans	14.181	3.595.562	3.609.743
Vehicle loans	39.282	741.079	780.361
Consumer loans	112.941	511.569	624.510
Other	-	-	-
<b>Consumer loans-FC indexed</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	-	<b>24.929</b>	<b>24.929</b>
Housing loans	-	11.516	11.516
Vehicle loans	-	-	-
Consumer loans	-	13.413	13.413
Other	-	-	-
<b>Retail credit cards-TL</b>	<b>368.458</b>	<b>224</b>	<b>368.682</b>
With installment	139.348	204	139.552
Without installment	229.110	20	229.130
<b>Retail credit cards-FC</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>25.738</b>	<b>7.423</b>	<b>33.161</b>
Housing loans	-	288	288
Vehicle loans	150	4.091	4.241
Consumer loans	25.588	3.044	28.632
Other	-	-	-
<b>Personnel loans-FC indexed</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	<b>12.753</b>	-	<b>12.753</b>
With installment	6.623	-	6.623
Without installment	6.130	-	6.130
<b>Personnel credit cards-FC</b>	-	-	-
With installment	-	-	-
Without-installment	-	-	-
<b>Overdraft account-TL (Real Person)</b>	-	-	-
<b>Overdraft account-FC (Real Person)</b>	-	-	-
<b>Total</b>	<b>573.353</b>	<b>4.880.786</b>	<b>5.454.139</b>

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**I. Explanations and notes related to consolidated assets (continued):**

**d. Information on commercial loans with installments and corporate credit cards:**

<b>Current Period</b>	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
<b>Commercial installment loans-TL</b>	<b>3.067.956</b>	<b>2.905.553</b>	<b>5.973.509</b>
Business loans	149.942	645.271	795.213
Vehicle loans	2.553.750	1.626.069	4.179.819
Consumer loans	364.264	634.213	998.477
Other	-	-	-
<b>Commercial installment loans-FC indexed</b>	<b>-</b>	<b>20.458</b>	<b>20.458</b>
Business loans	-	20.237	20.237
Vehicle loans	-	221	221
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment Loans-FC</b>	<b>10.913</b>	<b>996.220</b>	<b>1.007.133</b>
Business loans	8.210	316.991	325.201
Vehicle loans	2.703	508.320	511.023
Consumer loans	-	170.909	170.909
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>981.592</b>	<b>3.609</b>	<b>985.201</b>
With installment	326.250	3.393	329.643
Without installment	655.342	216	655.558
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Overdraft account-TL (legal entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft account-FC (legal entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4.060.461</b>	<b>3.925.840</b>	<b>7.986.301</b>

<b>Prior Period</b>	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
<b>Commercial installment loans-TL</b>	<b>1.956.691</b>	<b>3.042.792</b>	<b>4.999.483</b>
Business loans	66.873	649.119	715.992
Vehicle loans	1.767.735	1.885.805	3.653.540
Consumer loans	122.083	507.868	629.951
Other	-	-	-
<b>Commercial installment loans-FC indexed</b>	<b>-</b>	<b>28.284</b>	<b>28.284</b>
Business loans	-	27.954	27.954
Vehicle loans	-	330	330
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment Loans-FC</b>	<b>18.579</b>	<b>1.058.613</b>	<b>1.077.192</b>
Business loans	12.613	339.133	351.746
Vehicle loans	5.966	519.984	525.950
Consumer loans	-	199.496	199.496
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>939.420</b>	<b>1.443</b>	<b>940.863</b>
With installment	301.810	1.308	303.118
Without installment	637.610	135	637.745
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Overdraft account-TL (Legal Entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft account-FC (Legal Entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2.914.690</b>	<b>4.131.132</b>	<b>7.045.822</b>

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**I. Explanations and notes related to consolidated assets (continued):**

**e. Allocation of loans by customers:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**f. Breakdown of domestic and foreign loans:**

	Current Period	Prior Period
Domestic loans	77.234.543	69.537.822
Foreign loans	3.519.280	3.590.206
<b>Total</b>	<b>80.753.823</b>	<b>73.128.028</b>

**g. Loans granted to subsidiaries and associates:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Direct Loans Granted to Subsidiaries and Associates	-	-	-	-
Indirect Loans Granted to Subsidiaries and Associates	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ğ. Specific provisions for loans or provisions for default loans (stage 3):**

	Current Period	Prior Period
Loans with limited collectability	75.016	187.900
Loans with doubtful collectability	234.044	432.705
Uncollectible loans	755.104	682.065
<b>Total</b>	<b>1.064.164</b>	<b>1.302.670</b>

Specific provisions in the amount of TL 1.064.164 (December 31, 2022: TL 1.302.670) comprise TL 312.324 (December 31, 2022: TL 387.747) of participation account share of loans provided from participation accounts.

**h. Information on non-performing loans (net):**

**h.1. Information on non-performing and restructured loans:**

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectable loans
<b>Current period</b>			
Gross amount before specific provisions	54.008	28.855	12.756
Restructured loans	54.008	28.855	12.756
<b>Prior period</b>			
Gross amount before specific provisions	56.473	28.473	11.840
Restructured loans	56.473	28.473	11.840

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**I. Explanations and notes related to consolidated assets (continued):**

**h.2. Movements of total non-performing loans:**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
<b>Current Period</b>	<b>Loans with limited collectability</b>	<b>Loans with doubtful collectability</b>	<b>Uncollectable loans</b>
<b>Closing balance of prior period</b>	<b>212.750</b>	<b>453.980</b>	<b>801.247</b>
Additions in the current period (+)	34.777	1.970	22.028
Transfers from other categories of non-performing loans (+)	-	26.762	207.890
Transfers to other categories of non-performing loans (-)	26.762	207.890	-
Collections in the current period (-)	16.589	10.394	50.268
Transfers to standard loans and write off (-) <sup>(*)</sup>	108.983	14.472	111.717
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
<b>Closing balance of the current period</b>	<b>95.193</b>	<b>249.956</b>	<b>869.180</b>
Provisions (-)	75.016	234.044	755.104
<b>Net balance at the balance sheet</b>	<b>20.177</b>	<b>15.912</b>	<b>114.076</b>

<sup>(\*)</sup> According to "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated November 27, 2019 numbered 3096, the amount which has been carried to performing loans is TL 4.653. Since there is no reasonable expectation regarding its recovery, TL 230.519 has been deleted from the accounting records in the scope of the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" together with its 100% specific provision. The impact of the write-off under TFRS 9 on the NPL ratio is 27 basis points.

Non-performing loans in the amount of TL 1.214.329 comprise TL 406.626 of participation account share of loans provided from participation accounts.

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
<b>Prior Period</b>	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectable loans and receivables</b>
<b>Closing balance of prior period</b>	<b>523.543</b>	<b>365.483</b>	<b>2.894.211</b>
Additions in the current period (+)	2.346.943	178.377	619.901
Transfers from other categories of non-performing loans (+)	-	905.112	521.765
Transfers to other categories of non-performing loans (-)	905.112	521.765	-
Collections in the current period (-)	841.586	94.912	437.736
Transfers to standard loans and write off(-) <sup>(*)</sup>	911.038	378.315	2.796.894
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
<b>Closing balance of the current period</b>	<b>212.750</b>	<b>453.980</b>	<b>801.247</b>
Specific provisions (-)	187.900	432.705	682.065
<b>Net balance at the balance sheet</b>	<b>24.850</b>	<b>21.275</b>	<b>119.182</b>

<sup>(\*)</sup> According to "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated November 27, 2019 numbered 3096, the amount which has been carried to performing loans is TL 91.487. Since there is no reasonable expectation regarding its recovery, TL 3.994.760 has been deleted from the accounting records in the scope of the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" together with its 100% specific provision. The impact of the write-off under TFRS 9 on the NPL ratio is 493 basis points.

Non-performing loans in the amount of TL 1.467.977 comprise TL 491.591 of participation account share of loans provided from participation accounts.

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**I. Explanations and notes related to consolidated assets (continued):**

**h.3. Non-performing loans and other receivables in foreign currencies:**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans with limited collectability</b>	<b>Loans with doubtful collectability</b>	<b>Uncollectable loans</b>
<b>Current period:</b>			
Period end balance	7.238	19.911	5.712
Provision (-)	5.831	17.172	5.375
<b>Net balance</b>	<b>1.407</b>	<b>2.739</b>	<b>337</b>
<b>Prior period:</b>			
Period end balance	94.340	30.370	33.216
Provision (-)	92.271	26.168	31.300
<b>Net balance</b>	<b>2.069</b>	<b>4.202</b>	<b>1.916</b>

**h.4. Gross and net amounts of non-performing loans according to user groups:**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans with limited collectability</b>	<b>Loans with doubtful collectability</b>	<b>Uncollectable loans</b>
<b>Current period (net)</b>	<b>20.177</b>	<b>15.912</b>	<b>114.076</b>
Loans to individuals and corporates (gross)	95.193	249.956	869.180
Provision (-)	75.016	234.044	755.104
<b>Loans to individuals and corporates (net)</b>	<b>20.177</b>	<b>15.912</b>	<b>114.076</b>
Banks (gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other loans and receivables (gross)	-	-	-
Provision (-)	-	-	-
<b>Other loans (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior period (net)</b>	<b>24.850</b>	<b>21.275</b>	<b>119.182</b>
Loans to individuals and corporates (gross)	212.750	453.980	801.247
Provision (-)	187.900	432.705	682.065
<b>Loans to individuals and corporates (net)</b>	<b>24.850</b>	<b>21.275</b>	<b>119.182</b>
Banks (gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other loans (gross)	-	-	-
Provision (-)	-	-	-
<b>Other loans (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**I. Explanations and notes related to consolidated assets (continued):**

**h.5. Information on accruals, valuation differences and related provisions calculated for non-performing loans for Banks which are providing expected credit loss according to TFRS 9:**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans with limited collectability</b>	<b>Loans with doubtful collectability</b>	<b>Uncollectable loans</b>
<b>Current Period (Net)</b>	<b>7.777</b>	<b>5.573</b>	<b>94.297</b>
Profit Share Accruals and Valuation Differences	7.777	5.573	95.257
Provision (-)	-	-	960
<b>Prior Period (Net)</b>	<b>11.218</b>	<b>5.060</b>	<b>96.567</b>
Profit Share Accruals and Valuation Differences	24.407	6.322	140.043
Provision (-)	13.189	1.262	43.476

**i. Liquidation policy for uncollectable loans:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**i. Information on "Write-off" policies:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**7. Information on lease receivables (net):**

**a. Presentation of remaining maturities of funds lent under finance lease method:**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Less than a year	390.863	372.466	244.455	229.389
1 to 4 years	708.544	625.718	642.468	567.951
More than 4 years	88.949	81.347	122.238	111.403
<b>Total</b>	<b>1.188.356</b>	<b>1.079.531</b>	<b>1.009.161</b>	<b>908.743</b>

**b. Information on net investments through finance lease:**

	<b>Current Period</b>	<b>Prior Period</b>
Financial lease receivables (Gross)	1.188.356	1.009.161
Unearned financial lease receivable (-)	108.825	100.418
<b>Net receivable from financial leases</b>	<b>1.079.531</b>	<b>908.743</b>

**c. General explanation on finance lease contracts:**

Finance lease contracts are realized in accordance with the related articles of Finance Lease, Factoring and Financing Companies Act numbered 6361. There are no restrictions due to finance lease contracts, no renewals or contingent rent payments that materially affect the financial statements.

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**I. Explanations and notes related to consolidated assets (continued):**

**c. General explanation on finance lease contracts (continued):**

Information on leasing receivables:

	Standard Loans	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring or Rescheduling	Restructured	
			Loans with Revised Contract Terms	Refinancing
<b>Current Period</b>				
Financial lease receivables (Net)	1.057.317	8.257	13.957	-
<b>Prior Period</b>				
Financial lease receivables (Net)	887.570	6.439	14.734	-

**8. Information on assets held for sale and assets of discontinued operations:**

Assets held for sale consist of tangible assets, which have been acquired due to non-performing loans.

	Current Period	Prior Period
Opening Balance	341.132	118.978
Additions	10.230	380.642
Disposals	(4.604)	(89.884)
Transfers <sup>(*)</sup>	(9.448)	(111.996)
Impairment Provision (-)/Reversal of Impairment Provision <sup>(*)</sup>	(13)	43.392
<b>Net closing balance</b>	<b>337.297</b>	<b>341.132</b>

<sup>(\*)</sup> The transfers and impairments related to the transfers (if any) have been moved to assets to be sold under tangible assets.

As of March 31, 2023, TL 337.297 (December 31, 2022: TL 341.132) of the assets held for sale is comprised of real estates. There are no other tangible assets (December 31, 2022: None). The Parent Bank has not any discontinued operations and assets of discontinued operations.



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**I. Explanations and notes related to consolidated assets (continued):**

**9. Ownership investments:**

**a. Associates:**

**a.1. Information on unconsolidated associates:**

None (December 31, 2022: None).

**a.2. Information on consolidated associates:**

None (December 31, 2022: None).

**b. Information on subsidiaries (net):**

**b.1. Information on unconsolidated non-financial subsidiaries:**

The subsidiary investments Albaraka Teknoloji Bilişim Sistemleri A.Ş., İnsha Ventures Teknoloji Geliştirme ve Pazarlama A.Ş and Albaraka Kültür Sanat ve Yayımcılık A.Ş of Parent Bank controlled Albaraka Portföy Yönetimi A.Ş. İnovasyon Girişim Sermayesi Fonu have not been consolidated since they are non-financial entities. The financial information related to those companies as of March 31, 2023 is as follows:

Title	Operation Center (City/Country)	Main Activities	Capital	Share Percentage of the Fund (%)	Fair value of the amount invested by the Fund <sup>(*)</sup>
Albaraka Teknoloji Bilişim Sistemleri A.Ş.	İstanbul / Türkiye	Information Technologies	33.000	100	80.259
İnsha Ventures Teknoloji Geliştirme ve Paz. A.Ş.	İstanbul / Türkiye	Information Technologies	10.000	100	30.389
Albaraka Kültür Sanat ve Yayımcılık A.Ş	İstanbul / Türkiye	Publication	10.500	100	4.610

<sup>(\*)</sup> The fair values are represented as of December 31,2022

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**I. Explanations and notes related to consolidated assets (continued):**

**b. Information on subsidiaries (net) (continued):**

**b.1. Information on unconsolidated subsidiaries (continued):**

Natura Gıda Sanayi ve Ticaret A.Ş., which is a subsidiary investment of “Değer Girişim Sermayesi Yatırım Fonu” controlled by the Parent Bank, has not been consolidated since it is a non-financial entity.

Name	Address (City/Country)	Parent Bank's share percentage- If different voting percentage (%)	(Fund) Share Rate (%)
Natura Gıda Sanayi ve Ticaret A.Ş.	İstanbul/Türkiye	-	88,61

The balances of Natura Gıda Sanayi ve Ticaret A.Ş. presented in the table below have been obtained from the audited financial statements as of December 31, 2021.

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss
614.522	(678.784)	349.583	-	-	(375.134)	(821.254)

**b.2. Information on consolidated subsidiaries:**

Bereket Varlık Kiralama A.Ş. and Değer Varlık Kiralama A.Ş. which are subject to consolidation by the Parent Bank, the purpose of which are to obtain rental income by taking over the assets of the source institution and leasing them back to the source institution, issue rent certificates based on said rental income and pass on the related assets to source institution by the end of the rental period. Bereket Varlık Kiralama A.Ş. and Değer Varlık Kiralama A.Ş. have been founded to operate according to rulings of Turkish Trade Law about foundations of incorporations and complying with Communiqué on “Principles Related to Rent Certificates and Asset Leasing Companies” dated April 1, 2010 and numbered 27539 serial: 3 no:43 published in Official Gazette by Capital Markets Board of Türkiye and other related regulations. The founding capital of each company is TL 50. As of March 31, 2023, the capital of each company is TL 50. Bereket Varlık Kiralama A.Ş. and Değer Varlık Kiralama A.Ş. are consolidated using full consolidation method as of March 31, 2023.

i). The balances of Bereket Varlık Kiralama A.Ş. presented in the table below have been obtained from unreviewed financial statements as of March 31, 2023.

Name	Address (City/Country)	Parent Bank's share percentage-If different voting percentage (%)	Risk share percentage of other shareholders (%)
Bereket Varlık Kiralama A.Ş.	İstanbul/Türkiye	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
1.236.758	247	2	-	-	46	141	-

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**I. Explanations and notes related to consolidated assets (continued):**

**9. Ownership investments (continued):**

**b.2. Information on consolidated subsidiaries (continued):**

ii) The balances of Değer Varlık Kiralam A.Ş. presented in the table below have been obtained from unreviewed financial statements as of March 31, 2023.

<b>Name</b>	<b>Address (City/Country)</b>	<b>Bank's share percentage- If different voting percentage (%)</b>	<b>Risk share percentage of other shareholders (%)</b>
Değer Varlık Kiralama A.Ş.	İstanbul / Türkiye	100,00	-

<b>Total assets</b>	<b>Shareholders' equity</b>	<b>Total fixed assets</b>	<b>Dividend or profit share income</b>	<b>Income from marketable securities</b>	<b>Current period profit/loss</b>	<b>Prior years profit/loss</b>	<b>Fair value</b>
128.981	999	-	-	-	515	434	-

iii) In the Board of Directors meeting dated February 25, 2015, the Parent Bank has taken a resolution on establishment a real estate portfolio management company with the name of "Albaraka Gayrimenkul Portföy Yönetimi A.Ş. whose capital is TL 5.000. The company is registered on June 3, 2015 and the foundation of the company is published on Trade Registry Gazette dated June 9, 2015 numbered 8837. The title of the company was changed to "Albaraka Portföy Yönetimi A.Ş." upon the decision of "2018 Extraordinary General Assembly" dated December 20, 2017. As of March 31, 2023, the capital of the company is TL 45.000. The balances of Albaraka Portföy Yönetimi A.Ş. presented in the table below have been obtained from unreviewed financial statements as of March 31, 2023.

<b>Name</b>	<b>Address (City/Country)</b>	<b>Bank's share percentage- If different voting percentage (%)</b>	<b>Risk share percentage of other shareholders (%)</b>
Albaraka Portföy Yön. A.Ş.	İstanbul/Türkiye	100,00	-

<b>Total assets</b>	<b>Shareholders' equity</b>	<b>Total fixed assets</b>	<b>Dividend or profit share income</b>	<b>Income from marketable securities</b>	<b>Current period profit/loss</b>	<b>Prior years profit/loss</b>	<b>Fair value</b>
253.147	240.719	1.920	5.874	-	34.340	153.733	-

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**I. Explanations and notes related to consolidated assets (continued):**

**9. Ownership investments (continued):**

**b.2. Information on consolidated subsidiaries (continued):**

iv) Getinsha GmbH has been established in Berlin (Germany) in 2018 in order to provide digital participation banking services through the banking license of Solarisbank AG to collect funds through mentioned license (mudaraba method) and to evaluate funds in accordance with the interest-free finance principles of the signed contract. As of March 31, 2023, the capital of the company is EUR 5.982.255 (full balance in original currency) equivalent to TL 64.221 as historical cost in the Balance Sheet.

As of March 31, 2023, unreviewed financial statements of Getinsha GmbH is as follows:

Name	Address (City/Country)	Parent Bank's share percentage-If different voting percentage (%)	Risk share percentage of other shareholders (%)
Getinsha GmbH	Berlin / Germany	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
€1.164.191	€ 53.001	€ 505.899	-	-	€ (206.580)	€ (5.722.674)	-

**v) Movement and Sectoral Information on consolidated subsidiaries:**

	Current Period	Prior Period
Amount at the beginning of the period	69.321	69.321
Movements inside the term	-	-
Purchases/new incorporations/capital increases	-	-
Bonus shares	-	-
Profit received from current year share	-	-
Sales	-	-
Revaluation increases	-	-
Impairments	-	-
Amount at the end of the period	69.321	69.321
Capital commitments	-	-
<b>Share of the capital at the end of the period (%)</b>	<b>100</b>	<b>100</b>

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	69.321	69.321

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**I. Explanations and notes related to consolidated assets (continued):**

**9. Ownership investments (continued):**

**c. Information on investments in joint- ventures:**

**c.1. Information on unconsolidated investments in joint-ventures:**

The Group does not have unconsolidated investments in joint-ventures as of the balance sheet date.

**c.2. Information on consolidated investments in joint- ventures:**

The Parent Bank founded Katılım Emeklilik ve Hayat A.Ş. ("Company") a private pension and insurance company through equal partnership with Kuveyt Turk Katılım Bankası A.Ş. in the form of joint venture in accordance with Board of Directors' decision dated May 10, 2013 numbered 1186, and permission of BRSA dated September 24, 2013 numbered 4389041421.91.11-24049. The Company was registered on December 17, 2013 and noticed in Trade registry gazette dated December 23, 2013 and numbered 8470. As of March 31, 2023, Katılım Emeklilik ve Hayat A.Ş. has been consolidated by the Parent Bank using equity method. The financial data from unreviewed financial statements as of March 31, 2023 are below:

Joint-Ventures	The Parent Bank's shareholding percentage (%)	Group's shareholding percentage (%)	Current Assets	Non-Current Assets	Long Term Debts	Income	Expense
Katılım Emeklilik ve Hayat A.Ş.	%50	%50	1.112.498	11.627.789	11.668.572	257.673	232.750

**c.3. Information on consolidated investment funds:**

The financial information of the investment funds consolidated by the Parent Bank using full consolidation method as of March 31, 2023 are as follows:

Investment Funds	Share of Parent Bank (%)	Share of Group (%)	Investment Amount of the Parent Bank(TL)	Income	Expenses	Net Profit /(Loss)
Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu <sup>(*)</sup>	96,63	96,63	1.651.569	93.277	5.986	87.291
Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu <sup>(*)</sup>	99,28	99,28	639.038	53.685	2.429	51.256
Albaraka Portföy Yönetimi A.Ş. Bereket Katılım Gayrimenkul Yatırım Fonu <sup>(*)</sup>	0,00	100,00	673.147	10.633	1.113	9.520
Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu <sup>(*)</sup>	100,00	100,00	1.242.525	113.686	2.868	110.818
Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu <sup>(*)</sup>	100,00	100,00	68.181	1.393	574	819
Albaraka Portföy Yönetimi A.Ş. İnovasyon Girişim Sermayesi Yatırım Fonu <sup>(*)</sup>	82,70	100,00	136.715	1.502	875	627
Albaraka Portföy Yönetimi A.Ş. Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu <sup>(*)</sup>	0,00	56,58	18.276	710	117	593
Albaraka Portföy Yönetimi A.Ş. İkinci Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu <sup>(*)</sup>	0,00	100,00	211.913	8.883	123	8.760

<sup>(\*)</sup> Relevant financial data have been obtained from unreviewed financial tables.

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**I. Explanations and notes related to consolidated assets (continued):**

**10. Information on tangible assets:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**11. Information on intangible assets:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**12. Information on investment property:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Investment properties <sup>(*)</sup>	1.982.213	-	1.869.188	-
<b>Total</b>	<b>1.982.213</b>	<b>-</b>	<b>1.869.188</b>	<b>-</b>

<sup>(\*)</sup> Includes investment properties of "Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu" and "Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu" and "Albaraka Portföy Yönetimi A.Ş. Bereket Katılım Gayrimenkul Yatırım Fonu"

**13. Information related to deferred tax asset:**

As of March 31, 2023, the Group calculated net deferred tax asset of TL 536.252 (December 31, 2022: TL 453.958) by netting off deferred tax asset of TL 1.011.417 (December 31, 2022: TL 819.789) and deferred tax liability of TL 475.165 (December 31, 2022: TL 365.831) on all tax deductible/taxable temporary differences arising between the carrying amounts and the tax base of assets and liabilities in the financial statements that will be considered in the calculation of taxable earnings in the future periods.

	Current Period	Prior Period
Rediscount on profit share and prepaid fees and commission income and unearned revenues	112.615	183.605
Provisions for retirement premium and vacation pay liabilities	131.213	171.621
Difference between carrying value and tax base of tangible assets (amortization differences)	172.599	79.722
Depreciation of tangible assets	387	387
Provisions for cases on trial	10.482	10.542
Provisions	518.827	311.329
Leasing profit share expenses	63.029	57.838
Other <sup>(*)</sup>	2.265	4.745
<b>Deferred tax asset</b>	<b>1.011.417</b>	<b>819.789</b>
Revaluation difference of property	141.203	145.533
Rediscount on profit share	39.940	9.577
Right of use assets	122.224	111.529
Derivative financial liabilities	2.223	3.538
Investment fund	101.247	27.565
Other <sup>(*)</sup>	68.328	68.089
<b>Deferred tax liability</b>	<b>475.165</b>	<b>365.831</b>
<b>Deferred tax asset (net)</b>	<b>536.252</b>	<b>453.958</b>

<sup>(\*)</sup> Includes tax assets of TL 64.297 calculated from prior period financial losses. Since there is financial profit including previous years' financial losses, there is not any deferred tax assets for carried financial losses in the current term. (December 31, 2022: TL 63.871)

**14. Information on other assets:**

As of the balance sheet date, the Group's other assets balance is TL 1.900.306 (December 31, 2022: TL 1.151.321) and does not exceed 10% of balance sheet total excluding off balance sheet commitments.

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**II. Explanations and notes related to consolidated liabilities:**

**1. Information on funds collected:**

**a. Information on maturity structure of funds collected:**

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
<b>I. Real Persons Current Accounts Non-Trade TL</b>	<b>5.386.696</b>	-	-	-	-	-	-	-	<b>5.386.696</b>
<b>II. Real Persons Participation Accounts Non-Trade TL</b>	-	<b>3.112.153</b>	<b>24.057.576</b>	<b>2.886.258</b>	-	<b>17.573</b>	<b>8.810.229</b>	<b>12.969</b>	<b>38.896.758</b>
<b>III. Current Account other-TL</b>	<b>7.528.046</b>	-	-	-	-	-	-	-	<b>7.528.046</b>
Public Sector	192.785	-	-	-	-	-	-	-	192.785
Commercial Institutions	6.932.109	-	-	-	-	-	-	-	6.932.109
Other Institutions	365.854	-	-	-	-	-	-	-	365.854
Commercial and Other Institutions	15.617	-	-	-	-	-	-	-	15.617
Banks and Participation Banks	21.681	-	-	-	-	-	-	-	21.681
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	21.659	-	-	-	-	-	-	-	21.659
Participation Banks	20	-	-	-	-	-	-	-	20
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	<b>1.179.846</b>	<b>4.632.546</b>	<b>584.975</b>	-	<b>3.482</b>	<b>1.679.010</b>	<b>11</b>	<b>8.079.870</b>
Public Sector	-	11	141	-	-	-	-	-	152
Commercial Institutions	-	1.078.784	4.063.330	547.425	-	3.412	1.647.128	11	7.340.090
Other Institutions	-	100.886	516.829	34.603	-	70	31.882	-	684.270
Commercial and Other Institutions	-	165	52.207	2.947	-	-	-	-	55.319
Banks and Participation Banks	-	-	39	-	-	-	-	-	39
<b>V. Real Persons Current Accounts Non-Trade FC</b>	<b>16.763.469</b>	-	-	-	-	-	-	-	<b>16.763.469</b>
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	<b>6.260.837</b>	<b>5.242.341</b>	<b>569.406</b>	-	<b>45.455</b>	<b>1.931.778</b>	<b>20.606</b>	<b>14.070.423</b>
<b>VII. Other Current Accounts FC</b>	<b>12.621.838</b>	-	-	-	-	-	-	-	<b>12.621.838</b>
Residents in Türkiye-Corporate	6.592.292	-	-	-	-	-	-	-	6.592.292
Residents Abroad-Corporate	4.687.096	-	-	-	-	-	-	-	4.687.096
Banks and Participation Banks	1.342.450	-	-	-	-	-	-	-	1.342.450
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	108	-	-	-	-	-	-	-	108
Foreign Banks	1.342.089	-	-	-	-	-	-	-	1.342.089
Participation Banks	253	-	-	-	-	-	-	-	253
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other- FC</b>	-	<b>368.109</b>	<b>632.403</b>	<b>418.363</b>	-	<b>29.411</b>	<b>67.186</b>	<b>690</b>	<b>1.516.162</b>
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	346.495	463.816	406.000	-	150	13.007	690	1.230.158
Other institutions	-	7.755	3.416	270	-	-	-	-	11.441
Commercial and Other Institutions	-	13.859	165.171	12.093	-	-	54.179	-	245.302
Banks and Participation Banks	-	-	-	-	-	29.261	-	-	29.261
<b>IX. Precious Metals Deposits</b>	<b>7.998.034</b>	<b>365.061</b>	<b>555.132</b>	<b>150.214</b>	-	<b>4.561</b>	<b>102.415</b>	<b>4.391</b>	<b>9.179.808</b>
<b>X. Participation Accounts Special Fund Pools TL</b>	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation Accounts Special Fund Pools – FC</b>	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	<b>50.298.083</b>	<b>11.286.006</b>	<b>35.119.998</b>	<b>4.609.216</b>	-	<b>100.482</b>	<b>12.590.618</b>	<b>38.667</b>	<b>114.043.070</b>

Foreign exchange-protected participation account instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL participation accounts are valued with profit rates and are protected against changes in foreign exchange rates, is offered to the Parent Bank customers. Within this scope, as of March 31,2023, TL participation accounts include TL 36.161.029 foreign exchange-protected participation accounts.

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**1. Information on funds collected (continued):**

**a. Information on maturity structure of funds collected (continued):**

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
<b>I. Real Persons Current Accounts</b>									
Non-Trade TL	5.222.601	-	-	-	-	-	-	-	5.222.601
<b>II. Real Persons Participation Accounts Non-Trade TL</b>	-	2.814.203	20.314.487	1.664.847	-	17.513	4.966.871	14.144	29.792.065
<b>III. Current Account other-TL</b>	7.430.916	-	-	-	-	-	-	-	7.430.916
Public Sector	46.362	-	-	-	-	-	-	-	46.362
Commercial Institutions	7.129.339	-	-	-	-	-	-	-	7.129.339
Other Institutions	213.030	-	-	-	-	-	-	-	213.030
Commercial and Other Institutions	17.807	-	-	-	-	-	-	-	17.807
Banks and Participation Banks	24.378	-	-	-	-	-	-	-	24.378
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	24.354	-	-	-	-	-	-	-	24.354
Participation Banks	22	-	-	-	-	-	-	-	22
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	905.125	5.318.675	911.150	-	5.162	1.645.237	113	8.785.462
Public Sector	-	20	135	-	-	-	-	-	155
Commercial Institutions	-	853.473	4.893.622	864.510	-	5.155	1.639.092	113	8.255.965
Other Institutions	-	51.473	342.517	43.787	-	7	6.145	-	443.929
Commercial and Other Institutions	-	159	82.364	2.853	-	-	-	-	85.376
Banks and Participation Banks	-	-	37	-	-	-	-	-	37
<b>V. Real Persons Current Accounts Non-Trade FC</b>	19.119.130	-	-	-	-	-	-	-	19.119.130
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	7.212.751	6.985.507	1.000.316	-	57.892	2.727.477	18.533	18.002.476
<b>VII. Other Current Accounts FC</b>	13.639.947	-	-	-	-	-	-	-	13.639.947
Residents in Türkiye-Corporate	7.002.573	-	-	-	-	-	-	-	7.002.573
Residents abroad-Corporate	5.596.555	-	-	-	-	-	-	-	5.596.555
Banks and Participation Banks	1.040.819	-	-	-	-	-	-	-	1.040.819
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	103	-	-	-	-	-	-	-	103
Foreign Banks	1.040.473	-	-	-	-	-	-	-	1.040.473
Participation Banks	243	-	-	-	-	-	-	-	243
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other- FC</b>	-	619.148	709.210	23.608	-	28.454	77.647	500	1.458.567
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	561.264	524.458	11.627	-	194	31.391	500	1.129.434
Other Institutions	-	26.657	13.526	246	-	-	-	-	40.429
Commercial and Other Institutions	-	31.227	171.226	11.735	-	-	46.256	-	260.444
Banks and Participation Banks	-	-	-	-	-	28.260	-	-	28.260
<b>IX. Precious Metals Deposits</b>	6.788.587	731.679	1.225.306	56.154	-	2.648	94.228	3.470	8.902.072
<b>X. Participation Accounts Special Fund Pools TL</b>	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation Accounts Special Fund Pools – FC</b>	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	<b>52.201.181</b>	<b>12.282.906</b>	<b>34.553.185</b>	<b>3.656.075</b>	<b>-</b>	<b>111.669</b>	<b>9.511.460</b>	<b>36.760</b>	<b>112.353.236</b>

Foreign exchange-protected participation account instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL participation accounts are valued with profit rates and are protected against changes in foreign exchange rates, is offered to the Parent Bank customers. Within this scope, as of December 31,2022, TL participation accounts include TL 27.864.396 foreign exchange-protected participation accounts.



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**II. Explanations and notes related to consolidated liabilities (continued):**

**b. Information on participation fund under the guarantee of insurance:**

**b.1. Under the guarantee of Insurance and Exceeding the limit of insurance fund <sup>(\*)</sup>:**

Information on real persons' current and participation accounts not subject to trading transactions under the guarantee of insurance and exceeding the limit of Insurance Fund:

	Under the guarantee of Insurance	Under the guarantee of Insurance	Exceeding the guarantee of Insurance	Exceeding the guarantee of Insurance
	Current Period	Prior Period	Current Period	Prior Period
Real persons' current and participation accounts not subject to trading transactions				
Turkish Lira accounts	13.627.563	9.230.265	30.655.892	25.784.400
Foreign currency accounts	14.171.722	10.360.486	24.741.330	34.973.814
Foreign branches' deposits subject to foreign authorities' insurance	42.964	44.818	229.479	310.499
Off-shore deposits under foreign authorities' insurance	-	-	-	-

<sup>(\*)</sup> In accordance with the "Regulation on Amending the Regulation on the Insurable Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated August 27, 2022 and numbered 31936, all deposit and participation funds have been insured except official institutions in the presence of credit institutions, credit institutions and financial institutions. In this context, commercial current and participation accounts covered by the insurance amount to TL 5.288.745, amount exceeding the insurance limit is TL 23.185.632 and the mentioned amounts is not included in the footnote.

Funds collected by Participation Banks (except belonging to official institutions, credit institutions and financial institutions) from current and participation accounts denominated in Turkish Lira or foreign currency up to a limit of maximum TL 400 (including both capital and profit shares) for each real person or legal person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law numbered 5411.

**b.2. Funds collected which are not under the guarantee of insurance fund:**

Funds collected of real persons, which are not under the guarantee of insurance fund:

	Current Period	Prior Period
Foreign Branches' Profit Sharing Accounts and Other Accounts	-	-
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board Of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	22.778	41.853
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Türkiye in order to engage solely in Off-Shore Banking Activities	-	-

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**II. Explanations and notes related to consolidated liabilities (continued):**

**2. Information on borrowings:**

**a.1. Information on types of borrowings:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Syndication Loans	-	-	-	-
Wakala Loans	-	1.192.660	-	3.054.715
Other	983.858	6.743.641	19.284	416.804
<b>Total</b>	<b>983.858</b>	<b>7.936.301</b>	<b>19.284</b>	<b>3.471.519</b>

**a.2. Information on banks and other financial institutions:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	983.858	5.500.497	19.284	6.731
Loans from foreign banks, institutions and funds	-	2.435.804	-	3.464.788
<b>Total</b>	<b>983.858</b>	<b>7.936.301</b>	<b>19.284</b>	<b>3.471.519</b>

**a.3. Maturity analysis of funds borrowed:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	983.858	6.986.188	19.284	3.466.719
Medium and Long-Term	-	950.113	-	4.800
<b>Total</b>	<b>983.858</b>	<b>7.936.301</b>	<b>19.284</b>	<b>3.471.519</b>

**b. Additional disclosures on concentration areas of The Parent Bank's liabilities:**

The Parent Bank does not have concentration on customer or sector group providing funds (December 31, 2022: None).

**3. Information on securities issued:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Sukuk issued	846.168	-	627.095	-
<b>Total</b>	<b>846.168</b>	<b>-</b>	<b>627.095</b>	<b>-</b>

**4. Information on derivative financial liabilities:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	5.685	-	8.542	808
Swap transactions	523	4.065	4.277	852
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>6.208</b>	<b>4.065</b>	<b>12.819</b>	<b>1.660</b>

The Parent Bank has not any derivative financial liabilities for hedging purposes (December 31, 2021: None).

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**II. Explanations and notes related to consolidated liabilities (continued):**

**5. Lease payables:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Less than a year	4.562	-	5.863	-
1 to 5 years	156.326	25.583	154.708	26.214
Over 5 years	335.447	1.310	289.836	185
<b>Total</b>	<b>496.335</b>	<b>26.893</b>	<b>450.407</b>	<b>26.399</b>

**6. Information on provisions:**

**a. Information on provisions for employee rights:**

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 337.539 (December 31, 2022: TL 321.939) and vacation pay liability amounting to TL 187.314 (December 31, 2022: TL 14.545) totaling to TL 524.853 (December 31, 2022: TL 336.484). Under vacation pay liability there is remaining performance premium amounts to TL 160.311 after deducting TL 189.689 (the distributed amount) from TL 350.000 allocated in the previous term (December 31, 2022: TL 357.500). The Group's has calculated the reserve for employee termination benefits using actuarial valuation methods as indicated in TAS 19. Accordingly, following actuarial assumptions were used in the calculation of the total liability.

	Current Period	Prior Period
Discount rate (%)	11,10	11,10
Estimated increase rate of salary ceiling (%)	10,00	10,00

Movement of the reserve for employment termination benefits in the balance sheet is as follows:

	Current Period	Prior Period
Prior period ending balance	321.939	130.540
Amount of provision during the period	15.600	9.605
Actuarial (gain)/loss	-	181.794
<b>Balance at the end of the period</b>	<b>337.539</b>	<b>321.939</b>

**b. Other provisions:**

	Current Period	Prior Period
Non-cash loans first and second stage expected loss provisions	21.950	20.239
Provisions allocated from profit shares to be distributed to profit sharing accounts	10.636	6.438
Third stage expected loss provision for unindemnified letter of guarantees	15.739	15.360
Third stage expected loss provision for cheques commitments	5.472	4.604
Provision for promotions related with credit cards and promotion of banking services	490	445
Provisions for cases on trial	41.929	42.169
Accrual for purchase and sale commitments	546	375
Free provisions allocated for possible losses <sup>(*)</sup>	1.885.000	1.800.000
Other	599	579
<b>Total</b>	<b>1.982.361</b>	<b>1.890.209</b>

<sup>(\*)</sup> Includes free provision amounting to TL 1.885.000, which is set aside by the Parent Bank's management apart from the requirements of the BRSA Accounting and Financial Reporting Legislation. (December 31, 2022: 1.800.000 TL).

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**II. Explanations and notes related to consolidated liabilities (continued):**

**6. Information on provisions:**

**c. Information on provisions for foreign exchange losses on foreign currency indexed loans and financial lease receivables:**

As of March 31, 2023, the provision for exchange losses in foreign currency indexed loans and financial lease receivables amounts to TL 17 (December 31, 2022: None).

**7. Information on taxes payable:**

**a. Explanations on current tax liability:**

**a.1. Explanations on tax provisions:**

As of March 31, 2023, the Group's has remaining tax liability after deducting the temporary taxes paid from corporate tax amounts to TL 651.527 (December 31, 2022: TL 607.323).

**a.2. Information on taxes payable:**

	Current Period	Prior Period
Corporate taxes payable	651.527	607.323
Banking insurance transaction tax	48.470	42.910
Taxation on securities income	9.543	13.020
Value added tax payable	6.276	7.510
Taxation on real estate income	2.073	1.888
Foreign exchange transaction tax	5.434	6.255
Income tax deducted from wages	26.484	29.120
Other	7.590	6.063
<b>Total</b>	<b>757.397</b>	<b>714.089</b>

**a.3. Information on premiums:**

	Current Period	Prior Period
Social security premiums-employee	17.595	12.094
Social security premiums-employer	24.877	13.378
Bank pension fund premium-employee	-	-
Bank pension fund premium-employer	-	-
Pension fund membership fees and provisions-employee	-	-
Pension fund membership fees and provisions-employer	-	-
Unemployment insurance-employee	1.254	861
Unemployment insurance-employer	2.507	1.723
Other	-	-
<b>Total</b>	<b>46.233</b>	<b>28.056</b>

**8. Liabilities for assets held for sale and discontinued operations:**

None (December 31, 2022: None).

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**II. Explanations and notes related to consolidated liabilities (continued):**

**9. Detailed explanations on number, maturity, profit share rate, creditor and option to convert to share certificates; if any; of subordinated loans:**

**Information on subordinated loans:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in calculation of	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in calculation of Tier II	-	6.872.048	-	4.694.238
Subordinated loans	-	6.872.048	-	4.694.238
Subordinated debt instruments	-	-	-	-
<b>Total</b>	-	<b>6.872.048</b>	-	<b>4.694.238</b>

The Parent Bank has obtained subordinated loan on November 30, 2015 from the investors not resident in Türkiye through its structured entity Albaraka Sukuk Ltd. amounting to USD 250.000.000 with 10 years maturity with a grace period of 5 years. The profit rate of the subordinated loan with grace period of 5 years with 10 years total maturity was determined as 10,50 % for the first 5 years and 9,371% for the last 5 years (from May 2021). The Parent Bank has realized undated additional Tier 1 Capital amount to USD 205.000.000 on February 20, 2018.

The Parent Bank has obtained subordinated loan on February 28, 2023 from the investors not resident in Türkiye through its structured entity Albaraka CT One Ltd amounting to USD 100.000.000 with 10 years maturity with a grace period of 5 years. The profit rate of the Subordinated Loan is 10 %.

**10. Breakdown of items in other liabilities, which exceed 10% of the balance sheet total, and breakdown of items, which constitute at least 20% of grand total:**

None (December 31, 2022: None).

**11. Information on shareholders' equity:**

**a. Presentation of paid-in capital:**

	Current Period	Prior Period
Common stock	2.500.000	2.500.000
Preferred stock	-	-

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

In the Boards of Directors dated November 30, 2022, it has been decided that authorized share capital is TL 5.000.000 between 2023 and 2027 (5 years). Following the applications to legal authorities and their approval, The Bank's text of amendment to the main contract has been approved in the General Assembly dated March 27, 2023.

Share Capital System	Paid-in Capital	Ceiling
Registered Capital	2.500.000	5.000.000

**c. Information on the share capital increases during the period and their sources; other information on increased capital in the current period:**

None.

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**II. Explanations and notes related to consolidated liabilities (continued):**

**11. Information on shareholders' equity (continued):**

**ç. Information on share capital increases from capital reserves during the current period:**

There is no share capital increase from capital reserves during the current period.

**d. Capital commitments in the last fiscal year and by the end of the following interim period, general purpose of these commitments and projected resources required to meet these commitments:**

There are no capital commitments until the end of the last fiscal year and following interim period.

**e. Estimated effects on the shareholders equity of the Parent Bank, of predictions to be made by taking into account previous period indicators regarding the Parent Bank's income, profitability and liquidity, and uncertainties regarding such indicators:**

The Parent Bank continues its operations in a profitable manner and majority of the profits are kept in shareholders' equity through transfer to reserves. Moreover, the Parent Bank's shareholders' equity is invested in liquid and earning assets.

**f. Information on privileges given to stocks representing the capital:**

There is no privilege given to stocks representing the capital.

**g. Information on marketable securities valuation reserve:**

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference <sup>(*)</sup>	188.898	3.503	162.579	28.542
Foreign exchange difference	-	-	-	-
<b>Total</b>	<b>188.898</b>	<b>3.503</b>	<b>162.579</b>	<b>28.542</b>

<sup>(\*)</sup> The amount represents the net balance after deferred tax calculation.

**ğ. Information on other capital reserves:**

The Parent Bank has evaluated its undated sukuk transaction as non-monetary item as per TAS 32 which is issued by "Bereket One Ltd" quoted at Ireland Stock Exchange amount to USD 205.000.000 (Historical cost is TL 775.720) and compatible with Basel III criteria. In addition to this evaluation, considering BRSA's approval to add it to additional Tier 1 capital dated February 20, 2018, the Parent Bank recognized it in shareholders' equity under "other capital reserves" on historical cost. The settlement date of the sukuk transaction is February 20, 2023 and its yearly cost is 10% with every six-month payment. The Parent Bank has option to cancel the expense amounts. If the Parent Bank uses this option, it is not obligatory to pay the amount it has not paid in the following periods.

The total coupon payment for the related transaction amounting to TL 985.233 (December 31, 2022: TL 792.205) has been recognized under prior years profit / loss.

**h. Information on minority shares:**

As of March 31, 2023, minority shares calculated for full-consolidated uncontrolled shares amount to TL 76.302 (December 31, 2022: TL 777.327).

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**III. Explanations and notes related to consolidated off-balance sheet:**

**1. Explanations on consolidated off-balance sheet:**

**a. Type and amount of irrevocable loan commitments:**

	Current Period	Prior Period
Commitments for credit card limits	2.226.141	1.910.259
Payment commitments for cheques	1.709.877	1.109.464
Asset purchase and sale commitments	966.711	581.749
Loan granting commitments	613.961	618.854
Tax and funds liabilities arising from export commitments	37.946	30.942
Commitments for promotions related with credit cards and banking activities	625	687
Other irrevocable commitments	558	563
Other revocable commitments	44.500	53.500
<b>Total</b>	<b>5.600.319</b>	<b>4.306.018</b>

**b. Type and amount of possible losses and commitments arising from off-balance sheet items:**

**b.1. Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit:**

	Current Period	Prior Period
Letters of guarantees	18.435.206	17.449.635
Bank loans	37.395	70.414
Letters of credit	3.541.835	3.467.844
Other guaranties and sureties	137.061	135.117
<b>Total</b>	<b>22.151.497</b>	<b>21.123.010</b>

**b.2. Revocable, irrevocable guarantees and other similar commitments and contingencies:**

	Current Period	Prior Period
Letters of guarantees	18.435.206	17.449.635
Long standing letters of guarantees	13.728.663	12.792.451
Temporary letters of guarantees	496.296	546.270
Advance letters of guarantees	932.345	866.507
Letters of guarantees given to customs	1.104.077	1.059.864
Letters of guarantees given for obtaining cash loans	2.173.825	2.184.543
Sureties and similar transactions	137.061	135.117
<b>Total</b>	<b>18.572.267</b>	<b>17.584.752</b>

**c. Within the non-cash loans:**

**c.1. Total amount of non-cash loans:**

	Current Period	Prior Period
Non-cash loans given against cash loans	2.173.825	2.184.543
With original maturity of 1 year or less	762.786	745.936
With original maturity of more than 1 year	1.411.039	1.438.607
Other non-cash loans	19.977.672	18.938.467
<b>Total</b>	<b>22.151.497</b>	<b>21.123.010</b>

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**III. Explanations and notes related to consolidated off-balance sheet (continued):**

**1. Explanations on consolidated off-balance sheet (continued):**

**c.2. Sectoral risk concentration of non-cash loans:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**c.3. Information on the non-cash loans classified in Group I and Group II:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**2. Explanations on derivative transactions:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**3. Explanations on contingent assets and liabilities:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**4. Explanations on services rendered on behalf of third parties:**

The Group has not any operations like money placements on behalf of real persons or legal entities, charitable foundations, retirement insurance funds and other institutions.



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**IV. Explanations and notes related to the consolidated statement of profit or loss:**

**1. Information on profit share income:**

**a. Information on profit share income received from loans:**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Profit share received from loans<sup>(*)</sup></b>				
Short Term Loans	992.070	100.419	355.895	59.971
Medium and Long-Term Loans	985.763	264.742	633.700	265.232
Profit Share on Non-Performing Loans	35.914	492	29.586	2.291
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>2.013.747</b>	<b>365.653</b>	<b>1.019.181</b>	<b>327.494</b>

<sup>(\*)</sup> Includes fees and commission income on cash loans.

**b. Information on profit share income received from banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	1.046	-	40.451	-
Domestic Banks	10	-	108	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
<b>Total</b>	<b>1.056</b>	<b>-</b>	<b>40.559</b>	<b>-</b>

**c. Information on profit share income received from marketable securities:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss	219.512	63.140	141.149	56.067
Financial Assets Measured at Fair Value through Other Comprehensive Income	58.814	20.678	68.897	3.018
Financial Assets Measured at Amortised Cost	275.262	174.681	46.303	92.374
<b>Total</b>	<b>553.588</b>	<b>258.499</b>	<b>256.349</b>	<b>151.459</b>

**ç. Information on profit share income received from associates and subsidiaries:**

None (March 31, 2022: None).

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**IV. Explanations and notes related to the consolidated statement of profit or loss (continued):**

**2. Explanations on profit share expenses:**

**a. Distribution of profit share expense on funds collected based on maturity of funds collected:**

Current Period		Profit sharing accounts						
Account name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	More than 1 year	Accumulated profit sharing account	Total
TL								
Funds collected from banks through current and profit-sharing accounts	-	1	-	-	-	-	-	1
Real persons' non-trading profit sharing accounts	109.252	753.520	70.040	-	722	193.847	484	1.127.865
Public sector profit-sharing accounts	-	5	-	-	-	-	-	5
Commercial sector profit sharing accounts	50.105	157.196	31.687	-	61.890	7.381	-	308.259
Other institutions profit sharing accounts	3.311	15.901	1.400	-	2	153	-	20.767
Total	162.668	926.623	103.127	-	62.614	201.381	484	1.456.897
FC								
Funds collected from banks through current and profit-sharing accounts	-	-	-	-	201	-	-	201
Real persons' non-trading profit sharing accounts	20.236	16.778	2.748	-	135	6.863	104	46.864
Public sector profit-sharing accounts	-	-	-	-	-	-	-	-
Commercial sector profit sharing accounts	1.219	1.351	723	-	1	52	3	3.349
Other institutions profit sharing accounts	132	504	39	-	-	682	-	1.357
Precious metals deposits	23	52	7	-	1	51	1	135
Total	21.610	18.685	3.517	-	338	7.648	108	51.906
Grand total	184.278	945.308	106.644	-	62.952	209.029	592	1.508.803

Prior Period		Profit sharing accounts						
Account name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	More than 1 year	Accumulated profit sharing account	Total
TL								
Funds collected from banks through current and profit sharing accounts	-	5.423	-	-	-	-	-	5.423
Real persons' non-trading profit sharing accounts	95.506	308.134	19.545	-	950	33.147	412	457.694
Public sector profit sharing accounts	-	3	-	-	-	-	-	3
Commercial sector profit sharing accounts	20.921	62.876	64.929	-	4.525	4.160	2	157.413
Other institutions profit sharing accounts	2.008	12.922	2.204	-	1	86	-	17.221
Total	118.435	389.358	86.678	-	5.476	37.393	414	637.754
FC								
Funds collected from banks through current and profit sharing accounts	-	644	-	-	78	-	-	722
Real persons' non-trading profit sharing accounts	8.478	13.450	1.621	-	107	7.396	26	31.078
Public sector profit sharing accounts	-	-	-	-	-	-	-	-
Commercial sector profit sharing accounts	940	7.038	18	-	12	76	1	8.085
Other institutions profit sharing accounts	316	637	10	-	-	-	-	963
Precious metals deposits	267	1.016	65	-	6	165	8	1.527
Total	10.001	22.785	1.714	-	203	7.637	35	42.375
Grand total	128.436	412.143	88.392	-	5.679	45.030	449	680.129

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**IV. Explanations and notes related to the consolidated statement of profit or loss (continued):**

**b. Information on profit share expense paid to funds borrowed:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	2.458	69.972	38	8.634
CBRT	-	-	-	-
Domestic banks	-	3	-	292
Foreign banks	2.458	69.969	38	8.342
Head offices and branches abroad	-	-	-	-
Other institutions	2.208	129.611	2.387	82.090
<b>Total</b>	<b>4.666</b>	<b>199.583</b>	<b>2.425</b>	<b>90.724</b>

**c. Profit share expense paid to associates and subsidiaries:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share paid to investments in associates and subsidiaries	41	-	161	-
<b>Total</b>	<b>41</b>	<b>-</b>	<b>161</b>	<b>-</b>

**ç. Profit share expenses paid to marketable securities issued:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share expenses paid to marketable securities issued	24.879	-	128.509	-
<b>Total</b>	<b>24.879</b>	<b>-</b>	<b>128.509</b>	<b>-</b>

**3. The Other Items in Net Fees and Commission Income / Expenses, which constitute at least 20% of the total of other items, if the total of other items in income statement exceed 10% of the total of income statement:**

<b>Other Fees and Commissions Received</b>	<b>Current Period</b>	<b>Prior Period</b>
Clearing room fees and commissions	32.647	23.938
Member firm-POS fees and commissions	36.163	24.994
Commissions on money orders	47.064	25.447
Prepaid import commissions	37.883	18.072
Loan Limit Allocation Fees	48.069	13.512
Insurance and brokerage commissions	32.462	9.998
Service pack commissions	36.854	6.069
Appraisal fees	14.105	5.248
Export credit commissions	3.629	4.772
Advocacy service commissions and counsel fees	2.431	2.100
Checks and bills commissions	2.620	1.572
Fees and commissions from correspondent banks	1.576	1.141
Safe deposit box commissions	1.327	918
Pledge Put and Mortgage Release Fees	1.748	682
Enquiry fees received	994	614
Other	34.547	17.142
<b>Total</b>	<b>334.119</b>	<b>156.219</b>

<b>Other Fees and Commissions Paid</b>	<b>Current Period</b>	<b>Prior Period</b>
Required Reserves Commissions for CBRT in Foreign currency	107.780	231
Fees and commissions for Swift, EFT and money orders	19.269	21.569
Member firm-POS fees and commissions	24.724	14.873
Credit cards fees and commissions	26.564	14.036
Funds borrowed fees and commissions	1.044	1.986
Other	13.006	4.196
<b>Total</b>	<b>192.387</b>	<b>56.891</b>

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**4. Information on dividend income:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	-	80	2.644	48
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>80</b>	<b>2.644</b>	<b>48</b>

**5. Explanations on trading income/loss (net):**

	Current Period	Prior Period
<b>Income</b>	<b>4.606.516</b>	<b>13.123.212</b>
Income from capital market transactions	285.824	329.052
Income from derivative financial instruments	29.179	83.720
Foreign exchange income	4.291.513	12.710.440
<b>Loss (-)</b>	<b>4.291.102</b>	<b>12.719.673</b>
Loss on capital market transactions	383.712	176.324
Loss on derivative financial instruments	29.239	49.774
Foreign exchange losses	3.878.151	12.493.575
<b>Trading Income/Loss (net)</b>	<b>315.414</b>	<b>403.539</b>

**6. Explanations related to other operating income:**

	Current Period	Prior Period
Reversal of prior year provisions	663.211	307.842
Income from sale of assets	47.619	40.487
Communication income	10.740	10.155
Cheque book charges	1.036	914
Operating Lease Income	11.498	132
Real estate revaluation income <sup>(*)</sup>	113.025	132.841
Real estate rental income <sup>(*)</sup>	14.020	1.911
Real estate sales income <sup>(*)</sup>	-	41.386
Other income	57.651	8.201
<b>Total</b>	<b>918.800</b>	<b>543.869</b>

<sup>(\*)</sup> Represents the income from real estates' portfolio under real estate investment funds.

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**IV. Explanations and notes related to the consolidated statement of profit or loss (continued):**

**7. Informations on Expected Credit Losses and Other Provision Expenses:**

	Current Period	Prior Period
<b>Expected Credit Loss</b>	<b>1.220.911</b>	<b>1.097.020</b>
12 month expected credit loss (stage 1)	405.345	58.654
Significant increase in credit risk (stage 2)	647.555	382.453
Non-performing loans (stage 3)	168.011	655.913
<b>Marketable Securities Impairment Expense</b>	-	-
Financial Assets Measured at Fair Value through Profit/Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
<b>Impairment Provision for Associates, Subsidiaries and Joint Ventures</b>	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
<b>Miscellaneous Provisions</b>	<b>18.983</b>	<b>17.232</b>
Expected credit losses for 1st and 2nd group non-cash loans	5.608	2.860
Third stage expected loss provision for unindemnified non cash loans	1.246	2.974
Expected credit losses (stage 1) for banks	9.264	11.374
Profit and loss sharing investments' fair value provision.	-	-
Expected credit losses (stage 1) for other financial assets.	2.289	-
Expected credit losses for financial assets measured at amortized cost	576	24
<b>Total</b>	<b>1.239.894</b>	<b>1.114.252</b>

Expected credit losses amount to TL 1.239.894 (March 31, 2022: TL 1.114.252) includes TL 377.882 (March 31, 2022: TL 674.582) representing participation account share of expected credit losses of loans provided from participation accounts.

**8. Information on other operating expenses:**

	Current Period	Prior Period
Vacation pay provision expenses	12.457	6.341
Impairment on financial assets measured at fair value through profit/loss	821	6.312
Provisions for cases on trial	-	7.445
Free provisions allocated for possible losses	85.000	100.000
Provisions allocated from profit shares to be distributed to profit sharing accounts	4.343	442
Provisions for Profit Share to be Distributed	-	3.383
<b>Total</b>	<b>102.621</b>	<b>123.923</b>

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**IV. Explanations and notes related to the consolidated statement of profit or loss (continued):**

**8. Information on other operating expenses (continued):**

	Current Period	Prior Period
Provision for retirement pay liability	15.600	2.500
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	45.894	36.009
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	23.785	11.904
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and assets of discontinued operations	-	139
Other business expenses	179.196	72.976
Leasing Expenses on TFRS 16 Exceptions	13.064	496
Maintenance and repair expenses	13.016	9.470
Advertisement expenses	3.918	1.118
Other expenses <sup>(*)</sup>	149.198	61.892
Loss on sale of assets	567	71
Other <sup>(**)</sup>	181.657	137.563
<b>Total</b>	<b>446.699</b>	<b>261.162</b>

<sup>(\*)</sup> Other expenses under "other business expenses" are provided as below:

	Current Period	Prior Period
Communication Expenses	23.179	14.191
Donations	16.516	3.500
Cleaning expenses	19.179	8.170
Heating, lighting and water expenses	29.125	9.348
Representation and Hosting expenses	4.689	2.460
Vehicle expenses	3.979	2.661
Lawsuit and court expenses	825	2.372
Movables Insurance Expenses	5.127	1.460
Stationery Expenses	2.188	2.024
Expense Share for Common Expenses	2.020	712
Subcontractor security service expenses	20.351	8.436
Cash and banknote group transportation service expenses	12.063	3.764
Other	9.957	2.794
<b>Total</b>	<b>149.198</b>	<b>61.892</b>

<sup>(\*\*)</sup> Details of "other" balance are provided as below:

	Current Period	Prior Period
Saving Deposit Insurance Fund	75.877	42.062
Taxes, Duties, Charges and Funds	56.735	32.750
Expertise and Information Expenses	18.111	6.348
Audit and Consultancy Fees	4.301	9.131
Institution and Union Participation Share Expense	11.645	5.019
Residence Expenses <sup>(*)</sup>	780	6.377
Shopping Mall expenses <sup>(*)</sup>	-	1
Shop and Office Expenses <sup>(*)</sup>	335	-
Other	13.873	35.875
<b>Total</b>	<b>181.657</b>	<b>137.563</b>

<sup>(\*)</sup> Represents the expenses from real estates' portfolio under real estate investment funds.

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**IV. Explanations and notes related to the consolidated statement of profit or loss (continued):**

**9. Explanations on income/loss from continued operations before taxes:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**10. Explanations on tax provision for continued and discontinued operations:**

Since the Parent Bank has no discontinued operations, there is no tax provision for this purpose.

As of March 31, 2023, the Parent Bank has deferred tax income of TL 411.804 (March 31, 2022: TL 121.143) and deferred tax expense of TL 383.056 (March 31, 2022: TL 248.170). The current tax provision is TL 97.700 (March 31, 2022: TL 3.165).

**11. Explanations on net income/loss from continued and discontinued operations:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**12. Explanations on net income/loss:**

**a. The nature and amount of certain income and expense items from ordinary operations; if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Parent Bank's performance for the period:**

None.

**b. The effect of the change in accounting estimates to the net income/loss; including the effects on the future period:**

None.

**c. Income/loss of minority shares:**

	Current Period	Prior Period
Net profit/(loss) of minority shares	3.572	7.509

**V. Explanations and notes related to the consolidated statement of changes in shareholders' equity:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**VI. Explanations and notes related to the consolidated statement of cash flows:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

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**VII. Explanations related to the risk group of the Group:**

**1. Information on the volume of transactions relating to the Group's risk group, outstanding loans and funds collected and income and expenses related to the period:**

**a. Current period:**

Risk Group of the Group <sup>(*)</sup>	Investment in associates, subsidiaries and joint ventures (Business Partnerships)		Direct and indirect shareholders of the Group		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-Cash
<b>Loans</b>						
Balance at the beginning of the period	-	-	1.518.040	68.658	405	74
Balance at the end of the period	-	-	1.523.599	37.113	769	74
<b>Profit share and commission income received</b>	-	-	<b>39.771</b>	<b>328</b>	-	-

**b. Prior period:**

Risk Group of the Group <sup>(*)</sup>	Investment in associates, subsidiaries and joint ventures (Business Partnerships)		Direct and indirect shareholders of the Group		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
<b>Loans and other receivables</b>						
Balance at the beginning of period	90	62	1.321.649	70.174	52	-
Balance at end of period	-	-	1.518.040	68.658	405	74
<b>Profit share and commission income received</b>	-	<b>1</b>	<b>1.946</b>	<b>112</b>	-	-

<sup>(\*)</sup> Defined under Banking Law numbered 5411 in article 49 and "Communiqué Related to Credit Operations of Banks" in article 4 published on November 1, 2006.

**c.1. Information on current and profit sharing accounts of the Group's risk group:**

Risk Group of the Group <sup>(*)</sup>	Investment in associates, subsidiaries and joint ventures (Business Partnerships)		Direct and indirect Shareholders of the Group		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Current and profit sharing accounts</b>						
Balance at the beginning of period	-	15.374	704.954	688.843	35.279	28.403
Balance at the end of period	-	-	664.864	704.954	8.342	35.279
<b>Profit share expense</b>	-	<b>9</b>	-	<b>1</b>	-	<b>103</b>

<sup>(\*)</sup> As of March 31, 2023, wakala borrowings obtained from risk group of the Parent Bank through investment purpose wakala contracts amount to USD 36.557.830 and EUR 5.600.000 (December 31, 2022: USD 36.288.426 and EUR 3.600.000). The profit share expense relating to such borrowings for the period between January 1, 2023- March 31, 2023 is TL 5.277 (March 31, 2022: TL 8.462).



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**VII. Explanations related to the risk group of the Parent Bank (continued):**

**c.1. Information on current and profit-sharing accounts of the Parent Bank's risk group (continued):**

USD 155 million of the additional Tier I capital amounting to USD 205 million, which was realized on February 20, 2018, belongs to Albaraka Group, the main shareholder of the Parent Bank. The related amount is accounted under other capital reserves in the financial statements.

**c.2. Information on forward, option agreements, and other similar agreements with related parties:**

The Group does not have forward and option agreements with the risk group of the Parent Bank.

As of March 31, 2023, the Group has paid TL 13.996 (March 31, 2022: TL 4.431) to top management.

**VIII. Explanations related to consolidated domestic, foreign and offshore branches or investments and foreign representative offices:**

**Information on the domestic and foreign branches and representative offices of the Parent Bank:**

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**IX. Explanations related to subsequent events:**

None.

**X. Other issues that have significant effect on the balance sheet or that are ambiguous and/or open to interpretation and require clarification:**

None.

**ALBARAKA TRK KATILIM BANKASI A..**  
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**SECTION SIX**

**Limited review report**

**I. Explanations on limited review report:**

The Group's consolidated financial statements as of and for the period ended March 31, 2023 have been reviewed by PwC Bağımsız Denetim ve SMMM A.. and the reviewed report dated May 16, 2023 is presented at the beginning of the financial statements and related notes.

**II. Other notes and explanations prepared by the independent auditors:**

None.

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
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**SECTION SEVEN**

**Information on Interim Report**

**I. General Information**

**1. Summary Information about Albaraka Türk Katılım Bankası A.Ş.:**

Albaraka Türk was the first participation bank to be established in Turkey and the only participation bank publicly traded on the Borsa İstanbul. Albaraka Türk was established in 1984 with the synergy between the Al Baraka Group (ABG), one of the most distinguished groups in the Middle East finance sector, the Islamic Development Bank (IDB) and a domestic industrial group which has been operating in the Turkish economy for more than half a century, and started to operate actively from 1985.

Albaraka Türk offers its 2,4 million customers a practical, fast and qualified banking experience with its 223 domestic and two foreign branches throughout Türkiye, as well as its extensive service network consisting of alternative distribution channels.

Backed by the substantial capital structure of its main partner ABG, Albaraka Türk is one of the key solution partners for Turkish industrialists and investors in global markets. With its two branches abroad, in Erbil and Baghdad in Iraq, and its digital bank, Getinsha, operating in Germany, Albaraka Türk is taking firm steps towards becoming a regional financial powerhouse in the Gulf, Middle East and North Africa regions.

Albaraka Türk supports the real economy by fulfilling its mission of financing production and trade in the most effective way in line with the principles of participation banking. The Bank collects funds through special current accounts and participation accounts, and directs funds to the real sector through individual finance, corporate finance, leasing and project-based profit/loss sharing.

A pioneer in the development of the start-up ecosystem in Turkey, Albaraka Türk provides incubation and acceleration opportunities to entrepreneurs with technology-based business ideas and projects with Albaraka Garage, which is a first for participation banks, offering a qualified contribution to the development of the enterprise ecosystem in Turkey.

Insha Ventures, which was founded by the Albaraka Portföy Yönetim A.Ş.'s Innovation Venture Capital Investment Fund in 2020, continues its activities with the aim of developing financial technology (fintech) projects, building and managing them.

Albaraka Türk reinforces its high service standards with its sincerity and friendly service approach. It carries out all its business processes within the scope of the ISO 9001:2015 Quality Certificate. The ISO 22301 Business Continuity Certificate, which Albaraka Türk has held since 2016, upholds the Bank's competencies and standards in the field of uninterrupted operation of business processes.

Albaraka Türk is a pioneering and leading participation bank which has completed important steps in the process of internalizing the concept of sustainability and ESG (environmental, social and governance). The Bank launched the Sustainable Banking Program with the support of its main partner ABG.

Within the scope of the program, Albaraka Türk works with the aim of being a leading financial institution that is sensitive to people and the environment, supports economic and global development while working with all of its stakeholders to build a sustainable world.

Acting with a responsible banking approach, Albaraka Türk is focused on fulfilling its obligations to the environment and society, and diligently applying the principles of sustainability and ESG in its activities.

**2. Capital and Shareholder' Structure:**

As of March 2023, Albaraka Türk's paid-in capital TL 2.500.000

<b>Bank's Capital Distribution as of March 31, 2023</b>		
<b>Affiliate Structure</b>	<b>Share Amount (TL)</b>	<b>Rate (%)</b>
Albaraka Group*	1.084.167	43,37
Dallah Albaraka Holding	207.585	8,30
Other	157.948	6,31
Public	1.050.300	42,02
<b>Total</b>	<b>2.500.000</b>	<b>100,00</b>

Note: \*4,10% of the publicly traded portion belongs to Albaraka Group BSC. The share of Albaraka Group BSC in the total capital is 45,09%.

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
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**Information on Interim Report (continued) :**

**3. Changes in the articles of association for the period 1 January 2023 – 31 March 2023:**

Due to the expiry of the registered capital ceiling permission granted by the Capital Markets Board (CMB), the Amendment Text of the Articles of Association was approved by the CMB and submitted to the General Assembly of our Bank on March 27, 2023. The old and new texts of the relevant Articles of Association are given below.

OLD TEXT	NEW TEXT
<p><b>Bank Capital</b>  <b>Article 7:</b></p> <p>(1) The Bank adopted the registered capital system in accordance with the provisions of the Capital Markets Law and switched to the registered capital system with the permission of the Capital Markets Board dated 06/03/2013 and numbered 7/259.</p> <p>(2) The registered capital ceiling of the Bank is TL 2.500.000.000, divided into 2.500.000.000 (Two billion five hundred million) registered shares, each with a nominal value of 1 Turkish Lira.</p> <p>(3) The registered capital ceiling permission granted by the Capital Markets Board is valid for the years 2021-2025 (5 years). Even if the registered capital ceiling given at the end of 2025 has not been reached, in order for the Board of Directors to take a capital increase decision after 2025; For the previously authorized ceiling or a new ceiling amount, it is obligatory to obtain authorization from the General Assembly for a new period, not exceeding 5 years, by obtaining permission from the Capital Markets Board.</p> <p>(4) The Bank's issued capital is TL 2.500.000.000 and the said issued capital has been fully paid in cash, free from collusion.</p> <p>(5) It shall be monitored within the framework of dematerialization principles shares representing the capital.</p>	<p><b>Bank Capital</b>  <b>Article 7:</b></p> <p>(1) The Bank adopted the registered capital system in accordance with the provisions of the Capital Markets Law and switched to the registered capital system with the permission of the Capital Markets Board dated 06/03/2013 and numbered 7/259.</p> <p>(2) The registered capital ceiling of the Bank is TL 5.000.000.000 and it is divided into 5.000.000.000 (Five billion) registered shares, each with a nominal value of 1 Turkish Lira.</p> <p>(3) The registered capital ceiling permission granted by the Capital Markets Board is valid for the years 2023-2027 (5 years). Even if the registered capital ceiling given at the end of 2027 has not been reached, in order for the Board of Directors to take a capital increase decision after 2027; For the previously authorized ceiling or a new ceiling amount, it is obligatory to obtain authorization from the General Assembly for a new period, not exceeding 5 years, by obtaining permission from the Capital Markets Board.</p> <p>(4) The Bank's issued capital is TL 2.500.000.000, and the said issued capital has been fully paid in cash, free from collusion.</p> <p>(5) It shall be monitored within the framework of dematerialization principles shares representing the capital.</p>

**4. Branch and Personnel Information:**

As of March 31, 2023, the Bank's total number of branches is 225 and the total number of personnel is 2,648. It continues its activities with 223 domestic branches extended throughout the country and 2 branches abroad in Erbil and Baghdad.

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
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**Information on Interim Report (continued) :**

**5. Chairman and Members of the Board of Directors <sup>(\*)</sup>:**

Name and surname	Function	Education Status	Mission Start Date	Banking and/or Business Experience
Housseem BEN HAJ AMOR	Chairman of the Board	Bachelor	2020	18
Dr. Bekir PAKDEMİRLİ	Deputy Chairman of the Board of Directors (Independent Board Member)	Doctorate	2022	26
Mustafa BÜYÜKABACI	Board Member	Master	2017	27
Dr. Mohamed Ali CHATTI	Board Member	Doctorate	2019	13
Azhar Aziz DOGAR	Board Member	Master	2022	29
Akram YASSIN	Independent Board Member	Master	2022	36
Ghassan Ahmed M AMODI	Independent Board Member	Bachelor	2020	29
Dr. Khaled Abdulla M. ATEEQ	Board Member	Doctorate	2023	25
Malek Khodr TEMSAH	Member of the Board of Directors and General Manager	Master	2021	20

<sup>(\*)</sup> Chairman and members of the Board of Directors included in the table was elected for 3 years at the ordinary general assembly meeting of our Bank dated 27.03.2023.

**6. Top Management:**

Name surname	Function	Education status	Mission Start Date	Banking and/or Business Experience
Malek Khodr TEMSAH	Member of the Board of Directors and General Manager	Master	2021	20
Turgut SİMİTÇİOĞLU	Senior Assistant General Manager	Master	2017	33
Dr. Ömer EMEÇ	Assistant General Manager	Doctorate	2022	13
Serhan YILDIRIM	Assistant General Manager	Bachelor	2022	13
Dr. M. Faruk TORLAK	Assistant General Manager	Doctorate	2022	16
Serhan AKYILDIZ	Assistant General Manager	Bachelor	2022	20
Mehmet Emin CONKAR	Assistant General Manager	Bachelor	2022	24
Umut ÇAKMAK	Assistant General Manager	Bachelor	2022	17
Muzaffer ÇÖLMEK	Assistant General Manager	Bachelor	2022	16
Yasemin AYDIN	Assistant General Manager	Master	2022	27
Mehmet ULUDAĞ	Assistant General Manager	Master	2022	19

**7. Managers of the Departments within Internal Systems:**

Name surname	Professional Experience (Year)	Seniority at Albaraka Türk	Length of Services in His Area	Education status	Field of Responsibility
Ahmet UYSAL	17	17	14	Master	Internal Audit Risk Management
Erdal SEZER	21	21	4 months	Bachelor	
Ahmet Faruk DEĞİRMENÇİ	15	15	6	Bachelor	Internal Control Legislation and Compliance
Ahmet KOÇ	25	25	12	Bachelor	

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**Information on Interim Report (continued) :**

**8. Committee and committee members formed after the distribution of duties among the members of the Board of Directors:**

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**AUDIT COMMITTEE:**

<b>Chairman:</b>	Mustafa BÜYÜKABACI
<b>Member:</b>	Mohamed Ali CHATTI

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**CREDIT COMMITTEE:**

<b>Chairman:</b>	Housseem BEN HAJ AMOR
<b>Member:</b>	Bekir PAKDEMİRLİ
<b>Member:</b>	Malek Khodr TEMSAH
<b>Member:</b>	Azhar Aziz DOGAR
<b>Reserve Member:</b>	Mohamed Ali CHATTI
<b>Reserve Member:</b>	Akram YASSIN

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**CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE:**

<b>Chairman:</b>	Ghassan Ahmed M AMODI
<b>Member:</b>	Akram YASSIN
<b>Member:</b>	Seyfullah DEMİRLEK

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**REMUNERATION AND NOMINATION COMMITTEE:**

<b>Chairman:</b>	Housseem BEN HAJ AMOR
<b>Member:</b>	Mustafa BÜYÜKABACI
<b>Member:</b>	Mohamed Ali CHATTI

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**INFORMATION TECHNOLOGIES GOVERNANCE COMMITTEE:**

<b>Chairman:</b>	Khaled Abdulla Mohamed ATEEQ
<b>Member:</b>	Malek Khodr TEMSAH
<b>Member:</b>	Bekir PAKDEMİRLİ

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**RISK COMMITTEE:**

<b>Chairman:</b>	Housseem BEN HAJ AMOR
<b>Member:</b>	Ghassan Ahmed M AMODI
<b>Member:</b>	Khaled Abdulla Mohamed ATEEQ

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**Information on Interim Report (continued) :**

**II. Financial information and evaluations about the bank:**

**1. Major financial indicators:**

<b>ASSETS</b>	<b>Current period</b>	<b>Previous period</b>
Cash and Balances with Central Bank	21.446.659	24.865.076
Banks	7.887.655	7.340.511
Government Debt Securities	33.170.454	31.799.619
Credits	81.968.152	74.596.005
Financial Leasing Receivables	1.079.531	908.743
Other	6.712.355	7.453.209
<b>TOTAL ASSETS</b>	<b>152.264.806</b>	<b>146.963.163</b>
<b>LIABILITIES</b>	<b>Current period</b>	<b>Previous period</b>
Funds Collected	114.043.070	112.353.236
Funds Borrowed	8.920.159	3.490.803
Securities Issued	846.168	627.095
Subordinated Debt Instruments	6.872.048	4.694.238
Equities	8.544.737	9.347.788
Other	13.038.624	16.450.003
<b>TOTAL OF LIABILITIES</b>	<b>152.264.806</b>	<b>146.963.163</b>
<b>INCOME AND EXPENSE ITEMS</b>	<b>Current period</b>	<b>Previous period</b>
Profit Share Income	3.243.013	1.810.572
Profit Share Expense	1.795.744	939.331
Net Profit Share Income / Expenses	1.447.269	871.241
Net Fee and Commission Income / Expenses	212.699	158.525
Trading Income /Loss (Net)	315.414	403.539
Other Operating Income	918.800	543.869
Net Operating Income / Loss	424.182	243.571
Tax Provisions for Continuing Operations (→)	68.952	130.192
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>367.207</b>	<b>121.643</b>
Earnings/Loss per Share	0,14545	0,08454

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**Information on Interim Report (continued) :**

**2. Message from the Chairman of the Board:**

Dear Shareholders,

The global economy continues to recover after the destruction caused by the pandemic and the Russia-Ukraine war. While economic activity revived rapidly with the relaxation of pandemic restrictions in China, it is seen that supply chain disruptions have improved and the effects of the war on food and energy prices have been erased. In the light of these developments, global inflation, which reached historical levels in 2022, left its peak behind and entered a downward trend. Global central banks, which increased interest rates in 2022 to combat inflation, are expected to soften their monetary policies with the cooling of inflation. In the banking sector, after the bankruptcy of two banks in the USA in the first quarter of 2023, there were short-term fluctuations in the markets as a result of the stress affecting many institutions in the financial sector.

The tightening of credit channels due to the tight monetary policy in the USA and the turbulence in the banking sector is expected to slow down the growth. In its latest report, the IMF reduced its global growth forecasts to a limited extent and announced at the level of 2,8% for 2023 and 3% for 2024. Inflation rates of developing country (EM) economies, which outperform developed economies in manufacturing activity, are also at lower levels compared to developed countries. As a matter of fact, while the IMF announced a growth expectation for 2022 as 1,3% for developed countries, it expects developing countries to grow by 3,9%. In addition to the economic activity that has revived with the opening of China in the developing economies, the possibility of tightening the credit channels as a result of the risks in the banking sector in developed markets constitutes a supportive factor for the positive separation of the developing economies.

In 2022, as in the global economy, Türkiye's most important agenda was the rise in inflation. Annual inflation, which peaked at 85.5% in October, decreased to 50,51% in March, aided by strong base effects, the decline in exchange rate fluctuations and the slowdown in global commodity prices. On the growth side, the Turkish economy achieved a growth rate of 5,6% in 2022, outperforming expectations. While growth was led by private consumption expenditures and export items throughout the year, a slowdown in export figures was observed in the last quarter of the year, also due to the falling demand in Europe. In 2023, growth expectations were revised downwards due to the earthquake disaster that occurred in February in Türkiye. While the leading indicators reflect the damage caused by the earthquake in February, it is seen that the disruptions in production have started to be eliminated as of March.

The banking sector, which is one of the most important actor of 2022 growth, continues to support the Turkish economy in the first quarter of 2023. The banking sector improves its asset quality while expanding its balance sheet. Participation banks, on the other hand, leave the sector behind with their growth rate in this period. Participation banks, which showed strong growth performance, managed to increase their sector share in total assets from 7.8% at the end of 2021 to 8.3% at the end of 2022 and to 8.4% as of March 2023.

As Albaraka Türk, we have made moves that will positively affect our profitability by increasing our asset quality in this period. In addition, we quickly adapted our Bank to the new normal and accelerated investments in the field of digitalization. Being aware of and responsible for being Türkiye's first and pioneering Participation Bank, we will diligently continue our sustainability-oriented works that will contribute to the financial ecosystem in our country.

Our bank will continue to be a pioneer in the sector with its employees and stakeholders in the upcoming periods as well.

I would like to take this opportunity to thank my colleagues, customers, shareholders and all other stakeholders for their contributions to our success.

Kind regards,

**Housseem BEN HAJ AMOR**

**Chairman of the Board of Directors**



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**Information on Interim Report (continued) :**

**3. Message from the General Manager:**

Dear Shareholders,

After global inflation reached historical levels in 2022, it is declining with the cooling in food and energy prices. On the other hand, the absence of a significant softening in core inflation shows that the rigidity in inflation continues. In addition to the core inflation, which did not go into a downward trend, oil prices, which were premium after the cuts decision of OPEC+ members, kept the inflation risks alive and put pressure on the expected relaxation period in monetary policies. While the continued strong stance of employment markets in developed countries keeps demand alive, tight monetary policies in the USA and EU and stresses in the banking sector put downward pressure on growth figures. In Türkiye, the recovery process after the earthquake and the macroeconomic policies to be followed during and after the election process are expected to be effective in 2023 growth. The growth trend in the banking sector, which is the biggest stakeholder of the economy, continues in the first quarter of 2023, as it was in 2022. In February 2023, total assets in the sector increased by 58.5% year on year and exceeded TL 15 trillion, while the net profit in the two months of the year reached TL 65 billion. Positive developments were also experienced in the asset quality of the banking sector in 2022, the NPL ratio, which was 3.13% at the beginning of the year, decreased to 2.1% in December and to 1.75% in March 2023. Participation banks, on the other hand, outperform conventional banks. Participation banks not only left the banking sector behind in their asset and net profit growth performance, but also stood out with their improvement in asset quality. The NPL ratio, which was 3.02% at the end of 2021, decreased to 1.43% at the end of 2022 and to 1.17% as of March. Participation banks, which managed to keep the NPL ratio at a lower level than the sector, continued to strengthen their asset quality with a more cautious approach than the sector in their ratios. As of the second half of 2023, we expect the banking sector to complete the year 2023 with a moderate loan growth, with the loan growth slowing down a bit.

As Albaraka Türk, we continue to meet the funding needs of our customers by continuing our support to the real sector, and to support our customers, employees and all stakeholders in the post-pandemic recovery process and in the high inflationary environment that affects the whole world. According to our quarterly financial results, our Bank's total assets increased by 3,6% compared to the end of 2022 and reached TL 152,3 billion. In the same period, our total loan portfolio increased by 9,5% to TL 79,5 billion. Funds collected through participation accounts and special current accounts exceeded TL 114 billion. As of March 2023, our Bank's net profit has exceeded 300 million TL with an increase of 202% compared to the same period of the previous year.

On the other hand, we strengthened our capital outlook by increasing our bank's paid-in capital from TL 1,35 billion to TL 2,5 billion in 2022. We used our success in capital increase and operational profitability to strengthen our balance sheet and loan portfolio. Accordingly, we reduced our NPL ratio from 6,3% in 2021 to 1,46% as of March 2023, strengthening our asset quality and increasing the specific provision ratio from 70,3% to 88,6% in the same period. While we managed to increase the TL ratio in our balance sheet significantly during this period, we managed to increase our TL ratio in cash loans from 40% at the end of 2021 to 58% at the end of 2022 and to 66% as of March 2023. We increased the TL weight in the funds collected from 22% in December 2021 to 52% in March 2023. In addition to all these, the total amount of free reserves that we have prudently allocated reached TL 1,9 billion by the end of the 1st quarter of 2023.

On the other hand, we continue to work without slowing down in order to provide the fastest, practical and advantageous services to the rapidly changing customer needs with the digitalization trends. We offer our potential customers a service model where they can join us without visiting the branch, thanks to the video call service. Along with the developments in the business areas of banks such as Application Programming Interface (API), service model banking, we are working to expand our financial services network by using these technologies. With Albaraka Garaj, we continue to support our initiatives that bring new paths to the sector every day, and we offer products that enable innovative financial services to our customers with Alneo, Posbasit, Semosis and many more products within our subsidiary Insha Ventures. We continue our efforts to introduce new products and services to our customers every day in our digital transformation journey, which we started with the slogan "Digital Bank of Your Values".

As Albaraka Türk, we will continue our digitalization-oriented journey without slowing down, while continuing to support the real sector in 2023. As Albaraka Türk, we will try to increase our sustainability activities, which we attach importance to and carry out meticulously. We will continue to work without slowing down in line with our goal of providing the highest quality banking service to our customers. I would like to take this opportunity to express my sincere thanks to all my colleagues and stakeholders for their contributions in our efforts, which were rewarded with the trust and support of our customers, and wish you all health for the future.

Kind regards,

**Malek Khodr TEMSAH**

**General Manager and Board Member**

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**Information on Interim Report (continued) :**

**4. Activities in the First Quarter of 2023:**

- In the first three months of 2023, our Total Assets amounted to TL 152.264.806.
- In the first quarter of 2023, the funds collected by our Bank through "Special Current Accounts" and "Profit and Loss Participation Accounts" amounted to TL 114.043.070. As of the first quarter, participation accounts are realized as TL 63.744.987 and current accounts are TL 50.298.083.
- Fund Collection Activities of Our Bank; It is carried out through our bank's branches throughout the country and correspondent banks abroad.

TL and USD Equivalent	Current period		Previous period		Change (%)	
	TL Equivalent	USD Equivalent	TL Equivalent	USD Equivalent	TL	USD
<b>TL Funds</b>	<b>59.891.370</b>	<b>3.127.160</b>	<b>51.231.044</b>	<b>2.751.399</b>	<b>16,9</b>	<b>13,66</b>
Current accounts	12.914.742	674.329	12.653.517	679.566	2,06	(0,77)
Participation Accounts	46.976.628	2.452.831	38.577.527	2.071.833	21,77	18,39
<b>FC Funds</b>	<b>54.151.700</b>	<b>2.827.470</b>	<b>61.122.192</b>	<b>3.282.610</b>	<b>(11,40)</b>	<b>(13,87)</b>
Current accounts	37.383.341	1.951.929	39.547.664	2.123.935	(5,47)	(8,10)
Participation Accounts	16.768.359	875.541	21.574.528	1.158.675	(22,28)	(24,44)
<b>TOTAL</b>	<b>114.043.070</b>	<b>5.954.630</b>	<b>112.353.236</b>	<b>6.034.009</b>	<b>1,5</b>	<b>(1,32)</b>

TL and USD Equivalent	Current period		Previous period		Change (%)	
	TL Equivalent	US Dollar Equivalent	TL Equivalent	USD Equivalent	TL	USD
Credits (*)	81.833.354	4.272.836	74.036.771	3.976.196	10,53	7,46
Non-performing Loans	1.214.329	63.405	1.467.977	78.839	(17,28)	(19,58)
Provisions	(3.519.616)	(183.773)	(2.879.731)	(154.658)	22,22	18,83
<b>TOTAL</b>	<b>79.528.067</b>	<b>4.152.468</b>	<b>72.625.017</b>	<b>3.900.377</b>	<b>9,51</b>	<b>6,46</b>

(\*) Including financial leasing.

The rates in the preparation of the tables are as follows:

Balance Sheet Period	USD/TL
As of March 31, 2023	19,152
As of December 31, 2022	18,620

**5. Evaluation of Financial Status, Profitability and Solvency:**

- Our Operating Income increased by 46,2% compared to the same period of the previous year and reached TL 2.894.262.
- Our Net Profit share income was TL 1.447.269, while our Net Fee Commission income increased to TL 212.699.
- Our net profit in the first three months of the year was TL 367.207.
- As of March 31, 2023, our capital adequacy ratio was 14,68%, above the legal obligation level.

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
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**Information on Interim Report (continued) :**

**6. Explanations on Important Developments for the Period of 1 January 2023 - 31 March 2023:**

- At the Ordinary General Assembly of our Bank dated 27.03.2023, the articles of association were amended.
- At the General Assembly Meeting held on 27.03.2023, PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. has been selected as an Independent Audit Firm/Auditor.
- As of 13.03.2023, within the scope of the Capital Markets Board's credit rating legislation, our Bank and Fitch Ratings Ltd. (Fitch Ratings) has signed a contract.
- The Corporate Governance Principles Compliance Rating agreement between our Bank and DRC Derecelendirme Hizmetleri A.Ş. (DRC RATING) was renewed on 01.03.2023 for a period of 1 year.
- In our material event statement dated 28.02.2023; Our bank has completed the issuance of Sukuk (Tier2) in the form of Contribution Capital, amounting to USD 100 Million, in international markets through the special purpose company, Albaraka CT One Limited, residing abroad. The total maturity of the issue is 10 years and there is a recall option at the end of 5 years.
- In our material event statement dated 23.02.2023; it has been decided that our bank will become a partner in Katılım Finans Kefalet A.Ş, pay TL 90.000 Turkish Liras (corresponding to 15% of shares) as establishment and working capital, and based on the notification that six participation banks will pay equally for the 6% share to be formed on behalf of the Participation Banks Association of Turkey (TKBB), our Bank will pay an additional 1% capital.
- In our material disclosure dated 17.02.2023; Pursuant to the Procedures and Principles Regarding the Appointment of a Consumer Relations Coordination Officer by Banks; It has been decided to appoint our Bank's Assistant General Manager Ömer Emeç who is responsible for Strategy and Transformation as Albaraka Türk Consumer Relations Coordination Officer, provided that a positive response is received or no negative opinion is given to the preliminary permit application to be made to the Banking Regulation and Supervision Agency within the relevant period.
- In our material event statement dated 16.02.2023; the registered capital ceiling of our bank has been determined as TL 5.000.000 to be valid between 2023 and 2027 (5 years), and permission has been obtained from the Ministry of Commerce in this context.

Matters that occurred during the period of **1 January 2023 - 31 March 2023** were announced to the public and uploaded to the Public Disclosure Platform as a notification. All of these announcements are shared in the Investor Relations tab of the Albaraka Türk website.

<https://www.albaraka.com.tr/ozel-durum-aciklamalari.aspx>

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2023**

*(Thousand of Turkish Lira (TL) unless otherwise stated)*

**Information on Interim Report (continued) :**

- Our Bank's Ordinary General Assembly Meeting was held on March 27, 2023, with the following agenda, as announced to our shareholders in the Public Disclosure Platform statement dated February 24, 2023:

AGENDA:

1. Inauguration and formation of the Presiding Council.
2. Authorizing the Presiding Council to sign the minutes of the General Assembly meeting.
3. Reading and discussing the Annual Report of the Board of Directors (BoD) on the fiscal year 2022.
4. Reading and discussing the Auditor's reports.
5. Reading, discussing and approving the Financial Statements.
6. Acquittal the Members of the BoD.
7. Submitting the BoD members, who have been elected by the BoD to the vacant membership positions to complete the remaining term of their predecessors, to the approval of the General Assembly.
8. Determination of the number of members of the BoD, election of the members of the BoD due to the expiry of the term of office of the current members of the BoD and determination of their terms of office.
9. Deciding on utilization and distribution of profit and dividend sharing through discussing the BoD's proposal on the utilization and distribution of the annual profit and dividends.
10. Approval of transferring the revaluation value increase amount calculated within the framework of the Tax Procedure Law Duplicate Article 298/D and Temporary Article 32 from the Profit Reserves (Extraordinary Reserves) account to the Special Fund account.
11. Determination of the payments to be made to the Members of the BoD.
12. Election of the Auditor.
13. In accordance with the Communiqué on Compliance with Principles and Standards of Participation Banking, due to the expiry of the term of office of the current Participation Banking Consultancy Committee members, submitting the Participation Banking Consultancy Committee new members appointed by the BoD for the approval of the General Assembly.
14. Discussing and deciding on the proposal of the BoD regarding the amendment of Article 7 of the Bank's Articles of Association, titled "Bank Capital"
15. Presenting information to the General Assembly about operations effected in scope of the buy-back Program for our Bank's own shares in 2022 and approval of the buyback program prepared by the BoD regarding the authorization of the BoD for our Bank to accept its own shares as acquisition and/or pledge.
16. Authorizing the BoD to be able to distribute profit to participation fund owners in loss occurring periods, in line with Article 6/10 of the "Regulation on Procedures and Principles regarding Acceptance and Withdrawal of Deposits and Participation Funds and Any Deposit, Participation Fund, The Bailed Goods and Receivable That Have Been Subjected to Prescription".
17. Approval of reflecting those provisions set aside by our Bank for the participation accounts, on expense accounts in line with Article 19/2 of the "Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside".
18. Permitting Members of the BoD with respect to articles 395 and 396 of Turkish Commercial Code
19. Presenting information to the shareholders pursuant to Principle no. 1.3.6. of the Capital Markets Board's Corporate Governance Communiqué.
20. Presenting information to the General Assembly about donations made by our Bank in 2022,
21. Remarks and requests.