

# **Albaraka Türk Katılım Bankası Anonim Şirketi**

**Unconsolidated financial statements  
and related disclosures at September 30, 2022  
together with limited review report**

(Convenience translation of the limited review 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 unconsolidated balance sheet of Albaraka Türk Katılım Bankası Anonim Şirketi ("the Bank") at 30 September 2022 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the nine-month period then ended. The Bank management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim unconsolidated 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. 5.b of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 30 September 2022 include a free provision amounting to TL 800.000 thousand which consist of TL 100.000 thousand provided in prior periods and TL 700.000 thousand recognized in the current year by the Bank 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 unconsolidated 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 unconsolidated financial information do not present fairly in all material respects the unconsolidated financial position of Albaraka Türk Katılım Bankası Anonim Şirketi at 30 September 2022 and the results of its unconsolidated operations and its unconsolidated cash flows for the nine-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

### *Other matter*

The unconsolidated financial statements of the Bank as at and for the year ended 31 December 2021 and as at and for the nine-month period ended 30 September 2021 were audited and reviewed by another independent audit firm that expressed a qualified opinion and unqualified conclusion in the audit report dated 25 February 2022 and in the auditor's review report dated 8 November 2021, respectively.

### *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 unconsolidated 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 30 June 2022. 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, 8 November 2022

**UNCONSOLIDATED FINANCIAL REPORT OF ALBARAKA TRK KATILIM BANKASI A..**  
**AS OF AND FOR THE NINE-MONTH ENDED SEPTEMBER 30, 2022**

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

The unconsolidated interim financial report prepared in accordance with the Communiqu 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 BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- LIMITED REVIEW REPORT
- INTERIM REPORT

The unconsolidated financial statements and related disclosures and footnotes; presented in **thousands of Turkish Lira** unless otherwise indicated; have been prepared in accordance with the Communiqu on Accounting Applications of Banks and Safeguarding of Documents, Banking Regulation and Supervision Agency Regulations, 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.

<b>Housseem BEN HAJ AMOR</b> Chairman of the Board of Directors and Member of the Audit Committee	<b>Malek Khodr TEMSAH</b> General Manager	<b>Mustafa ETİN</b> Assistant General Manager	<b>Kemaleddin DİLBAZ</b> Financial Reporting Manager
<hr/> <b>Mustafa BYKABACI</b> Chairman of the Audit Committee			

Contact information of the personnel in charge of the addressing of questions about this financial report:  
Name-Surname/Title : Bora İMEK/Financial Reporting/Vice Manager  
Telephone : 00 90 216 666 05 59  
Facsimile : 00 90 216 666 16 11

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**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2022**

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

**SECTION ONE**

**GENERAL INFORMATION**

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

Albaraka Türk Katılım Bankası Anonim Şirketi (the 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 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 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 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 Bank's head office is located in İstanbul and is operating through 224 (December 31, 2021: 229) local branches and 2 (December 31, 2021: 2) foreign branches and with 2.669 (December 31, 2021: 2.918) staff as of September 30, 2022.

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

As of September 30, 2022, 43,37% (December 31, 2021: 36,29%) of the Bank's shares are owned by Albaraka Group, 8,30% (December 31, 2021: 15,38%) owned by Dallah Albaraka Group, 7,84% (December 31, 2021: 7,84%) owned by Islamic Development Bank, 38,41% (December 31, 2021: 36,93%) 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 UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2022**

(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 Bank, if any:**

Title	Name and Surname	Administrative Function and Responsibility	Educational Degree	Ownership Percentage (%)
<b>Chairman of the Board of Directors (BOD):</b>	Housseem BEN HAJ AMOR	Chairman of BOD	Bachelor	-
<b>Members of BOD:</b>	Prof. Dr. Kemal VAROL	Member of BOD	Doctorate	-
	Mustafa BÜYÜKABACI	Member of BOD	Master	-
	Dr. Mohamed Ali CHATTI	Independent Member of BOD	Doctorate	-
	Dr. Bekir PAKDEMİRLİ	Independent Member of BOD	Doctorate	-
	Melikşah UTKU	Member of BOD	Master	-
	Ghassan Ahmed M. AMODI	Independent Member of BOD	Bachelor	-
	Tawfig Shaker M. MUFTI	Member of BOD	Bachelor	-
	Azhar Aziz DOGAR	Member of BOD	Master	-
	Akram YASSIN	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	-
	Fatih BOZ	Responsible for Credit Risks	Master	-
	Mehmet Fatih YORULMAZ	Assistant General Manager Responsible for Credits	Master	-
	Hasan ALTUNDAĞ	Assistant General Manager Responsible for Marketing	Master	-
	Serhan YILDIRIM	Assistant General Manager Responsible for Sales	Bachelor	-
	Mustafa ÇETİN	Assistant General Manager Responsible for Treasury, Financial Institutions and Investment Banking	Bachelor	-
	Volkan EVCİL	Assistant General Manager Responsible for Finance	Bachelor	-
	Süleyman ÇELİK	Assistant General Manager Responsible for Central Operations	Bachelor	-
	Dr. Ömer EMEÇ <sup>(*)</sup>	Assistant General Manager Responsible for Human Values and Administrative Affairs	Bachelor	-
		Assistant General Manager Responsible for Strategy and Transformation	Doctorate	-
<b>Chief Legal Consultancy</b>	Hasan AVŞAR	Chief Legal Consultant	Bachelor	-
<b>Audit Committee:</b>	Mustafa BÜYÜKABACI	Chairman of Audit Committee	Master	-
	Housseem BEN HAJ AMOR	Member of Audit Committee	Bachelor	-

(\*) Appointed by the decision of the Board of Directors with number 2395 dated October 24, 2022.

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

The 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.

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

(\*) Shares purchased from Stock Exchange is not included.

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2022**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

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

The Bank operates in accordance with the principles of interest-free banking as a participation bank. The 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. 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 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, semiannual 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 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 Bank operates as an insurance agency on behalf of Bereket Sigorta, Anadolu Sigorta, Türkiye Sigorta, Neova Sigorta, Coface Sigorta, HDI Sigorta, as a private pension insurance agency on behalf of Anadolu Hayat Emeklilik, Avivasa 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 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 Bank are not limited to the clauses listed above. If any activities other than those mentioned are considered as beneficial to the 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:**

The 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., Insha 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" 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. Start-Up 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" and "Bereket One Ltd" and "Albaraka Sukuk 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".

**ALBARAKA TRK KATILIM BANKASI A..**  
**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2022**

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

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

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

## **SECTION TWO**

### **The unconsolidated financial statements**

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

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS OF SEPTEMBER 30, 2022**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

ASSETS	Notes (Section Five-I)	CURRENT PERIOD September 30, 2022			PRIOR PERIOD December 31, 2021		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>13.493.514</b>	<b>41.812.463</b>	<b>55.305.977</b>	<b>5.231.761</b>	<b>35.729.094</b>	<b>40.960.855</b>
<b>1.1 Cash and Cash Equivalents</b>	<b>(1)</b>	<b>9.049.113</b>	<b>34.231.844</b>	<b>43.280.957</b>	<b>3.268.762</b>	<b>28.468.734</b>	<b>31.737.496</b>
1.1.1 Cash and Balances with Central Bank		6.683.366	27.549.878	34.233.244	1.820.832	24.677.779	26.498.611
1.1.2 Banks		2.536.085	6.701.483	9.237.568	1.494.422	3.802.000	5.296.422
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4. Expected Credit Losses (-)		170.338	19.517	189.855	46.492	11.045	57.537
<b>1.2 Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)</b>	<b>(2)</b>	<b>3.820.409</b>	<b>7.537.994</b>	<b>11.358.403</b>	<b>1.492.874</b>	<b>6.889.642</b>	<b>8.382.516</b>
1.2.1 Government Securities		2.528.720	7.494.048	10.022.768	707.698	6.850.649	7.558.347
1.2.2 Equity Securities		-	32.106	32.106	-	19.198	19.198
1.2.3 Other Financial Assets		1.291.689	11.840	1.303.529	785.176	19.795	804.971
<b>1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)</b>	<b>(3)</b>	<b>608.254</b>	<b>42.625</b>	<b>650.879</b>	<b>381.640</b>	<b>370.718</b>	<b>752.358</b>
1.3.1 Government Securities		600.587	19.126	619.713	373.973	353.699	727.672
1.3.2 Equity Securities		7.667	23.499	31.166	7.667	17.019	24.686
1.3.3 Other Financial Assets		-	-	-	-	-	-
<b>1.4 Derivative Financial Assets</b>	<b>(5)</b>	<b>15.738</b>	<b>-</b>	<b>15.738</b>	<b>88.485</b>	<b>-</b>	<b>88.485</b>
1.4.1 Derivative Financial Assets Measured at Fair Value through Profit/Loss		15.738	-	15.738	88.485	-	88.485
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>40.810.278</b>	<b>45.198.024</b>	<b>86.008.302</b>	<b>24.807.293</b>	<b>40.232.465</b>	<b>65.039.758</b>
<b>2.1 Loans</b>	<b>(6)</b>	<b>37.892.344</b>	<b>32.315.719</b>	<b>70.208.063</b>	<b>25.484.848</b>	<b>33.819.930</b>	<b>59.304.778</b>
<b>2.2 Lease Receivables</b>	<b>(7)</b>	<b>311.343</b>	<b>556.567</b>	<b>867.910</b>	<b>379.930</b>	<b>440.744</b>	<b>820.674</b>
<b>2.3 Financial Assets Measured at Amortised Cost</b>	<b>(4)</b>	<b>4.878.215</b>	<b>12.865.505</b>	<b>17.743.720</b>	<b>697.735</b>	<b>7.405.476</b>	<b>8.103.211</b>
2.3.1 Government Securities		4.867.736	12.865.505	17.733.241	697.735	7.405.476	8.103.211
2.3.2 Other Financial Assets		10.479	-	10.479	-	-	-
<b>2.4 Expected Credit Losses (-)</b>	<b>(6)</b>	<b>2.271.624</b>	<b>539.767</b>	<b>2.811.391</b>	<b>1.755.220</b>	<b>1.433.685</b>	<b>3.188.905</b>
<b>III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	<b>(8)</b>	<b>295.408</b>	<b>-</b>	<b>295.408</b>	<b>118.874</b>	<b>104</b>	<b>118.978</b>
3.1 Asset Held for Resale		295.408	-	295.408	118.874	104	118.978
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>IV. OWNERSHIP INVESTMENTS (Net)</b>	<b>(9)</b>	<b>25.100</b>	<b>64.221</b>	<b>89.321</b>	<b>25.100</b>	<b>18.311</b>	<b>43.411</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>5.100</b>	<b>64.221</b>	<b>69.321</b>	<b>5.100</b>	<b>18.311</b>	<b>23.411</b>
4.2.1 Unconsolidated Financial Investments in Subsidiaries		5.100	64.221	69.321	5.100	18.311	23.411
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
<b>4.3 Joint Ventures (Net)</b>		<b>20.000</b>	<b>-</b>	<b>20.000</b>	<b>20.000</b>	<b>-</b>	<b>20.000</b>
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		20.000	-	20.000	20.000	-	20.000
<b>V. TANGIBLE ASSETS (Net)</b>	<b>(10)</b>	<b>1.932.126</b>	<b>27.327</b>	<b>1.959.453</b>	<b>1.484.134</b>	<b>24.834</b>	<b>1.508.968</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	<b>(11)</b>	<b>133.444</b>	<b>-</b>	<b>133.444</b>	<b>83.000</b>	<b>-</b>	<b>83.000</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Others		133.444	-	133.444	83.000	-	83.000
<b>VII. INVESTMENT PROPERTY (Net)</b>	<b>(12)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>91</b>	<b>-</b>	<b>91</b>	<b>2.483</b>	<b>-</b>	<b>2.483</b>
<b>IX. DEFERRED TAX ASSET</b>	<b>(13)</b>	<b>292.559</b>	<b>-</b>	<b>292.559</b>	<b>489.049</b>	<b>-</b>	<b>489.049</b>
<b>X. OTHER ASSETS</b>	<b>(14)</b>	<b>1.032.273</b>	<b>279.645</b>	<b>1.311.918</b>	<b>568.849</b>	<b>139.772</b>	<b>708.621</b>
<b>TOTAL ASSETS</b>		<b>58.014.793</b>	<b>87.381.680</b>	<b>145.396.473</b>	<b>32.810.543</b>	<b>76.144.580</b>	<b>108.955.123</b>

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

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS OF SEPTEMBER 30, 2022**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

LIABILITIES		Notes (Section Five-II)	CURRENT PERIOD September 30, 2022			PRIOR PERIOD December 31, 2021		
			TL	FC	Total	TL	FC	Total
I.	FUNDS COLLECTED	(1)	42.866.067	77.748.880	120.614.947	20.200.193	71.036.456	91.236.649
II.	FUNDS BORROWED	(2)	2.425.062	3.445.208	5.870.270	4.168.387	2.090.828	6.259.215
III.	BORROWINGS FROM MONEY MARKETS		-	-	-	1.327	-	1.327
IV.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS		-	-	-	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	(3)	17.729	-	17.729	180.485	6.769	187.254
6.1	Derivative Financial Liabilities at Fair Value through Profit or Loss		17.729	-	17.729	180.485	6.769	187.254
6.2	Derivative Financial Liabilities at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
VII.	LEASE PAYABLES	(4)	400.411	24.198	424.609	327.840	21.774	349.614
VIII.	PROVISIONS	(5)	1.031.171	27.173	1.058.344	308.018	4.060	312.078
8.1	Restructuring Reserves		-	-	-	-	-	-
8.2	Reserve for Employee Benefits		157.101	-	157.101	148.046	-	148.046
8.3	Insurance Technical Reserves (Net)		-	-	-	-	-	-
8.4	Other Provisions		874.070	27.173	901.243	159.972	4.060	164.032
IX.	CURRENT TAX LIABILITY	(6)	108.856	2.146	111.002	97.393	19.825	117.218
X.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
XI.	LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(7)	-	-	-	-	-	-
11.1	Assets Held for Sale		-	-	-	-	-	-
11.2	Assets of Discontinued Operations		-	-	-	-	-	-
XII.	SUBORDINATED LOANS	(8)	-	4.761.513	4.761.513	-	3.119.354	3.119.354
12.1	Loans		-	4.761.513	4.761.513	-	3.119.354	3.119.354
12.2	Other Debt Instruments		-	-	-	-	-	-
XIII.	OTHER LIABILITIES	(9)	3.775.540	1.296.119	5.071.659	2.093.568	651.993	2.745.561
XIV.	SHAREHOLDERS' EQUITY	(10)	7.466.434	(34)	7.466.400	4.620.093	6.760	4.626.853
14.1	Paid-In Capital		2.500.000	-	2.500.000	1.350.000	-	1.350.000
14.2	Capital Reserves		1.597.129	-	1.597.129	1.208.524	-	1.208.524
14.2.1	Share Premium		23.278	-	23.278	14.855	-	14.855
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Other Capital Reserves		1.573.851	-	1.573.851	1.193.669	-	1.193.669
14.3	Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss		759.538	-	759.538	388.024	-	388.024
14.4	Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss		638.462	(34)	638.428	309.350	6.760	316.110
14.5	Profit Reserves		1.832.302	-	1.832.302	1.743.696	-	1.743.696
14.5.1	Legal Reserves		148.376	-	148.376	143.156	-	143.156
14.5.2	Status Reserves		-	-	-	-	-	-
14.5.3	Extraordinary Reserves		1.683.926	-	1.683.926	1.600.540	-	1.600.540
14.5.4	Other Profit Reserves		-	-	-	-	-	-
14.6	Profit or Loss		139.003	-	139.003	(379.501)	-	(379.501)
14.6.1	Prior Years Profit/(Loss)		(767.660)	-	(767.660)	(483.904)	-	(483.904)
14.6.2	Current Year Profit/(Loss)		906.663	-	906.663	104.403	-	104.403
<b>TOTAL LIABILITIES</b>			<b>58.091.270</b>	<b>87.305.203</b>	<b>145.396.473</b>	<b>31.997.304</b>	<b>76.957.819</b>	<b>108.955.123</b>

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

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2022**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

STATEMENT OF OFF-BALANCE SHEET	Notes (Section Five-III)	CURRENT PERIOD September 30, 2022			PRIOR PERIOD December 31, 2021		
		TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>15.297.326</b>	<b>13.251.855</b>	<b>28.549.181</b>	<b>11.428.440</b>	<b>16.308.916</b>	<b>27.737.356</b>
<b>I. GUARANTEES AND SURETIES</b>	(1)	<b>9.883.429</b>	<b>11.121.383</b>	<b>21.004.812</b>	<b>7.080.257</b>	<b>10.323.043</b>	<b>17.403.300</b>
1.1. Letters of Guarantees		9.843.711	6.306.167	16.149.878	7.048.318	5.322.918	12.371.236
1.1.1. Guarantees Subject to State Tender Law		1.174.237	210.583	1.384.820	1.098.043	134.460	1.232.503
1.1.2. Guarantees Given for Foreign Trade Operations		40	2.450.126	2.450.166	15	1.905.653	1.905.668
1.1.3. Other Letters of Guarantee		8.669.434	3.645.458	12.314.892	5.950.260	3.282.805	9.233.065
1.2. Bank Loans		-	51.078	51.078	-	99.278	99.278
1.2.1. Import Letter of Acceptances		-	51.078	51.078	-	99.278	99.278
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letter of Credits		1.245	4.739.367	4.740.612	12.324	4.886.075	4.898.399
1.3.1. Documentary Letter of Credits		-	-	-	-	-	-
1.3.2. Other Letter of Credits		1.245	4.739.367	4.740.612	12.324	4.886.075	4.898.399
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		-	24.771	24.771	-	14.772	14.772
1.7. Other Collaterals		38.473	-	38.473	19.615	-	19.615
<b>II. COMMITMENTS</b>	(1)	<b>3.678.821</b>	<b>397.351</b>	<b>4.076.172</b>	<b>2.929.406</b>	<b>606.006</b>	<b>3.535.412</b>
2.1. Irrevocable Commitments		3.643.321	397.351	4.040.672	2.889.906	606.006	3.495.912
2.1.1. Asset Purchase and Sale Commitments		299.952	397.351	697.303	321.618	606.006	927.624
2.1.2. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3. Loan Granting Commitments		599.482	-	599.482	655.296	-	655.296
2.1.4. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6. Payment Commitment for Cheques		1.060.408	-	1.060.408	834.732	-	834.732
2.1.7. Tax And Fund Liabilities from Export Commitments		24.133	-	24.133	17.234	-	17.234
2.1.8. Commitments for Credit Card Expenditure Limits		1.657.771	-	1.657.771	1.059.919	-	1.059.919
2.1.9. Commitments for Promotions Related with Credit Cards and Banking Activities		1.013	-	1.013	555	-	555
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		562	-	562	552	-	552
2.2. Revocable Commitments		35.500	-	35.500	39.500	-	39.500
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		35.500	-	35.500	39.500	-	39.500
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(2)	<b>1.735.076</b>	<b>1.733.121</b>	<b>3.468.197</b>	<b>1.418.777</b>	<b>5.379.867</b>	<b>6.798.644</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		1.735.076	1.733.121	3.468.197	1.418.777	5.379.867	6.798.644
3.2.1. Forward Foreign Currency Buy/Sell Transactions		635.637	632.316	1.267.953	461.810	489.238	951.048
3.2.1.1. Forward Foreign Currency Transactions-Buy		396.837	232.744	629.581	239.837	242.194	482.031
3.2.1.2. Forward Foreign Currency Transactions-Sell		238.800	399.572	638.372	221.973	247.044	469.017
3.2.2. Other Forward Buy/Sell Transactions		1.099.439	1.100.805	2.200.244	956.967	4.890.629	5.847.596
3.3. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>176.344.502</b>	<b>67.597.048</b>	<b>243.941.550</b>	<b>104.483.970</b>	<b>48.433.026</b>	<b>152.916.996</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>6.286.107</b>	<b>16.635.339</b>	<b>22.921.446</b>	<b>5.856.026</b>	<b>12.698.331</b>	<b>18.554.357</b>
4.1. Assets Under Management		1.414.918	-	1.414.918	2.448.761	-	2.448.761
4.2. Investment Securities Held in Custody		12.325	253.894	266.219	17.473	548.751	566.224
4.3. Cheques Received for Collection		3.506.472	445.250	3.951.722	2.325.217	700.121	3.025.338
4.4. Commercial Notes Received for Collection		1.107.209	283.135	1.390.344	811.654	164.241	975.895
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	1.427.230	1.638.356	219.693	1.043.531	1.263.224
4.8. Custodians		33.954	14.225.830	14.259.784	33.125	10.241.687	10.274.812
<b>V. PLEDGED ITEMS</b>		<b>170.058.395</b>	<b>50.961.709</b>	<b>221.020.104</b>	<b>98.627.944</b>	<b>35.734.695</b>	<b>134.362.639</b>
5.1. Marketable Securities		19.180.369	10.752.612	29.932.981	10.587.982	8.001.966	18.589.948
5.2. Guarantee Notes		3.052.498	320.994	3.373.492	2.043.190	506.747	2.549.937
5.3. Commodity		21.745.914	4.473.400	26.219.314	11.752.302	3.695.799	15.448.101
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		112.056.214	30.099.489	142.155.703	67.505.021	18.800.660	86.305.681
5.6. Other Pledged Items		13.758.268	5.305.617	19.063.885	6.458.745	4.715.730	11.174.475
5.7. Pledged Items-Depository		265.132	9.597	274.729	280.704	13.793	294.497
<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>191.641.828</b>	<b>80.848.903</b>	<b>272.490.731</b>	<b>115.912.410</b>	<b>64.741.942</b>	<b>180.654.352</b>

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

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AS OF SEPTEMBER 30, 2022**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

STATEMENT OF PROFIT OR LOSS		Notes (Section Five-IV)	CURRENT PERIOD January 1- September 30, 2022	PRIOR PERIOD January 1- September 30, 2021	CURRENT PERIOD 3 Monthly July 1- September 30, 2022	PRIOR PERIOD 3 Monthly July 1- September 30, 2021
<b>I.</b>	<b>PROFIT SHARE INCOME</b>	<b>(1)</b>	<b>7.173.042</b>	<b>3.401.984</b>	<b>2.760.687</b>	<b>1.216.246</b>
1.1	Profit Share on Loans		5.146.453	2.841.586	2.090.809	999.747
1.2	Income Received from Reserve Deposits		47.503	92.845	-	38.944
1.3	Income Received from Banks		161	256	14	74
1.4	Income Received from Money Market Placements		-	-	-	-
1.5	Income Received from Marketable Securities Portfolio		1.914.838	440.904	642.247	167.217
1.5.1	Financial Assets at Fair Value Through Profit and Loss		937.383	146.837	236.234	63.043
1.5.2	Financial Assets at Fair Value through Other Comprehensive Income		211.166	103.401	47.867	28.348
1.5.3	Financial Assets Measured at Amortised Cost		766.289	190.666	358.146	75.826
1.6	Finance Lease Income		62.010	25.359	27.254	9.927
1.7	Other Profit Share Income		2.077	1.034	363	337
<b>II.</b>	<b>PROFIT SHARE EXPENSE</b>	<b>(2)</b>	<b>3.912.481</b>	<b>2.457.718</b>	<b>1.666.920</b>	<b>865.643</b>
2.1	Expense on Profit Sharing Accounts		3.024.877	1.389.534	1.373.696	517.087
2.2	Profit Share Expense on Funds Borrowed		770.186	916.235	254.468	308.043
2.3	Profit Share Expense on Money Market Borrowings		24.163	74.154	8.445	19.956
2.4	Profit Share Expense on Securities Issued		-	-	-	-
2.5	Finance Lease Expense		46.823	37.492	16.781	12.393
2.6	Other Profit Share Expense		46.432	40.303	13.530	8.164
<b>III.</b>	<b>NET PROFIT SHARE INCOME (I – II)</b>		<b>3.260.561</b>	<b>944.266</b>	<b>1.093.767</b>	<b>350.603</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSES</b>		<b>547.562</b>	<b>273.875</b>	<b>197.445</b>	<b>103.413</b>
4.1	Fees and Commissions Received		716.277	398.619	251.066	145.828
4.1.1	Non-Cash Loans		179.032	114.497	61.101	42.811
4.1.2	Other	<b>(3)</b>	537.245	284.122	189.965	103.017
4.2	Fees and Commissions Paid (-)		168.715	124.744	53.621	42.415
4.2.1	Non-Cash Loans		472	397	192	223
4.2.2	Other	<b>(3)</b>	168.243	124.347	53.429	42.192
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(4)</b>	<b>978</b>	<b>52</b>	<b>99</b>	<b>52</b>
<b>VI.</b>	<b>TRADING INCOME/LOSS(net)</b>	<b>(5)</b>	<b>1.917.722</b>	<b>(194.944)</b>	<b>535.849</b>	<b>(178.302)</b>
6.1	Capital Market Transaction Income/(Loss)		1.194.168	(110.765)	221.995	(91.817)
6.2	Profit/(Loss) from Derivative Financial Instruments		63.607	(84.593)	39.139	(60.424)
6.3	Foreign Exchange Income/(Loss)		659.947	414	274.715	(26.061)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(6)</b>	<b>1.067.746</b>	<b>817.673</b>	<b>463.622</b>	<b>336.886</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>6.794.569</b>	<b>1.840.922</b>	<b>2.290.782</b>	<b>612.652</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSS (-)</b>	<b>(7)</b>	<b>3.130.945</b>	<b>725.088</b>	<b>1.072.452</b>	<b>220.955</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	<b>(7)</b>	<b>715.153</b>	<b>13.019</b>	<b>293.072</b>	<b>(3.143)</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>802.351</b>	<b>576.372</b>	<b>331.006</b>	<b>200.947</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(8)</b>	<b>750.533</b>	<b>500.977</b>	<b>262.369</b>	<b>147.798</b>
<b>XIII.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>1.395.587</b>	<b>25.466</b>	<b>331.883</b>	<b>46.095</b>
<b>XIV.</b>	<b>EXCESS AMOUNT RECORDED AS GAIN AFTER MERGER</b>		-	-	-	-
<b>XV.</b>	<b>PROFIT/(LOSS) ON EQUITY METHOD</b>		-	-	-	-
<b>XVI.</b>	<b>PROFIT/(LOSS) ON NET MONETARY POSITION</b>		-	-	-	-
<b>XVII.</b>	<b>PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)</b>	<b>(9)</b>	<b>1.395.587</b>	<b>25.466</b>	<b>331.883</b>	<b>46.095</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(10)</b>	<b>488.924</b>	<b>(25.961)</b>	<b>77.625</b>	<b>7.739</b>
18.1	Provision for Current Taxes		-	-	-	-
18.2	Deferred Tax Expense Effect (+)		1.110.500	260.890	352.509	76.447
18.3	Deferred Tax Income Effect (-)		621.576	286.851	274.884	68.708
<b>XIX.</b>	<b>NET INCOME/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	<b>(11)</b>	<b>906.663</b>	<b>51.427</b>	<b>254.258</b>	<b>38.356</b>
<b>XX.</b>	<b>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.</b>	<b>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.</b>	<b>PROFIT/(LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)</b>		-	-	-	-
<b>XXIII.</b>	<b>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.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		-	-	-	-
<b>XXV.</b>	<b>NET PROFIT/LOSS (XIX+XXIV)</b>	<b>(12)</b>	<b>906.663</b>	<b>51.427</b>	<b>254.258</b>	<b>38.356</b>
	Earnings Per Share		0,36267	0,03809	0,10170	0,02841

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



**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**AS OF SEPTEMBER 30, 2022**

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

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		CURRENT PERIOD January 1- September 30, 2022	PRIOR PERIOD January 1- September 30, 2021
<b>I.</b>	<b>CURRENT PERIOD PROFIT/LOSS</b>	<b>906.663</b>	<b>51.427</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>693.832</b>	<b>26.299</b>
<b>2.1</b>	<b>Other Income/Expense Items not to be Recycled to Profit or Loss</b>	<b>371.514</b>	<b>(5.733)</b>
2.1.1	Revaluation Surplus on Tangible Assets	447.008	-
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	(10.994)	(5.733)
2.1.5	Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	(64.500)	-
<b>2.2</b>	<b>Other Income/Expense Items to be Recycled to Profit or Loss</b>	<b>322.318</b>	<b>32.032</b>
2.2.1	Translation Differences	215.727	51.793
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Financial Assets Measured at Fair Value through Other Comprehensive Income	142.776	(27.760)
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	(36.185)	7.999
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>1.600.495</b>	<b>77.726</b>

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

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**AS OF SEPTEMBER 30, 2022**  
*(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 Shareholders' Equity
<b>CURRENT PERIOD</b> <b>(January 1 – September 30, 2022)</b>															
I. Closing balance		1.350.000	14.855	-	1.193.669	444.616	(56.592)	-	297.709	18.401	-	1.743.696	(483.904)	104.403	4.626.853
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)	-	297.709	18.401	-	1.743.696	(483.904)	104.403	4.626.853
IV. Total Comprehensive Income		-	-	-	-	367.977	3.537	-	215.727	106.591	-	-	-	906.663	1.600.495
V. Capital Increase in Cash		1.150.000	8.423	-	-	-	-	-	-	-	-	-	-	-	1.158.423
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		-	-	-	380.182	-	-	-	-	-	-	9.614	(309.167) <sup>(**)</sup>	-	80.629
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	78.992	25.411	(104.403)	-
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	78.992	(78.992)	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	-	104.403	(104.403)	-
<b>Balances at end of the period (III+IV...+X+XI)</b>		<b>2.500.000</b>	<b>23.278</b>	<b>-</b>	<b>1.573.851</b>	<b>812.593</b>	<b>(53.055)</b>	<b>-</b>	<b>513.436</b>	<b>124.992</b>	<b>-</b>	<b>1.832.302</b>	<b>(767.660)</b>	<b>906.663</b>	<b>7.466.400</b>

<sup>(\*)</sup> The 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" standart.

<sup>(\*\*)</sup> The Bank has paid TL 323.616 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 67.075 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. Exchange Differences on Translation,
5. Accumulated gains/ (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. 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.**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**AS OF SEPTEMBER 30, 2022**  
*(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	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
PRIOR PERIOD (January 1 – September 30, 2021)															
I. Closing balance		1.350.000	14.855	-	945.711	300.370	(46.325)	-	92.333	3.808	-	1.492.590	(363.852)	254.737	4.044.227
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	-	945.711	300.370	(46.325)	-	92.333	3.808	-	1.492.590	(363.852)	254.737	4.044.227
IV. Total Comprehensive Income		-	-	-	-	(5.733)	-	-	51.793	(19.761)	-	-	-	51.427	77.726
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		-	-	-	68.292	-	-	-	-	-	-	8.030	(137.568) <sup>(*)</sup>	-	(61.246)
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	243.076	11.661	(254.737)	-
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	243.076	(243.076)	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	-	254.737	(254.737)	-
Balances at end of the period (III+IV...+X+XI)		1.350.000	14.855	-	1.014.003	294.637	(46.325)	-	144.126	(15.953)	-	1.743.696	(489.759)	51.427	4.060.707

<sup>(\*)</sup> The 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" standart.

<sup>(\*)</sup> The Bank has paid TL 158.013 in February and August 2021, the coupon payment amount of undated additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 30.954 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. Exchange Differences on Translation,
5. Accumulated gains/ (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. 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.**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**AS OF SEPTEMBER 30, 2022**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

STATEMENT OF CASH FLOWS		Notes (Section Five-VI)	CURRENT PERIOD January 1- September 30, 2022	PRIOR PERIOD January 1- September 30, 2021
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	<b>Operating Profit Before Changes In Operating Assets And Liabilities</b>		<b>2.052.032</b>	<b>1.100.868</b>
1.1.1	Profit Share Income Received		6.358.807	3.391.882
1.1.2	Profit Share Expense Paid		(3.158.036)	(2.319.889)
1.1.3	Dividend Received		978	52
1.1.4	Fees and Commissions Received		531.987	277.267
1.1.5	Other Income		926.557	421.927
1.1.6	Collections from Previously Written Off Loans		521.769	348.949
1.1.7	Payments to Personnel and Service Suppliers		(1.070.986)	(708.243)
1.1.8	Taxes Paid		(105.901)	(62.740)
1.1.9	Others		(1.953.143)	(248.337)
<b>1.2</b>	<b>Changes In Operating Assets And Liabilities</b>		<b>12.551.641</b>	<b>4.306.435</b>
	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		(1.991.827)	(1.428.948)
1.2.1			(1.991.827)	(1.428.948)
1.2.2	Net (Increase) Decrease in Due From Banks and Other Financial Institutions		(1.647.345)	(3.462.488)
1.2.3	Net (Increase) Decrease in Loans		(3.874.130)	(5.454.015)
1.2.4	Net (Increase) Decrease in Other Assets		(465.438)	(138.428)
1.2.5	Net Increase (Decrease) in Bank Deposits		(573.264)	875.752
1.2.6	Net Increase (Decrease) in Other Deposits		20.289.646	12.065.246
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		813.999	1.849.316
<b>I.</b>	<b>Net Cash Flow From Banking Operations</b>		<b>14.603.673</b>	<b>5.407.303</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	<b>Net cash flow from investing activities</b>		<b>(5.947.641)</b>	<b>(1.016.239)</b>
2.1	Cash Paid For Acquisition of Investments, Associates and Subsidiaries		(45.910)	-
2.2	Cash Obtained From Disposal of Investments, Associates and Subsidiaries		-	-
2.3	Purchases of Property and Equipment		(127.868)	(107.747)
2.4	Disposals of Property and Equipment		235.258	205.274
	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		-	(1.550.158)
2.5			-	(1.550.158)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		435.505	2.103.601
2.7	Purchase of Financial Assets Measured at Amortised Cost		(8.663.630)	(3.151.694)
2.8	Sale of Financial Assets Measured at Amortised Cost		2.219.004	1.484.485
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>(2.099.992)</b>	<b>(2.762.735)</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued		29.339.949	33.775.399
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(32.189.672)	(36.317.319)
3.3	Issued Capital Instruments		1.158.423	-
3.4	Dividends Paid		-	-
3.5	Leases Paid		(85.076)	(62.802)
3.6	Other		(323.616)	(158.013)
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>1.487.761</b>	<b>377.804</b>
<b>V.</b>	<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>		<b>8.043.801</b>	<b>2.006.133</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at the Beginning of the Period</b>		<b>13.906.557</b>	<b>8.055.277</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the Period</b>		<b>21.950.358</b>	<b>10.061.410</b>

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

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2022**  
*(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 unconsolidated financial statements are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette numbered 26333 dated November 1, 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not prepared by BRSA, "Turkish Accounting Standards 34" ("TAS 34"), Interim Financial Reporting Standards and "Turkish Financial Reporting Standards" ("TFRS") and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA") (all are referred as BRSA Accounting and Reporting Legislation). 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 Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

The unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets, liabilities and revalued real estates 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 for 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 September 30, 2022.

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

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

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

The accounting policies and valuation principles applied in the preparation of unconsolidated 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 TAS and TFRS.

The preparation of the unconsolidated financial statements according to BRSA Reporting and Accounting Legislation requires the Bank'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, provisions for the lawsuits, deferred tax assets and liabilities, 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, 2021 financial statements.

A new type of coronavirus (COVID-19), first emerging in China, has been classified by the World Health Organization as a pandemic affecting countries globally. The COVID-19 outbreak not only affects economic conditions both regionally and globally, as it causes disruptions in operations, especially in countries that are exposed to the epidemic. The effects of COVID-19 on Bank's financial statements are regularly monitored by the risk units and Bank's Management.

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2022**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

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

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

While preparing September 30, 2022 financials, the Bank has reflected the possible impacts of Covid-19 Pandemic to the estimates and assumptions used in preparing Financial statements. The estimates and assumptions used in expected credit loss provisions are explained under information on expected credit losses.

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 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.

**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 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 Bank 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 Bank's most important funding sources are its equity and borrowings from foreign financial institutions. The Bank sustains its liquidity to cover matured liabilities by holding adequate level of cash and cash equivalents.

The 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 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.

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 of the Bank included in the financial statements are translated into Turkish lira at the exchange rate ruling at the balance sheet date announced by the 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 Bank and resulting evaluation differences are reflected as foreign exchange gain or loss.

There are no foreign currency differences capitalized by the Bank.

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2022**  
*(Thousand of Turkish Lira (TL) unless otherwise stated)*

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

The derivative financial instruments of the Bank, generally, consist of forward foreign currency, forward security and swap agreements. Derivative transactions portfolio may change as per market conditions in related terms. The Bank 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)

**IV. 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 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 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.

**V. 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 TAS and 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 Bank records the related cash and non-cash loans commissions directly as income.

**VI. 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 Bank, if the 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.

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

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**Assessment of business model:**

As per TFRS 9, the 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 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 Bank's business models are divided into three categories. These categories are defined below:

**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 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 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 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 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, taking into account the impact of the Covid-19 Pandemic.

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 Covid-19 Pandemic' effect to market, economical conjuncture, and sectoral position, and other market conditions.



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

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

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 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.

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

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 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 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 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.

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

The 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 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.

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 under the note of significant estimates and assumptions in preparing financial statements, the Bank has changed the parameters in allocating provisions by using the best estimates and assumptions for expected credit losses to reflect the possible impact of Covid-19 Pandemic to its financial statements as of September 30, 2022. From the beginning of the Covid-19 Pandemic ;

-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 2022 has been maintained and will be reviewed in the coming reporting periods by considering the changes in outcomes of pandemia, 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 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

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

**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.

**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 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 bank will make in this case
- The Bank management's conclusion that there is significant increase in credit risk. At this point, the 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 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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**VIII. Explanations on offsetting of financial instruments:**

Financial instruments are offset when the Bank 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 Bank which are repurchased has been offset in financial assets measured at fair value through other comprehensive income and subordinated loan accounts.

**IX. 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 Bank 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.

**X. 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 Bank has assets that are possessed due to receivables and debtors' obligations to the Bank and classified as assets held for sale. In the case that the Bank 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 Bank transfers such assets from assets held for sale and discounted operations to tangible assets.

A discontinued operation is a part of the Bank'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 Bank has not any discontinued operations.

**XI. 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 Bank. The Bank's intangible assets consist of softwares and intangible rights. In addition, information technology services received from Albaraka Teknoloji Biliim Sistemleri ve Pazarlama Ticaret A., a subsidiary of the İnovasyon Giriim Sermayesi Yatırım Fonu controlled by the Bank, are also capitalized under intangible assets.

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 Bank over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Bank's software have been determined as 3 to 4 years and other intangible assets' useful lives have been determined as 15 years.

If there is objective evidence of 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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**XII. 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 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 September 30, 2022, the Bank has revalued its immovables and reflected the results of appraisal reports prepared by an 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:

	<b>Depreciation Rate (%)</b>
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 Bank 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.

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**XIII. 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 Bank, as a participation bank, acts as a lessor in finance leasing transactions. The 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 continues almost the same.

The 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 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 Bank's average profit rate.

If the ratio cannot be easily determined, the 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 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 Bank is depreciating the right-to-use asset, it utilizes the provisions for depreciation in TAS 16 Tangible Assets Standard

**The lease liabilities:**

At the effective date of the lease, the 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 Bank's average profit rate. If the ratio cannot be easily determined, the 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.

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

After the effective date of the lease, the 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.

**XIV. 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 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 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.

**XV. 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 Bank 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 Bank 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 Bank.

The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to TAS 19, The Bank recognizes all actuarial gains and losses immediately through other comprehensive income. As of September 30, 2022, there is an actuarial loss amounts to TL 70.740 before deferred tax calculation (December 31, 2021: TL 70.740 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 employees are members.

ii) *Defined contribution plans:*

The Bank pays defined contribution plans to publicly administered Social Security Funds for its employees. The Bank 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, Bank measures the expected costs of the cumulative annual leaves as additional amounts anticipate to pay accumulated and unused rights as of reporting period.

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**XVI. Explanations on taxation:**

**Current tax:**

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

In the financial statements as of September 30, 2022, the corporate tax rate is applied 25%. In accordance with the Law No. 7316 published in the Official Gazette dated April 22, 2021, starting from the tax returns that must be submitted as of July 1, 2021 and to be valid for the taxation period starting from January 1, 2021, the corporate tax rate is 25% for the taxation period of 2021, this rate was determined as 23% for the taxation period of 2022. However, with the publication of the Law No. 7394 in the Official Gazette dated April 15, 2022, 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, the corporate tax rate has been permanently increased to 25%, and this change will be valid for tax returns to be submitted after 1 July 2022. Therefore, as of the first quarter of 2022, the tax rate to be taken into account in the calculation of corporate tax is 23%, and the tax rate to be applied to the cumulative earnings of 2022 in the second quarter and following periods of 2022 will be taken into account as 25%

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.

The prepaid taxes are calculated based on quarterly profits of the Bank using current rate which must be announced by the 14<sup>th</sup> day and paid by the 17<sup>th</sup> day of the second month following the taxed 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 5 years. Tax losses cannot be carried back to offset profits from previous periods.

In accordance with the last paragraph of the first article of the law dated February 11, 1986 and numbered 3259 "Law related to granting tax exemption to Islamic Development Bank" dividends paid to Islamic Development Bank is exempt from corporate tax. Therefore, dividend distributed to Islamic Development Bank as a shareholder of the Bank is exempt from corporate tax and income tax withholding.

In Türkiye, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns to their tax offices by the end of 25<sup>th</sup> of the fourth month following the close of the accounting period 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 Bank. As of report date, there is no information or written report transmitted to the 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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**XVI. Explanations on taxation (continued):**

**Deferred tax :**

The Bank 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.

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 is measured at enacted tax rates prevailing in the period when the assets are realized or liabilities are settled, and the tax is recorded as income or expense in the income statement. Nonetheless, if the deferred tax is related to assets directly associated with the equity in the same or different period, it is directly recognized in the equity accounts. In accordance with the Law No. 7316 published in the Official Gazette dated April 22, 2021, starting from the tax returns that must be submitted as of July 1, 2021 and to be valid for the taxation period starting from January 1, 2021, the corporate tax rate is 25% for the taxation period of 2021, this rate was determined as 23% for the taxation period of 2022 and 20% for taxation periods for and after 2023. However, with the publication of the Law No. 7394 in the Official Gazette dated 15 April 2022, 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, the corporate tax rate has been permanently increased to 25%, and this change will be valid for tax returns to be submitted after 1 July 2022. Therefore, as of the first quarter of 2022, the tax rate to be taken into account in the calculation of corporate tax is 23%, and the tax rate to be applied to the cumulative earnings of 2022 in the second quarter and following periods of 2022 will be taken into account as 25%. As of September 30, 2022, deferred tax is calculated as 25%. As of December 31, 2021, for the items subject to deferred tax calculation, the enacted rates have been used which are valid as per prevailing tax legislation and consistent with these items' lifetimes as of the reporting date. There is not deferred tax calculation for free provisions.

As explained in detailed note under "XVII Additional explanations on borrowings", deferred tax is calculated for exchange difference and coupon payment for Tier 1 under equity and deferred tax expenses. In addition, if loss occurs in the income statement prepared as per Turkish Tax Legislation, The Bank recognizes deferred tax. While making this calculation, The Bank's growth projections in its budget, reinforceable estimates on income statement and expectations on inflation, currency and interest rates by Central Bank of Türkiye are considered.

**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 Communiqué 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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**XVII. Additional explanations on borrowings:**

The Bank 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 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 Bank. The Bank has issued borrowings through its subsidiary Bereket Varlık Kiralama A.Ş. and its structured entities Bereket One Ltd. and Albaraka Sukuk Ltd.

The 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 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.

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

None.

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

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

**XX. Explanations on government grants:**

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

**XI. Explanations on segment reporting:**

Business segment is a component of the Bank that engages in business activities from which the Bank may earn revenues and incur expenses, whose operating results are regularly reviewed by the 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 X.

**XXII. Explanations on investments in associates, subsidiaries and joint ventures:**

Non-financial subsidiaries and associates (in Turkish Lira) are accounted at cost in the unconsolidated financial statements and if any, provisions for impairment losses are deducted in accordance with TAS 27.

**XXIII. Explanations on other matters:**

There are no other matters.

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**SECTION FOUR**

**Information on Unconsolidated Financial Structure and Risk Management**

**I. Explanations on 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 September 30, 2022, the Bank’s total capital has been calculated as TL 10.665.965 and capital adequacy standard ratio is 17,08%. As of December 31, 2021, Bank’s total capital amounted to TL 6.268.931 and capital adequacy ratio was 14,90%. The Bank’s capital adequacy standard ratio is above the minimum ratio required by the legislation.

**a. Information on 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	1.350.000
Share issue premiums	23.278	14.855
Reserves	1.064.642	1.259.792
Gains recognized in equity as per TAS	2.249.141	1.178.661
Profit	906.663	104.403
Current Period Profit	906.663	104.403
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>6.743.724</b>	<b>3.907.711</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	<b>-</b>	<b>-</b>
Common Equity as per the 1st 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	53.055	56.592
Improvement costs for operating leasing	19.832	21.295
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	126.351	78.682
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	266.747
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	-	111.451
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	46.430	31.725
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>245.668</b>	<b>566.492</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>6.498.056</b>	<b>3.341.219</b>

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

**a. Information on 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)	-	-
<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>7.273.776</b>	<b>4.116.939</b>
<b>TIER II CAPITAL</b>	-	-
Debt instruments and share issue premiums deemed suitable by the BRSA	2.766.150	1.983.300
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	631.490	303.215
<b>Tier II Capital Before Deductions</b>	<b>3.397.640</b>	<b>2.286.515</b>
<b>Deductions From Tier II Capital</b>	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	127.336
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>127.336</b>
<b>Total Tier II Capital</b>	<b>3.397.640</b>	<b>2.159.179</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>10.671.416</b>	<b>6.276.118</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	5.451	7.187

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

**a. Information on 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 Tier1 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>10.665.965</b>	<b>6.268.931</b>
<b>Total risk weighted amounts</b>	<b>62.456.414</b>	<b>42.079.121</b>
<b>Capital Adequacy Ratios</b>	-	-
Core Capital Adequacy Ratio (%)	10,40	7,94
Tier 1 Capital Adequacy Ratio (%)	11,65	9,78
Capital Adequacy Ratio (%)	17,08	14,90
<b>BUFFERS</b>	-	-
The total additional capital requirement ratio (a + b + c)	2,50	2,50
Capital conservation buffer requirement (%)	2,50	2,50
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 (%)	5,90	3,44
<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	654.449	337.295
<b>Limits related to provisions considered in Tier II calculation</b>	-	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	631.490	303.215
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	631.490	303.215
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 capital adequacy standard ratio (continued):**

**a. Information on capital (continued):**

In press release by BRSA dated March 23, 2020 it is stated that there are financial market turbulences as a result of Covid-19 Pandemic. Because of this, in calculating credit risk as per "Regulation on Measurement and Assessment 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 September 30, 2022, the Bank has utilized this facility.

**b. Details on subordinated liabilities:**

Issuer	Albaraka Sukuk Ltd.	Bereket One Ltd.
Unique Identifier (CUSIP, ISIN etc.)	XS1301525207	XS17 72390628
Governing Law(s) of the Instrument	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
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Sukuk Wakala	Sukuk Mudaraba
Amount recognized in regulatory capital (as of most recent reporting date)	TL 2.766.150	TL 775.720 <sup>(1)</sup>
Par Value of Instrument	TL 4.610.250	TL 775.720
Accounting Classification	Subordinated Loan	Equity
Original date of Issuance	November 30, 2015	February 20, 2018
Perpetual or dated	Dated	Undated
Maturity date	November 30, 2025	Undated
Issuer call subject to prior supervisory (BRSA) approval	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: None First refund option date: February 20, 2023 Total Repayment Amount of Profit Share for 5 years: USD 102.500.000 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
Profit share rate and any related index	9,371 % (first 5 years:10,50%)	10%
Existence of a dividend stopper	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	Optional
Existence of step up or other incentive to redeem	-	-
Noncumulative or cumulative	Cumulative	Noncumulative
<b>Convertible or Non-convertible</b>		
If convertible, conversion trigger	As per BRSA regulations and Communiqués it is convertible	As per BRSA regulations and Communiqués it is convertible
If convertible, fully or partially	As per BRSA approval it is convertible fully or partially	As per BRSA approval it is convertible fully or partially
If convertible, conversion rate	As per BRSA approval, it is convertible and the rate may be determined.	As per BRSA approval, it is convertible and the rate may be determined.
If convertible, mandatory or optional conversion	Subject to BRSA's approval.	Subject to BRSA's approval.
If convertible, specify instrument type convertible into	Share certificate	Share certificate
If convertible, specify issuer of instrument it converts into	-	-
<b>Write-down feature</b>		
If write-down, write-down trigger(s)	-	Non-sustainability-The ratio of Core Capital to below 5,125%
If write-down, full or partial	-	At least to ensure that the core capital ratio exceeds 5,125%
If write down, permanent or temporary	-	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 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
Details of incompliance with article number 7 and 8 of "Own fund regulation"	No	No

<sup>(1)</sup> Represented as historical cost

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

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

The difference between Total Capital and Equity in the unconsolidated 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 their related deferred tax liabilities and other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

**II. Explanations on 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 currency risk:**

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

- a.** The 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 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 Bank 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 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 Bank are as follows:

	USD	EUR
As of September 30, 2022 - Balance sheet evaluation rate	18,441	18,064
As of September 29, 2022	18,430	17,989
As of September 28, 2022	18,440	17,757
As of September 27, 2022	18,403	17,701
As of September 26, 2022	18,370	17,719
As of September 23, 2022	18,328	17,779

- d.** The simple arithmetical average of the major foreign exchange buying rates of the Bank for the thirty days before the balance sheet date is TL 18,214 for 1 USD (December 2021: TL 13,562), TL 18,050 for 1 EUR (December 2021: TL 15,327). The Bank is mainly exposed to EUR and USD currency risks.

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

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

Current Period	EUR	USD	Other FC <sup>(*)</sup>	Total
<b>Assets</b>				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye	6.462.403	16.998.276	4.089.199	27.549.878
Banks	777.555	2.649.884	3.254.527	6.681.966
Financial assets at fair value through profit and loss <sup>(**)</sup>	1.067.812	1.378.291	5.091.891	7.537.994
Money market placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	1.497	31.850	9.278	42.625
Loans and financial lease receivables <sup>(***)</sup>	7.775.445	25.103.500	-	32.878.945
Subsidiaries, associates and joint ventures	64.221	-	-	64.221
Financial Assets Measured at Amortised Cost	1.724.657	11.140.617	-	12.865.274
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	27.327	27.327
Intangible assets	-	-	-	-
Other assets <sup>(****)</sup>	11.720	262.168	11.102	284.990
<b>Total assets</b>	<b>17.885.310</b>	<b>57.564.586</b>	<b>12.483.324</b>	<b>87.933.220</b>
<b>Liabilities</b>				
Current account and funds collected from banks via participation accounts	421.915	790.620	31.532	1.244.067
Other current and profit sharing accounts	14.854.078	49.661.505	11.989.230	76.504.813
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	2.238.170	5.968.551	-	8.206.721
Marketable securities issued	-	-	-	-
Miscellaneous payables	60.648	1.153.131	82.340	1.296.119
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	5.036	46.002	2.479	53.517
<b>Total liabilities</b>	<b>17.579.847</b>	<b>57.619.809</b>	<b>12.105.581</b>	<b>87.305.237</b>
<b>Net balance sheet position</b>	<b>305.463</b>	<b>(55.223)</b>	<b>377.743</b>	<b>627.983</b>
<b>Net off balance sheet position</b>	<b>(352.248)</b>	<b>732.722</b>	<b>16.912</b>	<b>397.386</b>
Derivative financial instruments assets <sup>(*****)</sup>	-	1.242.892	21.037	1.263.929
Derivative financial instruments liabilities <sup>(*****)</sup>	352.248	510.170	4.125	866.543
Non-cash loans <sup>(*****)</sup>	3.048.652	7.984.963	87.768	11.121.383
<b>Prior Period</b>				
Total assets	19.643.723	46.598.912	10.428.970	76.671.605
Total liabilities	17.761.102	49.032.994	10.156.963	76.951.059
<b>Net balance sheet position</b>	<b>1.882.621</b>	<b>(2.434.082)</b>	<b>272.007</b>	<b>(279.454)</b>
<b>Net off balance sheet position</b>	<b>(2.145.002)</b>	<b>2.733.834</b>	<b>(75.193)</b>	<b>513.639</b>
Derivative financial instruments assets	-	3.219.728	30.028	3.249.756
Derivative financial instruments liabilities	2.145.002	485.894	105.221	2.736.117
Non-cash loans <sup>(*****)</sup>	3.317.764	6.952.583	52.696	10.323.043

<sup>(\*)</sup> TL 3.894.250 (December 31, 2021: TL 3.664.103) 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 1.907.119 (December 31, 2021: TL 962.090) of the balance in Banks in other FC column represent precious metals accounts with banks, TL 10.943.931 (December 31, 2021: TL 9.344.729 ) of the balance in Other current and profit sharing accounts in other FC column represent precious metals deposits accounts. TL 5.091.891 (December 31, 2021: TL 4.877.174) 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 546.426 (December 31, 2021: TL 944.111).

<sup>(\*\*\*\*)</sup> Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 5.114 (December 31, 2021: TL 3.479) 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 201.340 (December 31, 2021: TL 142.473) and derivative financial instruments liabilities include foreign currency sale commitment in the amount of TL 196.011 (December 31, 2021: TL 463.533).

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



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

**Other issues related to currency risk:**

Since the 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”, related amount is not included in the above table.

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

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

The 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 114.290 100% risk weight is applied to related whole amount (December 31, 2021: TL 62.639).

**V. Explanations on 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 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 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 Bank in liquidity risk management and 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 Bank is exposed to and considering the Bank’s strategy and conditions of competition and pursues the implementations. Risk Management Department defines the 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 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 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 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 taking into account the relevant currencies. Funding sources are monitored actively during identification of concentration risk related to funding. The 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 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 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 Bank including mechanisms to prevent increase in liquidity risk during normal and liquidity crisis scenarios for different conditions and levels. Available liquidity sources are determined by considering the liquidity squeezes. Within the framework of this plan, the Bank monitors liquidity risk in terms of early warning indicators in each stress.

While assessing the sectors affected by Covid-19 Pandemic, the Bank has benefited from analyses by foreign rating institutions published to the general public. The sectors that are expected to be affected most are ranged from high risk to low risk and all customers are reclassified as per risk groups. These customers are reassessed in following up operations, stress test and sectoral concentration analysis and related reassessments will continue in the coming periods.

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

**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>	
		TL+FC	FC	TL+FC	FC
	<b>Current Period</b>				
	<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
	HIGH QUALITY LIQUID ASSETS			51.609.339	43.220.957
	<b>CASH OUTFLOWS</b>				
	Retail and Small Business Funds Collected	64.634.130	50.469.208	6.199.625	5.046.921
	Stable Funds Collected	5.275.759	-	263.788	-
	Less stable Funds Collected	59.358.371	50.469.208	5.935.837	5.046.921
	Unsecured Funding other than Retail and Small Business Customers Deposits	31.962.884	21.495.460	13.597.066	7.804.795
	Operational Funds Collected	20.591.013	16.332.593	5.147.753	4.083.148
	Non-Operational Funds Collected	6.369.515	2.590.108	3.602.497	1.193.263
	Other Unsecured Funding	5.002.356	2.572.759	4.846.816	2.528.384
	Secured funding			-	-
	Other Cash Outflows	4.430.239	3.390.210	4.430.239	3.390.210
	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	4.430.239	3.390.210	4.430.239	3.390.210
	Debts related to the structured financial products	-	-	-	-
	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
	Other irrevocable or conditionally revocable commitments	22.450.463	11.178.167	2.611.865	1.701.780
	<b>TOTAL CASH OUTFLOWS</b>			<b>26.838.795</b>	<b>17.943.706</b>
	<b>CASH INFLOWS</b>				
	Secured Lending Transactions	-	-	-	-
	Unsecured Lending Transactions	16.189.603	10.422.076	13.683.106	9.611.663
	Other contractual cash inflows	4.442.293	2.833.403	4.442.293	2.833.403
	<b>TOTAL CASH INFLOWS</b>	<b>20.631.896</b>	<b>13.255.479</b>	<b>18.125.399</b>	<b>12.445.066</b>
				Upper limit applied amounts	
	<b>TOTAL HQLA</b>			<b>51.609.339</b>	<b>43.220.957</b>
	<b>TOTAL NET CASH OUTFLOWS</b>			<b>8.713.396</b>	<b>5.498.640</b>
	<b>Liquidity Coverage Ratio (%)</b>			<b>592,30</b>	<b>786,03</b>

<sup>(\*)</sup> Average of the last three months of liquidity coverage ratios calculated considering weekly simple arithmetic averages.

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	438,42	563,74
Date	July 18, 2022	July 12, 2022
Highest	774,71	987,88
Date	August 18, 2022	September 23, 2022
Average	592,30	786,03

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

**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>	
	Prior period	TL+FC	FC	TL+FC	FC
	HIGH QUALITY LIQUID ASSETS (HQLA)				
	HIGH QUALITY LIQUID ASSETS			33.240.760	29.994.681
	CASH OUTFLOWS				
	Retail and Small Business Funds Collected	48.002.205	35.868.013	4.554.809	3.586.801
	Stable Funds Collected	4.908.238	-	245.412	-
	Less stable Funds Collected	43.093.967	35.868.013	4.309.397	3.586.801
	Unsecured Funding other than Retail and Small Business Customers Deposits	26.730.954	18.464.414	12.063.765	6.743.836
	Operational Funds Collected	14.671.442	11.667.569	3.667.861	2.916.892
	Non-Operational Funds Collected	7.626.022	5.215.140	4.073.633	2.411.535
	Other Unsecured Funding	4.433.490	1.581.705	4.322.271	1.415.409
	Secured funding			-	-
	Other Cash Outflows	3.839.376	3.332.027	3.839.376	3.332.027
	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	3.839.376	3.332.027	3.839.376	3.332.027
	Debts related to the structured financial products	-	-	-	-
	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
	Other irrevocable or conditionally revocable commitments	15.718.241	8.909.943	1.820.327	1.306.136
	TOTAL CASH OUTFLOWS			22.278.277	14.968.800
	CASH INFLOWS				
	Secured Lending Transactions	-	-	-	-
	Unsecured Lending Transactions	9.891.169	6.436.367	7.762.936	5.345.582
	Other contractual cash inflows	3.892.265	2.629.280	3.892.265	2.629.280
	TOTAL CASH INFLOWS	13.783.434	9.065.647	11.655.201	7.974.862
				Upper limit applied amounts	
	TOTAL HQLA			33.240.760	29.994.681
	TOTAL NET CASH OUTFLOWS			10.623.076	6.993.938
	Liquidity Coverage Ratio (%)			312,91	428,87

<sup>(\*)</sup> Average of the last three months of liquidity coverage ratios calculated considering weekly simple arithmetic averages.

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 2021 are as follows:

Liquidity Coverage Ratio (%)	Prior Period	
	TL+FC	FC
Lowest	247,19	334,49
Date	October 3, 2021	December 7, 2021
Highest	401,82	552,45
Date	December 8, 2021	December 28, 2021
Average	312,91	428,87

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

**Liquidity Coverage Ratio (continued):**

Liquidity coverage ratio is calculated by comparing the high quality liquid assets owned by the 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.

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. The Bank's high quality liquid assets are composed of 3,64% cash, 49,77% deposits in central banks and 46,59% securities considered as high quality liquid assets.

The Bank's main funding sources are funds collected, funds borrowed, borrowings from money market and subordinated loans. Funding source composition in report date is 91,90% funds collected, 8,10% funds borrowed, borrowings from money market and subordinated loans.

Cash flows of derivatives that will take place within 30 days are taken into account 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 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. Liquidity risk of the 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 Bank.

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

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

Current Period	Demand <sup>(*)</sup>	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated <sup>(***)</sup> (****)	Total
<b>Assets</b>								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye	15.782.425	18.450.302	-	-	-	-	-	34.232.727
Banks	6.204.064	2.523.923	320.243	-	-	-	-	9.048.230
Financial Assets at Fair Value Through Profit and Loss <sup>(*)</sup>	1.046.348	194.432	36.073	1.274.388	8.709.432	113.468	-	11.374.141
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	31.166	232.359	-	53.698	333.656	-	-	650.879
Loans <sup>(**)</sup>	316.138	6.399.697	13.566.126	24.515.562	20.115.259	2.863.725	488.075	68.264.582
Financial Assets Measured at Amortised Cost	-	172.127	105.680	2.314.629	12.267.284	2.884.000	-	17.743.720
Other Assets	-	-	2.311	44.068	189.201	297.485	3.549.129	4.082.194
<b>Total Assets</b>	<b>23.380.141</b>	<b>27.972.840</b>	<b>14.030.433</b>	<b>28.202.345</b>	<b>41.614.832</b>	<b>6.158.678</b>	<b>4.037.204</b>	<b>145.396.473</b>
<b>Liabilities</b>								
Current account and funds collected from banks via participation accounts	1.241.472	36	6.564	27.798	-	-	-	1.275.870
Other current and profit sharing accounts	54.408.024	35.466.544	19.956.570	9.017.659	490.280	-	-	119.339.077
Funds provided from other financial institutions and subordinated loans	-	1.812.197	3.129.857	1.079.479	4.610.250	-	-	10.631.783
Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	884.339	219.425	89.157	95	-	3.878.643	5.071.659
Other liabilities	775.720	-	201	10.820	128.291	261.099	7.901.953	9.078.084
<b>Total Liabilities</b>	<b>56.425.216</b>	<b>38.163.116</b>	<b>23.312.617</b>	<b>10.224.913</b>	<b>5.228.916</b>	<b>261.099</b>	<b>11.780.596</b>	<b>145.396.473</b>
<b>Net Liquidity Gap</b>	<b>(33.045.075)</b>	<b>(10.190.276)</b>	<b>(9.282.184)</b>	<b>17.977.432</b>	<b>36.385.916</b>	<b>5.897.579</b>	<b>(7.743.392)</b>	<b>-</b>
<b>Net Off-balance sheet</b>								
<b>Position</b>	<b>-</b>	<b>975</b>	<b>(299.802)</b>	<b>1.256</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(297.571)</b>
Financial Derivative Assets	-	1.475.451	34.304	75.558	-	-	-	1.585.313
Financial Derivative Liabilities	-	1.474.476	334.106	74.302	-	-	-	1.882.884
<b>Non-cash Loans</b>	<b>13.650.055</b>	<b>318.710</b>	<b>908.403</b>	<b>4.479.866</b>	<b>1.627.550</b>	<b>20.228</b>	<b>-</b>	<b>21.004.812</b>
<b>Prior period</b>								
Total Assets	14.438.299	21.872.634	12.847.580	19.697.386	32.405.443	4.041.120	3.652.661	108.955.123
Total Liabilities	47.058.155	37.210.410	10.984.240	3.899.308	3.389.861	214.810	6.198.339	108.955.123
<b>Net Liquidity Gap</b>	<b>(32.619.856)</b>	<b>(15.337.776)</b>	<b>1.863.340</b>	<b>15.798.078</b>	<b>29.015.582</b>	<b>3.826.310</b>	<b>(2.545.678)</b>	<b>-</b>
<b>Net Off-balance sheet</b>								
<b>Position</b>	<b>-</b>	<b>(284.967)</b>	<b>243.204</b>	<b>8.513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33.250)</b>
Financial Derivative Assets	-	2.701.371	549.987	131.339	-	-	-	3.382.697
Financial Derivative Liabilities	-	2.986.338	306.783	122.826	-	-	-	3.415.947
<b>Non-cash Loans</b>	<b>11.725.992</b>	<b>164.297</b>	<b>770.409</b>	<b>3.464.733</b>	<b>1.262.356</b>	<b>15.513</b>	<b>-</b>	<b>17.403.300</b>

<sup>(\*)</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 leverage ratio:**

As of September 30, 2022, leverage ratio of the Bank calculated from the arithmetic average of the last three months is 4,19% (December 31, 2021: 3,18%). 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 higher 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)	143.261.008	102.434.886
2 (Assets deducted from Core capital)	(201.734)	(371.694)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	143.059.274	102.063.192
<b>Derivative financial assets and credit derivatives</b>		
4 Cost of replenishment for derivative financial assets and credit derivatives	32.750	157.781
5 Potential credit risk amount of derivative financial assets and credit derivatives	38.586	31.543
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	71.336	189.324
<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)	3.021.993	600.159
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)	3.021.993	600.159
<b>Off-balance sheet transactions</b>		
10 Gross notional amount of off-balance sheet transactions	25.556.695	20.035.331
11 (Correction amount due to multiplication with credit conversion rates)	(31.950)	(30.750)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	25.524.745	20.004.581
<b>Capital and total risk</b>		
13 Core Capital	7.190.007	3.881.503
14 Total risk amount (sum of lines 3, 6, 9 and 12)	171.677.348	122.857.256
<b>Leverage ratio</b>		
15 Leverage ratio (%)	4,19	3,18

<sup>(\*)</sup> The average amounts for the last three months.

**VII. Explanations on presentation of 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”.

**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”.

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**IX. Explanations on 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. The following tables which have to be presented on a quarterly basis have not been presented dated September 30, 2022 since the Bank's use the standard approach for the calculation of capital adequacy:

- 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. Risk management strategy and 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)	50.467.482	34.696.010	4.037.399
2	Standardised approach (SA)	50.467.482	34.696.010	4.037.399
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	51.777	60.985	4.142
5	Standardised approach for counterparty credit risk (SA-CCR)	51.777	60.985	4.142
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models	-	-	-
8	equity position in the banking account	-	-	-
9	Investments made in collective investment companies – look-through approach	-	-	-
10	Investments made in collective investment companies – mandate-based approach	-	-	-
11	Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
12	Settlement risk	-	-	-
13	Securitization positions in banking accounts	-	-	-
14	IRB ratings-based approach (RBA)	-	-	-
15	IRB Supervisory Formula Approach (SFA)	-	-	-
16	SA/simplified supervisory formula approach (SSFA)	-	-	-
17	Market risk	8.177.699	3.993.135	654.216
18	Standardised approach (SA)	8.177.699	3.993.135	654.216
19	Internal model approaches (IMM)	-	-	-
20	Operational Risk	3.759.456	3.328.991	300.756
21	Basic Indicator Approach	3.759.456	3.328.991	300.756
22	Standard Approach	-	-	-
23	Advanced measurement approach	-	-	-
24	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
<b>25</b>	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>62.456.414</b>	<b>42.079.121</b>	<b>4.996.513</b>

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**X. Explanations on business segments:**

The 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)	(767.464)	4.338.801	3.559.512	103.876	7.234.725
Operating Expenses <sup>(*)</sup>	(1.212.247)	(3.450.995)	(572.880)	(603.016)	(5.839.138)
Operating Income/Expenses	(1.979.711)	887.806	2.986.632	(499.140)	1.395.587
Profit/(Loss) Before Tax	(1.979.711)	887.806	2.986.632	(499.140)	1.395.587
Tax Income (Expense)	-	-	-	(488.924)	(488.924)
<b>Current Year Profit/(Loss)</b>	<b>(1.979.711)</b>	<b>887.806</b>	<b>2.986.632</b>	<b>(988.064)</b>	<b>906.663</b>
<b>Total Assets</b>	<b>5.095.858</b>	<b>67.588.230</b>	<b>68.701.828</b>	<b>4.010.557</b>	<b>145.396.473</b>
<b>Total Liabilities</b>	<b>84.267.502</b>	<b>41.740.629</b>	<b>11.085.428</b>	<b>8.302.914</b>	<b>145.396.473</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)	(163.644)	1.449.260	708.487	276.337	2.270.440
Operating Expenses <sup>(*)</sup>	(853.391)	(952.548)	(437.648)	(1.387)	(2.244.974)
Operating Income/Expenses	(1.017.035)	496.712	270.839	274.950	25.466
Profit/(Loss) Before Tax	(1.017.035)	496.712	270.839	274.950	25.466
Tax Income (Expense)	-	-	-	25.961	25.961
<b>Current Year Profit/(Loss)</b>	<b>(1.017.035)</b>	<b>496.712</b>	<b>270.839</b>	<b>300.911</b>	<b>51.427</b>
<b>Total Assets</b>	<b>4.505.547</b>	<b>54.184.584</b>	<b>45.633.579</b>	<b>4.631.413</b>	<b>108.955.123</b>
<b>Total Liabilities</b>	<b>61.601.748</b>	<b>32.266.284</b>	<b>9.801.996</b>	<b>5.285.095</b>	<b>108.955.123</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 unconsolidated financial statements**

**I. Explanations and notes related to 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	200.834	1.899.424	158.510	1.636.898
CBRT	6.227.168	23.845.310	1.477.835	21.001.121
Other <sup>(*)</sup>	255.364	1.805.144	184.487	2.039.760
<b>Total</b>	<b>6.683.366</b>	<b>27.549.878</b>	<b>1.820.832</b>	<b>24.677.779</b>

<sup>(\*)</sup> Includes precious metals amounting to TL 545.710 (December 31, 2021: TL 528.804) and cash in transit amounting to TL 1.514.798 (December 31, 2021: TL 1.695.443) as of September 30, 2022.

**b. Information related to CBRT:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	5.294.478	6.327.181	1.436.022	5.163.805
Unrestricted time deposit	-	-	-	-
Restricted time deposit <sup>(*)</sup>	932.690	17.518.129	41.813	15.837.316
<b>Total</b>	<b>6.227.168</b>	<b>23.845.310</b>	<b>1.477.835</b>	<b>21.001.121</b>

<sup>(\*)</sup> As of September 30, 2022, the reserve requirement held in standard gold is TL 3.348.540 (December 31, 2021: TL 3.135.299)

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 per the regulation by CBRT dated November 27, 2020, the commission is paid to CBRT from foreign exchange reserves except USD kept at required reserves and foreign exchange call deposits. As of September 30, 2022, the compulsory rates for the reserve deposits at the Central Bank of Türkiye for Turkish Lira are implemented within an interval from 3% to 8% depending on maturity of deposits and the compulsory rates for the foreign currency liabilities are within an interval from 5% to 26% depending on maturity of deposits.

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

**c.1. Information on Banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic <sup>(*)</sup>	2.536.085	2.294.580	1.494.422	1.039.578
Abroad	-	4.406.903	-	2.762.422
Foreign head offices and branches	-	-	-	-
<b>Total</b>	<b>2.536.085</b>	<b>6.701.483</b>	<b>1.494.422</b>	<b>3.802.000</b>

<sup>(\*)</sup> Includes blockaged amount TL 2.523.923 (December 31, 2021: TL 1.480.543) booked under TL accounts arising from POS transactions.

**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. Financial assets measured at fair value through profit or 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 September 30, 2022, there is not any nominal amounts subject to repurchase agreements (December 31, 2021: TL 993).

As of September 30, 2022, the collateralized /blocked nominal investment amount is TL 120.000 (December 31, 2021: TL 6.916).

**b. Financial assets measured at fair value through profit/loss**

	Current Period		Prior Period	
	TL	FC	TL	FC
Investment fund participation certificates (Net)	1.131.389	-	1.165	-
Sukuk	2.688.109	7.494.048	1.489.895	6.850.650
Equity Securities	-	32.106	-	19.198
Other	911	11.840	1.814	19.794
<b>Total</b>	<b>3.820.409</b>	<b>7.537.994</b>	<b>1.492.874</b>	<b>6.889.642</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 a collateral or blocked:**

As of September 30, 2022, there is not any investment amount subject to repurchase agreements (December 31, 2021: None).

As of September 30, 2022, there is not any collateralized /blocked investment amount. (December 31, 2021: TL 99.011).

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

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

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

	Current Period	Prior Period
<b>Debt Securities</b>	<b>619.722</b>	<b>733.943</b>
Quoted on a stock exchange	619.722	733.943
Unquoted	-	-
<b>Investment Funds</b>	<b>-</b>	<b>-</b>
Quoted on a stock exchange	-	-
Unquoted	-	-
<b>Share Certificates</b>	<b>31.166</b>	<b>24.686</b>
Quoted on a stock exchange	-	-
Unquoted	31.166	24.686
<b>Impairment Provision (-)</b>	<b>9</b>	<b>6.271</b>
<b>Total</b>	<b>650.879</b>	<b>752.358</b>

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

**a) Information on subject to repurchase transactions, given as collateral or blocked:**

As of September 30, 2022, there is not any amount subject to repurchase agreements (December 31, 2021: none)

As of September 30, 2022, the collateralized/blocked nominal investment amount is TL 3.985.480 (December 31, 2021: TL 539.107)

**b) Information on related to government securities measured at amortised cost:**

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities <sup>(*)</sup>	17.733.241	8.103.211
<b>Total</b>	<b>17.733.241</b>	<b>8.103.211</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	17.743.720	8.103.211
Quoted on a stock exchange	17.743.720	8.103.211
Unquoted	-	-
Impairment provision (-)	-	-
<b>Total</b>	<b>17.743.720</b>	<b>8.103.211</b>

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

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

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

	Current Period	Prior Period
Balance at beginning of period	8.103.211	3.224.800
Foreign currency differences on monetary assets	2.889.623	2.602.268
Purchases during period <sup>(*)</sup>	8.663.630	3.762.132
Disposals through sales and redemptions <sup>(*)</sup>	(2.219.004)	(1.510.652)
Impairment provision (-)	-	-
Reclassifications	-	-
Income accruals	306.260	24.663
<b>Closing balance</b>	<b>17.743.720</b>	<b>8.103.211</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	6.647	-	32.030	-
Swap Transactions	9.091	-	56.455	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>15.738</b>	<b>-</b>	<b>88.485</b>	<b>-</b>

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

**6. Information on loans:**

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

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	57.624	5.235	102.174	5.591
Corporate shareholders	54.460	5.235	98.481	5.591
Real person shareholders	3.164	-	3.693	-
Indirect loans granted to shareholders	1.648.156	37.034	1.219.475	64.583
Loans granted to employees	47.693	37.800	20.765	39.800
<b>Total</b>	<b>1.753.473</b>	<b>80.069</b>	<b>1.342.414</b>	<b>109.974</b>

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

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

**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	Restructured	
Cash Loans	Standard Loans	Restructuring or Rescheduling	Amendments to the Terms of Contracts	Refinancing
<b>Loans</b>				
Export loans	5.117.195	11.439	-	-
Import loans	4.166.944	140.004	-	-
Business loans	26.381.164	1.410.906	3.839.579	1.758.955
Consumer loans	4.654.191	91.574	2.499	-
Credit cards	1.081.184	15.579	56	-
Loans given to financial sector	2.487.677	155	-	-
Other <sup>(*)</sup>	16.797.283	314.258	240.442	-
<b>Other receivables</b>	-	-	-	-
<b>Total</b>	<b>60.685.638</b>	<b>1.983.915</b>	<b>4.082.576</b>	<b>1.758.955</b>

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

Commercial loans with installments	5.614.665
Other investment credits	3.069.452
Loans given to abroad	3.746.254
Profit and loss sharing investments <sup>(**)</sup>	4.221.011
Loans for purchase of marketable securities for customer	618.442
Other	82.159
<b>Total</b>	<b>17.351.983</b>

<sup>(\*\*)</sup> As of September 30, 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 September 30, 2022, the profit and loss sharing investments are evaluated as financial assets measured at fair value through profit or loss based on December 31, 2021 valuation studies. Total cumulative valuation profit is TL 276.345 and valuation loss is TL 53.373 for profit and loss sharing investments.

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**I. Explanations and notes related to assets (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	
Cash Loans	Standard Loans	Restructuring or Rescheduling	Amendments to the Terms of Contracts	Refinancing
<b>Loans</b>				
Export loans	3.692.880	16.226	-	-
Import loans	4.146.656	42.483	1.062	-
Business loans	21.053.122	1.684.456	1.503.531	1.722.322
Consumer loans	4.206.014	95.720	3.235	-
Credit cards	698.692	4.718	111	-
Loans given to financial sector	2.013.033	-	-	-
Other <sup>(*)</sup>	14.015.168	424.240	193.107	4.765
<b>Other receivables</b>	-	-	-	-
<b>Total</b>	<b>49.825.565</b>	<b>2.267.843</b>	<b>1.701.046</b>	<b>1.727.087</b>

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

Commercial loans with installments	3.625.314
Other investment credits	3.001.637
Loans given to abroad	3.570.730
Profit and loss sharing investments <sup>(**)</sup>	3.908.579
Loans for purchase of marketable securities for customer	470.413
Other	60.607
<b>Total</b>	<b>14.637.280</b>

<sup>(\*\*)</sup> As of December 31, 2021, 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, 2021, the profit and loss sharing investments are evaluated as financial assets measured at fair value through profit or loss, and net profit amounts to TL 37.360 for 2021 (TL 146.893 valuation profit, TL 109.533 valuation loss) 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 314.710 and valuation loss is TL 53.373 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	221.188	-
Significant Increase in Credit Risk	-	1.381.299
Prior Period	Standard Loans	Loans under close monitoring
12 Month Expected Credit Losses	163.379	-
Significant Increase in Credit Risk	-	367.483

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**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:**

Current Period	Short-term	Medium and long-term	Total
<b>Consumer loans-TL</b>	<b>90.425</b>	<b>4.592.904</b>	<b>4.683.329</b>
Housing loans	12.143	3.672.740	3.684.883
Vehicle loans	22.495	509.106	531.601
Consumer loans	55.787	411.058	466.845
Other	-	-	-
<b>Consumer loans-FC indexed</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	-	<b>27.185</b>	<b>27.185</b>
Housing loans	-	12.901	12.901
Vehicle loans	-	-	-
Consumer loans	-	14.284	14.284
Other	-	-	-
<b>Retail credit cards-TL</b>	<b>292.829</b>	<b>260</b>	<b>293.089</b>
With installment	104.512	257	104.769
Without installment	188.317	3	188.320
<b>Retail credit cards-FC</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>31.946</b>	<b>5.804</b>	<b>37.750</b>
Housing loans	-	319	319
Vehicle loans	-	3.428	3.428
Consumer loans	31.946	2.057	34.003
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>9.943</b>	-	<b>9.943</b>
With installment	5.089	-	5.089
Without installment	4.854	-	4.854
<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>425.143</b>	<b>4.626.153</b>	<b>5.051.296</b>

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

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

<b>Prior Period</b>	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
<b>Consumer loans-TL</b>	<b>49.141</b>	<b>4.228.453</b>	<b>4.277.594</b>
Housing loans	15.075	3.691.588	3.706.663
Vehicle loans	12.202	350.294	362.496
Consumer loans	21.864	186.571	208.435
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>13.812</b>	<b>13.812</b>
Housing loans	-	1.756	1.756
Vehicle loans	-	-	-
Consumer loans	-	12.056	12.056
Other	-	-	-
<b>Retail credit cards-TL</b>	<b>166.841</b>	<b>71</b>	<b>166.912</b>
With installment	61.040	61	61.101
Without installment	105.801	10	105.811
<b>Retail credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>11.590</b>	<b>1.973</b>	<b>13.563</b>
Housing loans	-	781	781
Vehicle loans	38	1.068	1.106
Consumer loans	11.552	124	11.676
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>7.185</b>	<b>17</b>	<b>7.202</b>
With installment	3.441	15	3.456
Without installment	3.744	2	3.746
<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>234.757</b>	<b>4.244.326</b>	<b>4.479.083</b>



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**I. Explanations and notes related to 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>945.778</b>	<b>3.626.920</b>	<b>4.572.698</b>
Business loans	70.962	757.418	828.380
Vehicle loans	796.491	2.287.137	3.083.628
Consumer loans	78.325	582.365	660.690
Other	-	-	-
<b>Commercial installment loans-FC indexed</b>	<b>-</b>	<b>27.991</b>	<b>27.991</b>
Business loans	-	27.483	27.483
Vehicle loans	-	508	508
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment Loans-FC</b>	<b>25.739</b>	<b>988.237</b>	<b>1.013.976</b>
Business loans	16.958	336.412	353.370
Vehicle loans	8.781	458.010	466.791
Consumer loans	-	193.815	193.815
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>792.463</b>	<b>1.324</b>	<b>793.787</b>
With installment	265.026	1.159	266.185
Without installment	527.437	165	527.602
<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>1.763.980</b>	<b>4.644.472</b>	<b>6.408.452</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>268.178</b>	<b>2.529.595</b>	<b>2.797.773</b>
Business loans	14.249	504.203	518.452
Vehicle loans	223.941	1.615.073	1.839.014
Consumer loans	29.988	410.319	440.307
Other	-	-	-
<b>Commercial installment loans-FC indexed</b>	<b>-</b>	<b>43.617</b>	<b>43.617</b>
Business loans	-	37.760	37.760
Vehicle loans	-	3.068	3.068
Consumer loans	-	2.789	2.789
Other	-	-	-
<b>Commercial installment Loans-FC</b>	<b>5.513</b>	<b>778.411</b>	<b>783.924</b>
Business loans	-	177.360	177.360
Vehicle loans	5.513	413.436	418.949
Consumer loans	-	187.615	187.615
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>526.903</b>	<b>2.393</b>	<b>529.296</b>
With installment	178.587	2.105	180.692
Without installment	348.316	288	348.604
<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>800.594</b>	<b>3.354.016</b>	<b>4.154.610</b>

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**I. Explanations and notes related to 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	64.764.830	51.950.811
Foreign loans	3.746.254	3.570.730
<b>Total</b>	<b>68.511.084</b>	<b>55.521.541</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Direct Loans Granted to Subsidiaries and Associates	37	-	-	-
Indirect Loans Granted to Subsidiaries and Associates	-	-	-	-
<b>Total</b>	<b>37</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	207.167	346.715
Loans with doubtful collectability	299.663	325.046
Uncollectible loans	702.074	1.986.282
<b>Total</b>	<b>1.208.904</b>	<b>2.658.043</b>

Specific provisions in the amount of TL 1.208.904 (December 31, 2021: TL 2.658.043) comprise TL 386.837 (December 31, 2021: TL 973.778) 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	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
<b>Current period</b>			
Gross amount before specific provisions	-	20.595	94.138
Restructured loans	-	20.595	94.138
<b>Prior Period</b>			
Gross amount before specific provisions	-	414	132.728
Restructured loans	-	414	132.728

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**I. Explanations and notes related to 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>523.543</b>	<b>365.483</b>	<b>2.894.211</b>
Additions in the current period (+)	1.139.755	106.225	605.410
Transfers from other categories of non-performing loans (+)	-	739.790	381.313
Transfers to other categories of non-performing loans (-)	739.790	381.313	-
Collections in the current period (-)	102.191	86.540	333.038
Transfers to standard loans and write off(-)( <sup>(*)</sup> )	541.139	361.625	2.513.115
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
<b>Closing balance of the current period</b>	<b>280.178</b>	<b>382.020</b>	<b>1.034.781</b>
Provisions (-)	207.167	299.663	702.074
<b>Net balance at the balance sheet</b>	<b>73.011</b>	<b>82.357</b>	<b>332.707</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 56.487. Since there is no reasonable expectation regarding its recovery, TL 3.359.392 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 441 basis points

Non-performing loans in the amount of TL 1.696.979 comprise TL 667.248 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>193.865</b>	<b>240.360</b>	<b>1.611.051</b>
Additions in the current period (+)	604.783	291.007	1.562.727
Transfers from other categories of non-performing loans (+)	-	237.812	343.703
Transfers to other categories of non-performing loans (-)	237.812	343.703	-
Collections in the current period (-)	32.517	56.711	373.802
Transfers to standard loans and write off(-)( <sup>(*)</sup> )	4.776	3.282	249.468
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other ( <sup>(**)</sup> )	-	-	-
<b>Closing balance of the current period</b>	<b>523.543</b>	<b>365.483</b>	<b>2.894.211</b>
Specific provisions (-)	346.715	325.046	1.986.282
<b>Net balance at the balance sheet</b>	<b>176.828</b>	<b>40.437</b>	<b>907.929</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 8.341. Since there is no reasonable expectation regarding its recovery, TL 249.185 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 39 basis points

Non-performing loans in the amount of TL 3.783.237 comprise TL 1.627.858 of participation account share of loans provided from participation accounts.

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**I. Explanations and notes related to 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	41.937	1.865	110.275
Provision (-)	29.683	1.418	106.374
<b>Net balance</b>	<b>12.254</b>	<b>447</b>	<b>3.901</b>
<b>Prior period:</b>			
Period end balance	328.762	273.061	817.947
Provision (-)	187.531	264.025	696.048
<b>Net balance</b>	<b>141.231</b>	<b>9.036</b>	<b>121.899</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>73.011</b>	<b>82.357</b>	<b>332.707</b>
Loans to individuals and corporates (gross)	280.178	382.020	1.034.781
Provision (-)	207.167	299.663	702.074
<b>Loans to individuals and corporates (net)</b>	<b>73.011</b>	<b>82.357</b>	<b>332.707</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>176.828</b>	<b>40.437</b>	<b>907.929</b>
Loans to individuals and corporates (gross)	523.543	365.483	2.894.211
Provision (-)	346.715	325.046	1.986.282
<b>Loans to individuals and corporates (net)</b>	<b>176.828</b>	<b>40.437</b>	<b>907.929</b>
Banks (gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other loans and receivables (gross)	-	-	-
Provision (-)	-	-	-
<b>Other loans and receivables (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**I. Explanations and notes related to 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>Uncollectible loans</b>
<b>Current Period (Net)</b>	<b>33.287</b>	<b>8.605</b>	<b>153.685</b>
Profit Share Accruals and Valuation Differences	65.063	8.667	277.689
Provision (-)	31.776	62	124.004
<b>Prior Period (Net)</b>	<b>5.330</b>	<b>21.043</b>	<b>357.066</b>
Profit Share Accruals and Valuation Differences	9.367	21.469	942.724
Provision (-)	4.037	426	585.658

**i. Liquidation policy for uncollectible 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	130.829	118.147	168.950	158.920
1 to 4 years	709.321	625.068	617.544	563.304
More than 4 years	136.941	124.695	106.525	98.450
<b>Total</b>	<b>977.091</b>	<b>867.910</b>	<b>893.019</b>	<b>820.674</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Financial lease receivables (Gross)	977.091	893.019
Unearned financial lease receivable (-)	109.181	72.345
<b>Net receivable from financial leases</b>	<b>867.910</b>	<b>820.674</b>

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

**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.

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
Current Period				
Financial lease receivables (Net)	852.238	6.982	8.690	-
Prior Period				
Financial lease receivables (Net)	774.305	38.705	7.664	-

**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	118.978	131.050
Additions	321.163	222.019
Disposals	(76.778)	(87.111)
Transfers <sup>(*)</sup>	(106.856)	(104.641)
Impairment Provision(-)/Reversal of Impairment Provision <sup>(*)</sup>	38.901	(42.339)
<b>Net closing balance</b>	<b>295.408</b>	<b>118.978</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 September 30, 2022, TL 295.408 (December 31, 2021: TL 118.517) of the assets held for sale is comprised of real estates. There is no other tangible assets (December 31, 2021: TL 461). The Bank has not any discontinued operations and assets of discontinued operations.

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

**9. Ownership investments:**

**a. Associates:**

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

As of balance sheet date, the Bank does not have any unconsolidated associates.

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

As of balance sheet date, the Bank does not have any consolidated associates.

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

**b1. Information on unconsolidated non financial subsidiaries:**

As of balance sheet date, the Bank does not have any non financial subsidiaries.

**b2. Information on consolidated subsidiaries:**

Bereket Varlık Kiralama A.Ş. and Değer Varlık Kiralama A.Ş., 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 September 30, 2022, the capital of each company is TL 50.

i. The balances of Bereket Varlık Kiralama A.Ş. presented in the table below have been obtained from unreviewed financial statements as of September 30, 2022.

Name	Address (City/Country)	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
2.353.318	181	2	-	-	1	120	-

ii. The balances of Değer Varlık Kiralama A.Ş. presented in the table below have been obtained from unreviewed financial statements as of September 30, 2022.

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

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

**b2. Information on consolidated subsidiaries (continued):**

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
79.501	470	-	-	-	420	-	-

iii. In the Board of Directors meeting dated February 25, 2015, the 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 September 30, 2022, 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 September 30, 2022.

Name	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Albaraka Portföy Yönetimi A.Ş.	Istanbul/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
168.718	164.175	1.884	1.413	-	84.430	27.079	-

iv. Insha 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 September 30, 2022, 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 September 30, 2022, unreviewed financial statements of Insha GMBH is as follows:

Name	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Insha 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
€ 1.296.180	€ 683.119	€ 550.035	-	-	€ (2.240.838)	€ (3.058.298)	-



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

**v. Movement and sectoral information on consolidated subsidiaries:**

	<b>Current Period</b>	<b>Prior Period</b>
Amount at the beginning of the period	23.411	23.411
Movements inside the term	45.910	-
Purchases/new incorporations/capital increases/capital decreases (-)	45.910	-
Bonus shares	-	-
Profit received from current year share	-	-
Sales	-	-
Revaluation increases	-	-
Impairments	-	-
Amount at the end of the period	69.321	23.411
Capital commitments	-	-
<b>Share of the capital at the end of the period (%)</b>	<b>100</b>	<b>100</b>

	<b>Current Period</b>	<b>Prior Period</b>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	69.321	23.411

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

The 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. The financial data from unreviewed financial statements as of September 30, 2022 is as follows:

<b>Joint-Ventures</b>	<b>The Parent Bank's shareholding percentage (%)</b>	<b>Group's shareholding percentage (%)</b>	<b>Current Assets</b>	<b>Non-Current Assets</b>	<b>Long Term Debts</b>	<b>Income</b>	<b>Expense</b>
Katılım Emeklilik ve Hayat A.Ş.	50%	50%	588.215	8.801.104	8.849.656	405.200	316.160

Investment in joint venture in the unconsolidated financial statements is carried at cost.

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

None (December 31, 2021: None)

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

As of September 30, 2022, the Bank calculated net deferred tax asset of TL 292.559 (December 31, 2021: TL 489.049) by netting off deferred tax asset of TL 693.786 (December 31, 2021: TL 631.449) and deferred tax liability of TL 401.227 (December 31, 2021: TL 142.400) 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	92.119	79.209
Provisions for retirement premium and vacation pay liabilities	39.275	30.142
Difference between carrying value and tax base of tangible assets (amortisation differences)	75.784	46.991
Depreciation of tangible assets	53.447	45.110
Provisions for cases on trial	10.730	6.811
Provisions	363.782	70.461
Leasing profit share expenses	53.026	33.226
Other	5.623	319.499 <sup>(*)</sup>
<b>Deferred tax asset</b>	<b>693.786</b>	<b>631.449</b>
Revaluation difference of property	106.114	41.415
Rediscount on profit share	142.767	9.577
Right of use assets	101.439	60.625
Derivative financial liabilities	3.934	17.697
Other <sup>(**)</sup>	46.973	13.086
<b>Deferred tax liability</b>	<b>401.227</b>	<b>142.400</b>
<b>Deferred tax asset (net)</b>	<b>292.559</b>	<b>489.049</b>

<sup>(\*)</sup> Includes tax assets of TL 289.473 calculated from prior period financial losses.

<sup>(\*\*)</sup> TL 41.828 includes the deferred tax liability of securities revaluation difference at fair value through other comprehensive income. (December 31, 2021: 6.133 TL )

**14. Information on other assets:**

As of the balance sheet date, the Bank's other assets balance is TL 1.311.918 (December 31, 2021: TL 708.621) and does not exceed 10% of balance sheet total excluding off balance sheet commitments.

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**II. Explanations and notes related to 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</b>									
Non-Trade TL	4.070.471	-	-	-	-	-	-	-	4.070.471
<b>II. Real Persons Participation Accounts Non-Trade TL</b>	-	2.535.734	15.633.048	1.125.674	-	18.084	3.715.870	12.888	23.041.298
<b>III. Current Account other-TL</b>	5.053.260	-	-	-	-	-	-	-	5.053.260
Public Sector	126.403	-	-	-	-	-	-	-	126.403
Commercial Institutions	4.685.029	-	-	-	-	-	-	-	4.685.029
Other Institutions	204.705	-	-	-	-	-	-	-	204.705
Commercial and Other Institutions	11.922	-	-	-	-	-	-	-	11.922
Banks and Participation Banks	25.201	-	-	-	-	-	-	-	25.201
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	25.178	-	-	-	-	-	-	-	25.178
Participation Banks	21	-	-	-	-	-	-	-	21
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	644.330	7.515.370	950.484	-	21.696	1.569.148	10	10.701.038
Public Sector	-	18	131	-	-	-	-	-	149
Commercial Institutions	-	600.340	7.082.258	909.599	-	21.674	1.564.944	10	10.178.825
Other Institutions	-	43.972	352.282	40.885	-	22	4.204	-	441.365
Commercial and Other Institutions	-	-	74.097	-	-	-	-	-	74.097
Banks and Participation Banks	-	-	6.602	-	-	-	-	-	6.602
<b>V. Real Persons Current Accounts Non- Trade FC</b>	21.609.210	-	-	-	-	-	-	-	21.609.210
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	9.025.865	11.234.538	1.140.632	-	82.648	3.579.036	17.895	25.080.614
<b>VII. Other Current Accounts FC</b>	17.282.094	-	-	-	-	-	-	-	17.282.094
Residents in Türkiye-Corporate	9.774.108	-	-	-	-	-	-	-	9.774.108
Residents Abroad-Corporate	6.291.716	-	-	-	-	-	-	-	6.291.716
Banks and Participation Banks	1.216.270	-	-	-	-	-	-	-	1.216.270
Central Bank of Türkiye	223.922	-	-	-	-	-	-	-	223.922
Domestic Banks	94	-	-	-	-	-	-	-	94
Foreign Banks	991.826	-	-	-	-	-	-	-	991.826
Participation Banks	428	-	-	-	-	-	-	-	428
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other-FC</b>	-	1.020.090	1.660.616	43.464	-	28.024	80.126	711	2.833.031
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	710.805	1.204.597	31.656	-	227	42.756	711	1.990.752
Other institutions	-	88.815	18.461	224	-	-	-	-	107.500
Commercial and Other Institutions	-	220.470	437.558	11.584	-	-	37.370	-	706.982
Banks and Participation Banks	-	-	-	-	-	27.797	-	-	27.797
<b>IX. Precious Metals Deposits</b>	7.634.461	942.545	2.166.866	70.701	-	3.512	123.127	2.719	10.943.931
<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>55.649.496</b>	<b>14.168.564</b>	<b>38.210.438</b>	<b>3.330.955</b>	<b>-</b>	<b>153.964</b>	<b>9.067.307</b>	<b>34.223</b>	<b>120.614.947</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 bank customers. Within this scope, as of September 30, 2022, TL participation accounts include TL 21.759.919 foreign exchange-protected participation accounts.

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**II. Explanations and notes related to liabilities (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 Non-Trade TL</b>	<b>4.001.458</b>	-	-	-	-	-	-	-	<b>4.001.458</b>
<b>II. Real Persons Participation Accounts Non-Trade TL</b>	-	<b>3.113.067</b>	<b>5.518.589</b>	<b>161.758</b>	-	<b>22.416</b>	<b>504.010</b>	<b>12.734</b>	<b>9.332.574</b>
<b>III. Current Account other-TL</b>	<b>3.713.083</b>	-	-	-	-	-	-	-	<b>3.713.083</b>
Public Sector	84.792	-	-	-	-	-	-	-	84.792
Commercial Institutions	3.423.994	-	-	-	-	-	-	-	3.423.994
Other Institutions	155.487	-	-	-	-	-	-	-	155.487
Commercial and Other Institutions	31.794	-	-	-	-	-	-	-	31.794
Banks and Participation Banks	17.016	-	-	-	-	-	-	-	17.016
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	17.000	-	-	-	-	-	-	-	17.000
Participation Banks	14	-	-	-	-	-	-	-	14
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	<b>840.330</b>	<b>1.994.941</b>	<b>137.709</b>	-	<b>12.031</b>	<b>167.947</b>	<b>120</b>	<b>3.153.078</b>
Public Sector	-	10	110	-	-	-	-	-	120
Commercial Institutions	-	785.975	1.598.806	135.664	-	12.024	165.558	120	2.698.147
Other Institutions	-	54.344	321.138	2.045	-	7	2.389	-	379.923
Commercial and Other Institutions	-	1	24.445	-	-	-	-	-	24.446
Banks and Participation Banks	-	-	50.442	-	-	-	-	-	50.442
<b>V. Real Persons Current Accounts Non- Trade FC</b>	<b>16.580.053</b>	-	-	-	-	-	-	-	<b>16.580.053</b>
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	<b>7.392.746</b>	<b>11.689.171</b>	<b>984.545</b>	-	<b>73.865</b>	<b>3.091.153</b>	<b>10.588</b>	<b>23.242.068</b>
<b>VII. Other Current Accounts FC</b>	<b>16.467.636</b>	-	-	-	-	-	-	-	<b>16.467.636</b>
Residents in Türkiye- Corporate	10.655.873	-	-	-	-	-	-	-	10.655.873
Residents abroad- Corporate	4.369.056	-	-	-	-	-	-	-	4.369.056
Banks and Participation Banks	1.442.707	-	-	-	-	-	-	-	1.442.707
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	78	-	-	-	-	-	-	-	78
Foreign Banks	1.442.303	-	-	-	-	-	-	-	1.442.303
Participation Banks	326	-	-	-	-	-	-	-	326
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other- FC</b>	-	<b>1.255.705</b>	<b>4.051.953</b>	<b>28.420</b>	-	<b>29.869</b>	<b>34.009</b>	<b>2.014</b>	<b>5.401.970</b>
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	844.323	3.394.400	21.434	-	9.968	33.959	2.014	4.306.098
Other Institutions	-	22.336	33.812	14	-	-	-	-	56.162
Commercial and Other Institutions	-	389.046	425.304	6.972	-	-	50	-	821.372
Banks and Participation Banks	-	-	198.437	-	-	19.901	-	-	218.338
<b>IX. Precious Metals Deposits</b>	<b>5.520.205</b>	<b>1.015.474</b>	<b>2.487.785</b>	<b>140.218</b>	-	<b>43.979</b>	<b>128.270</b>	<b>8.798</b>	<b>9.344.729</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>46.282.435</b>	<b>13.617.322</b>	<b>25.742.439</b>	<b>1.452.650</b>	-	<b>182.160</b>	<b>3.925.389</b>	<b>34.254</b>	<b>91.236.649</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 bank customers. Within this scope, as of December 31, 2021, TL participation accounts include TL 1.002.062 foreign exchange-protected participation accounts.

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

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	8.396.421	6.207.822	18.715.345	7.126.212
Foreign currency accounts	10.948.764	8.600.262	45.461.312	38.238.727
Foreign branches' deposits subject to foreign authorities' insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

(\*) 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, official institutions in the presence of credit institutions, credit institutions and financial institutions other than those belonging to the credit institutions all deposit and participation funds have been insured. In this context, commercial current and participation accounts covered by the insurance amount to TL 10.962.846 and the said amount is not included in the footnote.

Funds collected by Participation Banks (except foreign branches) from current and participation accounts denominated in Turkish Lira or foreign currency up to a limit of maximum TL 200 (including both capital and profit shares) for each real 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	334.557	312.319
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	42.002	39.825
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 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	-	3.013.081	-	1.249.451
Loans Obtained from Issued Lease Certificates (Sukuk)	2.353.070	-	4.109.766	-
Other	71.992	432.127	58.621	841.377
<b>Total</b>	<b>2.425.062</b>	<b>3.445.208</b>	<b>4.168.387</b>	<b>2.090.828</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	2.425.062	9.769	4.168.387	465.339
Loans from foreign banks, institutions and funds	-	3.435.439	-	1.625.489
<b>Total</b>	<b>2.425.062</b>	<b>3.445.208</b>	<b>4.168.387</b>	<b>2.090.828</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	1.994.540	3.440.887	4.041.603	2.007.533
Medium and Long-Term	430.522	4.321	126.784	83.295
<b>Total</b>	<b>2.425.062</b>	<b>3.445.208</b>	<b>4.168.387</b>	<b>2.090.828</b>

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

The Bank does not have concentration on customer or sector group providing funds (December 31, 2021: None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	17.729	-	20.861	-
Swap transactions	-	-	159.624	6.769
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>17.729</b>	<b>-</b>	<b>180.485</b>	<b>6.769</b>

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

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

**4. Lease payables (Net):**

	Current Period		Prior Period	
	TL	FC	TL	FC
Less than a year	11.021	-	4.631	-
1 to 5 years	128.291	23.988	108.401	-
Over 5 years	261.099	210	214.808	21.774
<b>Total</b>	<b>400.411</b>	<b>24.198</b>	<b>327.840</b>	<b>21.774</b>

**5. Information on provisions:**

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

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 137.625 (December 31, 2021: TL 130.282), vacation pay liability amounting to TL 19.476 (December 31, 2021: TL 17.764) totaling to TL 157.101 (December 31, 2021: TL 148.046). Provisions for performance premium have not been allocated in the current period (December 31, 2021: None). The Bank 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 (%)	14,50	14,50
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	130.282	120.932
Allocation the in period	7.343	25.300
Actuarial (gain)/loss	-	(15.950)
<b>Balance at the end of the period</b>	<b>137.625</b>	<b>130.282</b>

**b. Other provisions:**

	Current Period	Prior Period
Non-cash loans first and second stage expected loss provisions	23.021	16.435
Provisions allocated from profit shares to be distributed to profit sharing accounts	6.501	2.957
Third stage expected loss provisions for unindemnified letter of guarantees	21.684	3.881
Third stage expected loss provisions for cheques commitments	4.743	4.002
Provisions for promotions related with credit cards and promotion of banking services	394	283
Provisions for cases on trial	42.921	34.057
Accrual for purchase and sale commitments	1.056	1.583
Free provisions allocated for possible losses <sup>(*)</sup>	800.000	100.000
Other	923	834
<b>Total</b>	<b>901.243</b>	<b>164.032</b>

<sup>(\*)</sup>Includes free provision amounting to TL 800.000, which is set aside by the Bank's management apart from the requirements of the BRSA Accounting and Financial Reporting Legislation. (December 31, 2021: 100.000 TL).

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

**5. Information on provisions (continued):**

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

As of September 30, 2022, there is no provision for a exchange losses in foreign currency indexed loans and financial lease receivables (December 31, 2021: None).

**6. Information on taxes payable:**

**a. Explanations on current tax liability**

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

As of September 30, 2022, the Bank has no remaining tax liability after offsetting prepaid corporate tax. (December 31, 2021: TL 18.614).

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

	Current Period	Prior Period
Corporate taxes payable	-	18.614
Banking insurance transaction tax	35.012	26.333
Taxation on securities income	13.856	18.094
Value added tax payable	2.944	3.224
Taxation on real estate income	1.813	1.371
Foreign exchange transaction tax	8.020	17.031
Income tax deducted from wages	19.445	14.432
Other	3.999	2.611
<b>Total</b>	<b>85.089</b>	<b>101.710</b>

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

	Current Period	Prior Period
Social security premiums-employee	11.113	6.708
Social security premiums-employer	12.424	7.366
Bank pension fund premium-employees	-	-
Bank pension fund premium-employer	-	-
Pension fund membership fees and provisions-employees	-	-
Pension fund membership fees and provisions-employer	-	-
Unemployment insurance-employee	792	478
Unemployment insurance-employer	1.584	956
Other	-	-
<b>Total</b>	<b>25.913</b>	<b>15.508</b>

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

None (December 31, 2021: None).



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

**8. 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 additional Tier I Capital	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in calculation of Tier II Capital	-	4.761.513	-	3.119.354
Subordinated loans	-	4.761.513	-	3.119.354
Subordinated debt instruments	-	-	-	-
<b>Total</b>	-	<b>4.761.513</b>	-	<b>3.119.354</b>

The Bank has obtained subordinated loan on November 30, 2015 from the investors not resident in Türkiye through its structured entity Albaraka Sukuk Limited 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 Bank has realized undated additional Tier 1 Capital amount to USD 205.000.000 on February 20, 2018.

**9. 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, 2021: None).

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

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

	Current Period	Prior Period
Common stock	2.500.000	1.350.000
Preferred stock	-	-

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

In the Board of Directors meeting dated February 28, 2013, the Bank has taken a resolution on transition to registered capital system. The application dated January 22, 2021 for the extension of the Registered Capital Ceiling to the Capital Markets Board has been approved on January 28, 2021 and the registered capital ceiling has been determined as TL 2.500.000 to be valid until December 31, 2025.

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

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

Information on the capital increase in the current period is as follows:

Date of increase	Increased Amount	Cash	Profit Reserves subjected to Increase	Capital Reserves subjected to Increase
31.05.2022	1.150.000 TL	1.150.000 TL	-	-

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

**10. 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 Bank, of predictions to be made by taking into account previous period indicators regarding the Bank's income, profitability and liquidity, and uncertainties regarding such indicators:**

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

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

There are no privileges 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>	125.026	(34)	11.641	6.760
Foreign exchange difference	-	-	-	-
<b>Total</b>	<b>125.026</b>	<b>(34)</b>	<b>11.641</b>	<b>6.760</b>

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

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

The 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 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 Bank has option to cancel the expense amounts. If the 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 792.205 (December 31, 2021: TL 468.589) has been recognized under prior years profit / loss.

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

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

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

	Current Period	Prior Period
Commitments for credit card limits	1.657.771	1.059.919
Payment commitments for cheques	1.060.408	834.732
Asset purchase and sale commitments	697.303	927.624
Loan granting commitments	599.482	655.296
Tax and funds liabilities arising from export commitments	24.133	17.234
Commitments for promotions related with credit cards and banking activities	1.013	555
Other irrevocable commitments	562	552
Other revocable commitments	35.500	39.500
<b>Total</b>	<b>4.076.172</b>	<b>3.535.412</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	16.149.878	12.371.236
Bank loans	51.078	99.278
Letters of credit	4.740.612	4.898.399
Other guaranties and sureties	63.244	34.387
<b>Total</b>	<b>21.004.812</b>	<b>17.403.300</b>

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

	Current Period	Prior Period
Letters of guarantees	16.149.878	12.371.236
Long standing letters of guarantees	11.633.169	8.421.227
Temporary letters of guarantees	420.275	294.638
Advance letters of guarantees	923.001	803.105
Letters of guarantees given to customs	899.642	654.451
Letters of guarantees given for obtaining cash loans	2.273.791	2.197.815
Sureties and similar transactions	63.244	34.387
<b>Total</b>	<b>16.213.122</b>	<b>12.405.623</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	2.273.791	2.197.815
With original maturity of 1 year or less	753.414	662.573
With original maturity of more than 1 year	1.520.377	1.535.242
Other non-cash loans	18.731.021	15.205.485
<b>Total</b>	<b>21.004.812</b>	<b>17.403.300</b>

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**III. Explanations and notes related to 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 Bank 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 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	1.654.474	208.457	643.602	133.380
Medium and Long Term Loans	2.438.000	775.610	1.444.583	528.771
Profit Share on Non-Performing Loans	66.198	3.714	87.971	3.279
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>4.158.672</b>	<b>987.781</b>	<b>2.176.156</b>	<b>665.430</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	47.503	-	92.845	-
Domestic Banks	161	-	256	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
<b>Total</b>	<b>47.664</b>	<b>-</b>	<b>93.101</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	774.224	163.159	79.060	67.777
Financial assets measured at fair value through other comprehensive income	192.602	18.564	84.395	19.006
Financial assets measured at amortised cost	357.538	408.751	88.548	102.118
<b>Total</b>	<b>1.324.364</b>	<b>590.474</b>	<b>252.003</b>	<b>188.901</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit shares income received from associates and subsidiaries	38.004	-	3.551	-
<b>Total</b>	<b>38.004</b>	<b>-</b>	<b>3.551</b>	<b>-</b>

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**IV. Explanations and notes related to the 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						Accumulated profit sharing account	Total
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			
TL									
Funds collected from banks through current and profit sharing accounts	-	25.994	-	-	-	-	-	25.994	
Real persons' non-trading profit sharing accounts	289.975	1.345.978	101.639	-	2.490	209.274	1.291	1.950.647	
Public sector profit sharing accounts	2	12	-	-	-	-	-	14	
Commercial sector profit sharing accounts	69.841	342.869	315.862	-	51.012	18.531	1	798.116	
Other institutions profit sharing accounts	6.423	52.277	7.679	-	3	311	-	66.693	
Total	366.241	1.767.130	425.180	-	53.505	228.116	1.292	2.841.464	
FC									
Funds collected from banks through current and profit sharing accounts	-	846	-	-	381	-	-	1.227	
Real persons' non-trading profit sharing accounts	46.351	66.126	8.090	-	489	27.566	173	148.795	
Public sector profit sharing accounts	-	-	-	-	-	-	-	-	
Commercial sector profit sharing accounts	4.871	15.090	201	-	40	325	6	20.533	
Other institutions profit sharing accounts	1.416	4.657	50	-	-	411	-	6.534	
Precious metals deposits	1.226	4.312	189	-	19	570	8	6.324	
Total	53.864	91.031	8.530	-	929	28.872	187	183.413	
Grand total	420.105	1.858.161	433.710	-	54.434	256.988	1.479	3.024.877	
Prior Period		Profit sharing accounts						Accumulated profit sharing account	Total
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			
TL									
Funds collected from banks through current and profit sharing accounts	-	67	417	-	-	-	-	484	
Real persons' non-trading profit sharing accounts	250.982	401.420	13.287	-	2.526	47.385	1.119	716.719	
Public sector profit sharing accounts	2	1	-	-	-	-	-	3	
Commercial sector profit sharing accounts	57.991	321.782	17.638	-	24.025	4.385	-	425.821	
Other institutions profit sharing accounts	6.163	39.520	408	-	55	1.013	-	47.159	
Total	315.138	762.790	31.750	-	26.606	52.783	1.119	1.190.186	
FC									
Funds collected from banks through current and profit sharing accounts	389	2.829	-	-	125	49	-	3.392	
Real persons' non-trading profit sharing accounts	39.542	69.016	6.503	-	466	20.286	40	135.853	
Public sector profit sharing accounts	-	-	-	-	-	-	-	-	
Commercial sector profit sharing accounts	6.168	40.156	2.603	-	1.924	234	12	51.097	
Other institutions profit sharing accounts	1.163	1.801	74	-	-	-	-	3.038	
Precious metals deposits	1.268	4.093	210	-	91	297	9	5.968	
Total	48.530	117.895	9.390	-	2.606	20.866	61	199.348	
Grand total	363.668	880.685	41.140	-	29.212	73.649	1.180	1.389.534	

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

**2. Explanations on profit share expenses (continued):**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	38	41.691	157	36.843
CBRT	-	-	-	-
Domestic banks	-	678	-	1.304
Foreign banks	38	41.013	157	35.539
Head offices and branches abroad	-	-	-	-
Other institutions	409.412	319.045	725.805	153.430
<b>Total</b>	<b>409.450</b>	<b>360.736</b>	<b>725.962</b>	<b>190.273</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	401.270	33	719.153	-
<b>Total</b>	<b>401.270</b>	<b>33</b>	<b>719.153</b>	<b>-</b>

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

None (September30, 2021: None).

**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:**

Other Fees and Commissions Received	Current Period	Prior Period
Member firm-POS fees and commissions	89.594	49.966
Clearing room fees and commissions	93.564	51.041
Commissions on money orders	80.900	37.396
Appraisal fees	18.202	10.490
Insurance and brokerage commissions	36.616	18.893
Checks and bills commissions	5.028	3.614
Safe deposit box commissions	3.038	2.411
Advocacy service commissions and counsel fees	6.894	1.221
Service pack commissions	18.380	9.048
Enquiry fees received	2.280	1.624
Fees and commissions from correspondent banks	4.126	3.258
Export credit commissions	18.184	6.651
Prepaid import commissions	60.696	33.063
Pledge Put and Mortgage Release Fees	2.294	2.044
Loan Limit Allocation Fees	31.818	16.203
Other	65.631	37.199
<b>Total</b>	<b>537.245</b>	<b>284.122</b>

Other Fees and Commissions Paid	Current Period	Prior Period
Funds borrowed fees and commissions	5.432	7.407
Credit cards fees and commissions	40.128	26.224
Member firm-POS fees and commissions	47.542	26.486
Fees and commissions for Swift, EFT and money orders	64.180	49.940
Required Reserves Commissions for CBRT in Foreign currency	1.006	1.225
Other	9.955	13.065
<b>Total</b>	<b>168.243</b>	<b>124.347</b>

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

**4. Information on dividend income:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	-	204	52	-
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	774	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>774</b>	<b>204</b>	<b>52</b>	<b>-</b>

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

	Current Period	Prior Period
<b>Income</b>	<b>41.156.330</b>	<b>22.120.673</b>
Income from capital market transactions	1.487.803	37.493
Income from derivative financial instruments	185.965	122.513
Foreign exchange income	39.482.562	21.960.667
<b>Loss (-)</b>	<b>39.238.608</b>	<b>22.315.617</b>
Loss on capital market transactions	293.635	148.258
Loss on derivative financial instruments	122.358	207.106
Foreign exchange losses	38.822.615	21.960.253
<b>Trading Income/Loss (net)</b>	<b>1.917.722</b>	<b>(194.944)</b>

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

	Current Period	Prior Period
Reversal of prior year provisions	880.345	696.211
Income from sale of assets	120.792	94.106
Communication revenue	30.654	15.232
Cheque book charges	2.978	2.155
Operating Lease Income	20.136	2.484
Other income	12.841	7.485
<b>Total</b>	<b>1.067.746</b>	<b>817.673</b>



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**IV. Explanations and notes related to the 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>2.957.102</b>	<b>724.636</b>
12 month expected credit loss (stage 1)	68.984	18.609
Significant increase in credit risk (stage 2)	1.113.059	19.451
Non-performing loans (stage 3)	1.775.059	686.576
<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>173.843</b>	<b>452</b>
Expected credit losses for 1st and 2nd group non-cash loans	7.169	195
Third stage expected loss provision for unindemnified non cash loans	34.088	-
Expected credit losses (stage 1) for banks	132.317	-
Profit and loss sharing investments' fair value provision.	-	-
Expected credit losses (stage 1) for other financial assets.	-	218
Expected credit losses for financial assets measured at amortized cost	269	39
<b>Total</b>	<b>3.130.945</b>	<b>725.088</b>

Expected credit losses amount to TL 3.130.945 (September 30, 2021: TL 725.088 TL) includes TL 766.827 (September 30, 2021: TL 342.215) representing participation account share of expected credit losses of loans provided from participation accounts.

**Information on Other Provision Expenses**

	Current Period	Prior Period
Vacation pay provision expenses	1.712	1.425
Impairment on financial assets measured at fair value through profit/loss	137	3.528
Provisions for cases on trial	8.865	6.093
Free provisions allocated for possible losses	700.000	-
Provisions allocated from profit shares to be distributed to profit sharing accounts	4.439	1.973
<b>Total</b>	<b>715.153</b>	<b>13.019</b>

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

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

	Current Period	Prior Period
Provision for retirement pay liability	7.343	20.700
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	115.961	83.854
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	40.081	23.312
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	6.505	46.481
Other business expenses	268.636	131.871
Leasing Expenses on TFRS 16 Exceptions	1.305	4.052
Maintenance and repair expenses	37.646	25.421
Advertisement expenses	12.744	2.839
Other expenses <sup>(*)</sup>	216.941	99.559
Loss on sale of assets	1.549	1.040
Other <sup>(**)</sup>	310.458	193.719
<b>Total</b>	<b>750.533</b>	<b>500.977</b>

<sup>(\*)</sup> The details of the "Other Expenses" balance under Other Operating Expenses are as follows:

	Current Period	Prior Period
Communication Expenses	45.396	27.072
Donations	6.513	6.637
Cleaning expenses	29.666	17.066
Heating, lighting and water expenses	33.809	11.292
Representation and Hosting expenses	9.150	5.796
Vehicle expenses	12.709	4.554
Lawsuit and court expenses	5.210	2.468
Movables Insurance Expenses	5.476	3.700
Stationery Expenses	5.252	2.106
Expense Share for Common Expenses	2.604	1.725
Subcontractor security service expenses	28.572	-
Cash and banknote group transportation service expenses	16.061	6.607
Other	16.523	10.536
<b>Total</b>	<b>216.941</b>	<b>99.559</b>

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

	Current Period	Prior Period
Saving Deposit Insurance Fund	137.301	86.237
Taxes, Duties, Charges and Funds	105.901	62.740
Expertise and Information Expenses	20.458	14.548
Audit and Consultancy Fees	25.563	9.621
Institution and Union participation share	13.607	9.722
Other	7.628	10.851
<b>Total</b>	<b>310.458</b>	<b>193.719</b>

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

**9. Explanations on income/loss from continued and discontinued 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 Bank has no discontinued operations, there is no tax provision for this purpose.

As of September 30, 2022, the Bank has deferred tax income amounts to TL 621.576 (September 30, 2021: TL 286.851) and deferred tax expense amounts to TL 1.110.500 (September 30, 2021: TL 260.890). There is not any current tax provision. (September 30, 2021: None).

**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 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.

**V. Explanations and notes related to the 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 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 Bank:**

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

**a. Current period:**

Risk Group of the Bank <sup>(*)</sup>	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		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	90	62	1.219.475	64.583	52	-
Balance at the end of the period	113	1.696	1.648.156	37.034	165	-
<b>Profit share and commission income received</b>	-	6	53.555	328	-	-

**b. Prior period:**

Risk Group of the Bank <sup>(*)</sup>	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		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	6	53	818.807	34.537	187	-
Balance at end of period	90	62	1.219.475	64.583	52	-
<b>Profit share and commission income received</b>	-	-	33.733	73	7	-

<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 Bank's risk group:**

Risk Group of the Bank <sup>(*)</sup>	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		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	35.342	688.843	271.125	28.403	12.518
Balance at the end of period	36.317	15.374	658.659	688.843	28.966	28.403
<b>Profit share expense</b>	16	3	-	3	197	125

<sup>(\*)</sup> As of September 30, 2022, wakala borrowings obtained from risk group of the Bank through investment purpose wakala contracts amount to USD 36.129.455 and EUR 3.620.000 (December 31, 2021: USD 42.837.711 and EUR 21.600.000). The profit share expense relating to such borrowings for the period between January 1, 2022 – September 30, 2022 is TL 13.231 (September 30, 2021: TL 18.497).

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 company. The related amount is accounted under other capital reserves in the financial statements.

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

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

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

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

As of September 30, 2022, the Bank has paid TL 12.340 (September 30, 2021: TL 11.572) to top management.

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

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 Bank’s unconsolidated financial statements as of and for the period ended September 30, 2022 have been reviewed by “PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi” and the reviewed report dated November 9, 2022 is presented at the beginning of the financial statements and related notes.

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

None.

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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 Participation Bank, the first and the leading financial institution in interest free banking field in Türkiye, has completed its establishment in 1984 and entered into service as of the beginning of the year of 1985. Having founded under the guidance of the strong capital groups in the Middle East, Al Baraka Group B.S.C., Islamic Development Bank (IDB) and another industry group serving the Turkish economy for more than a half century, we continue operating in Türkiye in compliance with the 5411 Banking Law. In the shareholding structure, the share of Al baraka Group B.S.C. is %43,37, of Dallah Albaraka Holding is %8,30 and the share of Islamic Development Bank is %7,84. The share of publicly trade share in total capital is %38,41 and rest of the shares belong to other real and legal persons.

Albaraka Türk, which collects funds through current accounts and participation accounts and brings the funds back to the country's economy with products such as individual financing, corporate finance, financial leasing and project-based profit-loss sharing, is authorized to offer various financing and banking services with the interest-free banking principle.

Albaraka Türk has always aimed to achieve sustainable growth with the strategy of "adding value to your values" for all its stakeholders with its "reliable", "understandable", "responsible" and "transparent" approach to all customers, including individual, corporate and SME segments in order to offer services and improve customer experience in all-inclusive participation banking system. With its competent and dynamic human resources and interest-free banking infrastructure, Albaraka Türk is a leader in its products and services without compromising on its quality and value.

Albaraka Türk, started with the vision of being the best regional bank in offering financial products and services in Gulf, Middle East and North Africa geographies where its main partner ABG is carrying out business, is rendering fast, qualified and safe foreign trade (import, export and foreign exchange) services to its customers in more than 100 countries from Singapore to England, South Africa to Morocco, Australia to Kazakhstan, by the wide correspondent net it has established with over the 1000 banks. Albaraka Türk, is an international Participation Bank adopted the mission of adding value to its customers, partners, employees and Türkiye.

**1. Capital and Shareholders' Structure:**

Albaraka Türk's paid-up capital is TL 2.500.000 as of September 30, 2022.

<b>Shareholders' Structure of Albaraka Türk as of September 30, 2022</b>		
	<b>Share amount (TL)</b>	<b>Ratio (%)</b>
Albaraka Group	1.084.167	43,37
Dallah Albaraka Holding	207.585	8,30
İslamic Development Bank	196.038	7,84
Others	51.910	2,08
<b>Publicly Listed</b>	<b>960.300</b>	<b>38,41</b>
<b>Total</b>	<b>2.500.000</b>	<b>100,00</b>

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

**3. The amendments in the articles of association during period of January 1, 2022 – September 30, 2022**

Amendments to the Articles of Association has been approved by the Capital Markets Board regarding the increase of the paid-in capital of our Bank from 1.350.000.000 TL to 2.500.000.000 TL, through right issues. The new version of the article 7 titled 'Bank Capital' has been registered on 16 June 2022 by İstanbul Trade Registry Directorate and announced in the Turkish Registry Gazette numbered 10600.

The old and new text of the related Articles of Association are presented below.

<b>Old Text</b> <b>Bank' s Capital</b> <b>Article 7:</b>	<b>New Text</b> <b>Bank' s Capital</b> <b>Article 7:</b>
<p>(1) The Bank has accepted the registered capital system pursuant to the provisions of the Capital Market 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 upper limit of the registered capital of the Bank is TL 2.500.000.000 TL (two billion and five hundred million Turkish Liras), divided into 2.500.000.000 registered nominative shares with a value of TL 1 (One) Turkish Lira each.</p> <p>(3) The permission given by the Capital Markets Board in relation to the upper limit of the registered capital shall be in effect for a 5-year period between 2021-2025. Even if the upper limit of the registered capital is not reached until the end of 2025, in order to make a decision by the Board of Directors to increase the share capital after 2025, it is obligatory to obtain authorization for a new time period not to exceed 5 (five) years from the General Assembly for the previously permitted or a newly determined upper limit of the registered capital, after having been received the permission of Capital Markets Board. In case of failure in obtaining the said authorization, the Bank shall be deemed to be logged off from the registered capital system.</p> <p>(4) The Bank's issued share capital is 1.350.000.000 TL, and this amount has been fully paid in cash being free of collusion.</p> <p>(5) The shares representing the Bank's Capital shall be traced on the basis of the records within the framework of the principles of dematerialization (registration).</p>	<p>(1) The Bank has accepted the registered capital system pursuant to the provisions of the Capital Market 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 upper limit of the registered capital of the Bank is TL 2.500.000.000 TL (two billion and five hundred million Turkish Liras), divided into 2.500.000.000 registered nominative shares with a value of TL 1 (One) Turkish Lira each.</p> <p>(3) The permission given by the Capital Markets Board in relation to the upper limit of the registered capital shall be in effect for a 5-year period between 2021-2025. Even if the upper limit of the registered capital is not reached until the end of 2025, in order to make a decision by the Board of Directors to increase the share capital after 2025, it is obligatory to obtain authorization for a new time period not to exceed 5 (five) years from the General Assembly for the previously permitted or a newly determined upper limit of the registered capital, after having been received the permission of Capital Markets Board. In case of failure in obtaining the said authorization, the Bank shall be deemed to be logged off from the registered capital system.</p> <p>(4) The Bank's issued share capital is 2.500.000.000 TL, and this amount has been fully paid in cash being free of collusion.</p> <p>(5) The shares representing the Bank's Capital shall be traced on the basis of the records within the framework of the principles of dematerialization (registration).</p>



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

**4. Branch and Personnel Information:**

As of September 30, 2022, total number of branches of the Bank is 226 and the total number of personnel is 2.669. Albaraka Türk carries out its activities with 224 domestic branches extended throughout the country and 2 branches abroad in Erbil and Baghdad

**Board of Directors Chairman and Members (\*):**

Name and Surname	Administrative Function	Educational Degree	Start Date	Banking Experience
Houssem BEN HAJ AMOR (*)	Chairman of BOD	Bachelor	2020	17
Prof. Dr. Kemal VAROL	Member of BOD	Doctorate	2013	11
Mustafa BÜYÜKABACI	Member of BOD	Master	2017	6
Dr. Mohamed Ali CHATTI	Member of BOD	Doctorate	2020	12
Dr.Bekir PAKDEMİRLİ (**)	Member of BOD	Doctorate	2022	7
Melikşah UTKU	Member of BOD	Master	2016	18
Ghassan AMODI	Member of BOD	Bachelor	2020	28
Tawfig MUFTİ	Member of BOD	Bachelor	2020	29
Azhar Aziz DOGAR	Member of BOD	Master	2022	28
Akram YASSIN (***)	Member of BOD	Master	2022	35
Malek Khodr TEMSAH	Member of BOD and General Manager	Master	2017	19

(\*) Mazin Khairy Shaker MANNA, Chairman and Member of the Board of Directors of the Bank, resigned from his duties on 25 July 2022. Houssem BEN HAJ AMOR ,one of the members of the Board of Directos, has been appointed as the Chairman of the Board of Directors on the same date.

(\*\*) Pursuant to Articles 363/1 of the Turkish Commercial Code and Article 22/1 of our Bank's Articles of Association, with the resolution of our bank's board of directors dated 24 August 2022 and session number 2384, it was decided to elect Dr. Bekir Pakdemirli for the membership of the board of directors vacant with the resignation of Mehmet Ali Gökce dated 23.08.2022.

(\*\*\*) Akram YASSIN was elected as a member of the board of directors on August 16, 2022.

**5. Top Management:**

Name and Surname	Administrative Function	Educational Degree	Start Date	Banking Experience
Malek Khodr TEMSAH	Member of Board of Directors and General Manager	Master	2017	19
Turgut SİMİTCİOĞLU	Senior Assistant General Manager	Master	2017	32
Süleyman ÇELİK	Assistant General Manager	Bachelor	2017	33
Fatih BOZ	Assistant General Manager	Master	2017	24
Hasan ALTUNDAĞ	Assistant General Manager	Bachelor	2017	35
Mustafa ÇETİN	Assistant General Manager	Bachelor	2018	25
Volkan EVCİL	Assistant General Manager	Bachelor	2019	31
Mehmet Fatih YORULMAZ	Assistant General Manager	Master	2020	8
Serhan YILDIRIM (*)	Assistant General Manager	Master	2022	13
Ömer EMEÇ (**)	Assistant General Manager	Doctorate	2022	9
Yasemin AYDIN	Director	Master	2020	26
Mehmet ULUDAĞ	Director	Master	2020	18

(\*)On September 16, 2022, Serhan Yıldırım was appointed as the Assistant General Manager responsible for Financial Institutions and Investment Banking at our Bank.

(\*\*) On October 24, 2022, Ömer Emeç was appointed as the Assistant General Manager responsible for Strategy and Transformation at our Bank.

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

**6. Managers of Departments Within Internal Systems**

<b>Name and Surname</b>	<b>Professional Experience (Years)</b>	<b>Duration of Services at Albaraka Türk (Years)</b>	<b>Length of Services in His Area (Years)</b>	<b>Education</b>	<b>Education</b>
Ahmet UYSAL	16	16	13	Master	Internal Audit
Umut ÇAKMAK	15	15	15	Bachelor	Risk Management
Ahmet Faruk DEĞİRMENCİ	14	14	5	Bachelor	Internal Control
Ahmet KOÇ	24	24	11	Bachelor	Legislation and Compliance

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

**7. Committee Information After Distribution of Roles Among Board of Directors**

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**AUDIT COMMITTEE:**

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**Chairman:** Mustafa BÜYÜKABACI

**Member:** Housseem BEN HAJ AMOR

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**CREDIT COMMITTEE:**

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**Member:** Prof. Dr. Kemal VAROL

**Member:** Malek Khodr TEMSAH

**Member:** Azhar Aziz DOGAR

**Reserve Member:** Mohamed Ali CHATTI

**Reserve Member:** Housseem BEN HAJ AMOR

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**CORPORATE GOVERNANCE COMMITTEE:**

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**Chairman:** Mohamed Ali CHATTI

**Member:** Melikşah UTKU

**Member:** Seyfullah DEMİRLEK

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**REMUNERATION COMMITTEE:**

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**Chairman:** Housseem BEN HAJ AMOR

**Member:** Mustafa BÜYÜKABACI

**Member:** Mohamed Ali CHATTI

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**SUSTAINABILITY COMMITTEE:**

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**Member:** Mohamed Ali CHATTI

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**EXECUTIVE COMMITTEE:**

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**Chairman:** Housseem BEN HAJ AMOR

**Member:** Melikşah UTKU

**Member:** Malek Khodr TEMSAH

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**INFORMATION TECHNOLOGIES GOVERNANCE COMMITTEE**

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**Chairman:** Melikşah UTKU

**Member:** Malek Khodr TEMSAH

**Technical Member:** Hood Hashem Ahmed HASHEM

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

**II. Financial Informations and Evaluations About the Bank:**

**1. Main Financial Figures:**

<b>ASSETS</b>	<b>Current Period</b>	<b>Prior Period</b>
Cash and Balances with The Central Bank	34.233.244	26.498.611
Banks	9.237.568	5.296.422
Government Debt Securities	28.375.722	16.389.230
Loans and Receivables	70.208.063	59.304.778
Financial Leasing Receivables	867.910	820.674
Others	2.473.966	645.408
<b>TOTAL ASSETS</b>	<b>145.396.473</b>	<b>108.955.123</b>
<b>LIABILITIES</b>	<b>Cari Dönem</b>	<b>Önceki Dönem</b>
Funds Collected	120.614.947	91.236.649
Funds Borrowed	5.870.270	6.259.215
Subordinated Loans	4.761.513	3.119.354
Shareholders' Equity	7.466.400	4.626.853
Others	6.683.343	3.713.052
<b>TOTAL LIABILITIES</b>	<b>145.396.473</b>	<b>108.955.123</b>
<b>INCOME AND EXPENSE ITEMS</b>	<b>Current Period</b>	<b>Prior Period</b>
Profit Share Income	7.173.042	3.401.984
Profit Share Expense	3.912.481	2.457.718
Net Profit Share Income/Expenses	3.260.561	944.266
Net Fees and Commissions Income/Expenses	547.562	273.875
Trading Income/Loss (Net)	1.917.722	(194.944)
Other Operating Income	1.067.746	817.673
Net Operating Income/ (Losses)	1.395.587	25.466
Tax Provisions for continuing Operations (-+)	488.924	(25.961)
<b>NET PROFIT/LOSSES</b>	<b>906.663</b>	<b>51.427</b>
Earnings Per Share (Full TL)	<b>0,363</b>	<b>0,04</b>

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

**2. Message from the Chairman of the Board:**

Dear stakeholders,

The global economy is going through 2022 in the shadow of the negative effects of the Russia-Ukraine war. Disruptions in supply chains, rises in commodity prices and diplomatic tensions, as well as the slowdown in global economic activity, were the factors that suppressed global economic growth this year. In particular, supply disruptions and high prices in the energy market increased inflationary pressure on Europe, while macroeconomic expectations were also negatively affected. Under a high inflationary environment, many countries raised interest rates in line with monetary tightening policies. Under this atmosphere of tight monetary policy and high inflation, expectations regarding macroeconomic indicators were revised, especially due to the impact of the energy crisis, one of the main agenda items in Europe. While a slowdown in global economic activity was expected, the risk of recession in Europe began to be discussed. In parallel with these developments, exchange rates and stock markets fluctuated in the third quarter.

Under these global economic conditions, Türkiye became the second fastest growing country among the G20 countries in the second quarter. Displaying a strong growth performance in 2021, Türkiye recorded 7.6% growth in the second quarter. Especially the increase in exports and domestic demand contributed positively to the country's economy. Although a slowdown in economic activity is expected for the rest of the year, it is thought that there will be a yearly positive growth in 2022. On the other hand, the pressure in global markets, rising commodity prices and exchange rate developments increased the expectations that the high inflation in Türkiye will maintain its trend for a while. In this environment, the CBRT supports the economy's stance against inflation through macroprudential measures. In this context, the Currency Protected Deposit scheme contributed significantly to increasing banks' available TL liquidity. The revenues thus generated also helped banks strengthen their balance sheets. Inflation-indexed bonds and lease certificates also have been a factor for Bank's stronger balance sheet outlook.

In this period, Albaraka Türk continued to meet the financing needs of the real sector in a way that contributes to the path of sustainable economic growth. While we strengthened our asset quality with the steps we took during this period, we increased our investments. With the support we received from the paid capital increase that we completed in the second quarter, we continued to take steps that strengthened our balance sheet in the third quarter. We believe that Türkiye, with its strong dynamics, will successfully demonstrate its economic potential despite the negative trend in global markets. At this point, we believe that Albaraka Türk will be a pioneer in the sector by diligently maintaining the digitalization trend and will provide important services in sustainable growth and development. I would like to take this opportunity to extend my sincere thanks to my colleagues, our customers, shareholders and all other stakeholders.

With regards,

**Housseem BEN HAJ AMOR**  
**Chairman of the Board**

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
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**Explanations on the interim activity report (continued):**

**3. Message from the General Manager**

Dear Shareholders,

In the second half of the year, the effects of the Russia-Ukraine war on global economic activity continue to be visible. The world economies, which could not find the opportunity to fully recover after the pandemic, faced the problem of high inflation. With the supply shortages in the commodity market, prices in the energy market have increased significantly. This situation brought along economic and political risks. As we approach the winter, supply and price developments in important energy groups such as natural gas and electricity are closely monitored. On the other hand, growth expectations have been revised downwards due to high inflation and tightening fiscal policies. The slowdown in global economic activity supports recession forecasts.

In the second half of the year, the effects of the Russia-Ukraine war on global economic activity remained visible. World economies, which did not have the opportunity to fully recover after the pandemic, faced the problem of high inflation. Supply constraints in the commodity market led to a significant increase in prices, especially in the energy market.

The main focus of Türkiye's agenda is inflation developments. As of the third quarter, consumer prices increased by 83.5% year-on-year, while the annual increase in producer prices reached 151.5%. We observe the reflections of global commodity pricing on inflation in our country as well. Inflation is expected to remain at this level for the rest of the year and a downward trend is expected to begin as of the last quarter of the year, with the contribution of the base effect. On the economic growth side, in the second quarter of 2022, an annual growth of 7.6% was recorded, slightly above the expectations, thanks to the support from household expenditures and exports. Although a slowdown in economic activity is expected in the rest of the year, the strong course in the first half of the year is expected to positively support economic growth.

In this context, in the third quarter, the Central Bank of the Republic of Türkiye gradually reduced the policy rate from 14% to 13% and then to 12%. Finally, while the interest rate was reduced to 10.5% in October, the CBRT also communicated a final interest rate cut planned for November. On the other hand, macroprudential measures taken by both the CBRT and the BRSA also play an important role in the economic outlook.

In this environment, the improvement in the balance sheet and profitability outlook of banks continued in the third quarter of the year. While the banking sector significantly increased its asset quality, it increased its capital adequacy ratio to 20%. In this period, NPL ratios decreased to 2.4% and provision ratios reached approximately 85%. The banking sector, which contributed significantly to growth with the support it gave to the real sector, increased its loan volume by 40% in the first three quarters of the year. With the Currency Protected Deposit scheme, TL weight in banks' balance sheets was increased, while the profitability outlook of the sector was strengthened. As Albaraka Türk, we increased our three-quarter net profit by 17 times compared to the same period of the previous year, to 906.7 million TL. In the same period, our profit-share income increased by 111% to reach TL 7.2 billion, while our gross operating profit increased by 269% to TL 6.8 billion. Seeing our success in profitability as an opportunity to strengthen our balance sheet, which we strengthened with our capital increase, and to strengthen our loan portfolio, we allocate 700 million TL free provision in the first 9 months of 2022. In addition to the increase in our provision ratios, the decrease in our NPL ratio, which was 6.6% at the beginning of the year, to 2.4% indicates the positive development in our asset quality.

On the other hand, we attach importance to digital transformation in banking and we are meticulously carrying out our efforts in this regard. By combining technology and innovation, we aim to increase our service quality and further improve the customer experience, especially in the retail segment. We also prioritize our sensitivity to sustainability in all of our operations.

As Albaraka Türk, we will continue our digitalization efforts in the coming period. We will also improve our sustainability efforts, which we are currently carrying out meticulously, and will do our best to maintain the customer trust we have earned. I would like to take this opportunity to thank all my colleagues and stakeholders, with whom we have stepped together towards our goals, and wish you a peaceful day.

With regards,

**Malek Khodr TEMSAH**  
**General Manager and Member of the Board**

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
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**Information on Interim Report (continued):**

**4. Activities in the Third Quarter of 2022**

- Our total assets have actualized as TL 145.396.473 TL in the third quarter of 2022.
- In the third quarter of 2022, the total funds our Bank collected through “Special Current Accounts” and “Participation to Profit and Loss Accounts” has been TL 120.614.947 TL Participation accounts was realized as 64.965.451 TL and current accounts was 55.649.496 TL in the third quarter of 2022.
- Our Bank’s Fund Collecting Activities are carried out through our branches, our bank’s branches throughout the country and correspondent banks abroad.

▪ TL and USD Equivalent	Current Period		Prior Period		Change (%)	
	TL Equivalent	USD Equivalent	TL Equivalent	USD Equivalent	TL	USD
<b>TL Funds</b>	<b>42.866.067</b>	<b>2.324.498</b>	<b>20.200.193</b>	<b>1.527.771</b>	<b>112,21</b>	<b>52,15</b>
Current Accounts	9.123.731	494.753	7.714.541	583.462	18,27	(15,20)
Participation Accounts	33.742.336	1.829.745	12.485.652	944.309	170,25	93,77
<b>FC Funds</b>	<b>77.748.880</b>	<b>4.216.088</b>	<b>71.036.456</b>	<b>5.372.596</b>	<b>9,45</b>	<b>(21,53)</b>
Current Accounts	46.525.765	2.522.952	38.567.894	2.916.949	20,63	(13,51)
Participation Accounts	31.223.115	1.693.136	32.468.562	2.455.647	(3,84)	(31,05)
<b>TOTAL</b>	<b>120.614.947</b>	<b>6.540.586</b>	<b>91.236.649</b>	<b>6.900.367</b>	<b>32,20</b>	<b>(5,21)</b>

TL and USD Equivalent	Current Period		Prior Period		Change (%)	
	TL Equivalent	USD Equivalent	TL Equivalent	USD Equivalent	TL	USD
Credits (*)	69.378.994	3.762.214	56.342.215	4.261.248	23,14	(11,71)
Non-performing Loans	1.696.979	92.022	3.783.237	286.132	(55,14)	(67,84)
Provisions	(1.208.904)	(65.555)	(2.658.043)	(201.032)	(54,52)	(67,39)
<b>TOTAL</b>	<b>69.867.069</b>	<b>3.788.681</b>	<b>57.467.409</b>	<b>4.346.348</b>	<b>21,58</b>	<b>(12,83)</b>

(\*) Financial Leasing Receivables included.

The currency used in the preparation of the tables are as follows;

Balance Sheet Period	USD/ TL
As of September 30, 2022	18,441
As of December 31, 2021	13,222

**5. Evaluation on Financial Status, Profitability and Solvency**

- Total operating income increased by %269 compared to the same period of the previous year and reached 6.794.569 TL
- Our net profit share incomes were realized as TL 3.260.561, our net fees commission income increased to TL 547.562.
- Our net profit has been TL 906.663 in the third quarter of the year.

As of September 30, 2022, our capital adequacy ratio is actualized as 17,08 %, over the minimum legal requirement.

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
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**Information on Interim Report (continued):**

**6. Announcements Regarding Important Developments During January 1, 2022 – September 30, 2022 Period:**

- On 18.01.2022, Azhar Aziz DOGAR is elected as member to the Board of Directors of the Bank. Membership of Azhar Aziz DOGAR shall be submitted for the approval at the upcoming General Assembly of Shareholders meeting and if approved, Azhar Aziz DOGAR shall complete the office term of his predecessor.
- Our Bank's Investor Relations Administrator and Corporate Governance Committee member Mr. İbrahim Öz resigned from his duty as of 31.01.2022.
- As of 16.02.2022, Standard & Poor's, the international credit rating agency, has revised our Bank's long-term credit rating at "B-", short term credit rating at "B" and the outlook as negative, long-term national scale credit rating at "trBB+" and short-term national scale credit rating at "trB".
- Referring to Article 11, paragraph 2 of the Corporate Governance Communiqué Serial II no:17.1 published in the Official Gazette on 3rd January 2014, it was decided to appoint Cihat KESKİN who possesses "Advanced License of Capital Markets Activities", "Corporate Governance Rating Expertise License" and is working full time in our Bank, shall be appointed as the Administrator of the Investor Relations and as a member of the Corporate Governance Committee as of 22.02.2022.
- At the General Assembly Meeting held on 30.03.2022, PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. has been selected as the Audit Firm.
- On 17 May 2022, DRC Rating Services has rated the Bank's CMB Corporate Governance Principles Compliance score as 9,14.
- The Articles of Association Amendment Text has been approved by the Capital Markets Board regarding the increase of the paid-in capital of our Bank from 1.350.000.000 TL to 2.500.000.000 TL, through right issues. The new version of the article 7 titled 'Bank Capital' has been registered on 16 June 2022 by İstanbul Trade Registry Directorate and announced in the Turkish Registry Gazette numbered 10600.
- On 20 June 2022, Standard & Poor's, the international credit rating agency, has affirmed that the Bank's long-term credit rating: B-, short-term credit rating: B Outlook: Negative
- Mazin Khairy Shaker MANNA, Chairman and Member of the Board of Directors of the Bank, resigned from his duties on 25 July 2022. Houssein BEN HAJ AMOR, one of the members of the Board of Directors, has been appointed as the Chairman of the Board of Directors on the same date.
- On 29.07.2022, our shareholder Al Baraka Banking Group (B.S.C) who is resident in Bahrain transformed its "Wholesale Islamic Bank" license into "Investment Firm Category 1 (Islamic Principles)" license and changed its title to "Al Baraka Banking Group (B.S.C)". Al Baraka Group B.S.C.
- On 08.08.2022, it was decided to appoint our Bank's Deputy General Manager, Mr. Malek Khodr TEMSAH, as the General Manager with the Board Decision dated 07.08.2022 and numbered 2376.
- Our Bank's Investor Relations Manager and Corporate Governance Committee Member Mr. Cihat Keskin resigned from his position as of 05.08.2022. Pursuant to the decision of the Board of Directors dated 07.08.2022, Mr. Seyfullah Demirlek has been appointed as the Bank's Investor Relations Manager and Corporate Governance Committee Member.
- Pursuant to Articles 363/(1) of the Turkish Commercial Code and Article 22/(1) of our Bank's Articles of Association, Akram YASSIN was elected with the board decision dated 15.08.2022 numbered 2379 for the member of the board of directors vacant with the resignation of Mazin Khairy Shaker dated on 24.07.2022. It was decided that Akram YASSIN's membership be submitted for approval at the first General Assembly meeting and, if approved, to complete his predecessor's term.
- Pursuant to Articles 363/1 of the Turkish Commercial Code and Article 22/1 of our Bank's Articles of Association, with the resolution of our bank's board of directors dated 24 August 2022 and session number 2384, it was decided to elect Dr. Bekir Pakdemirli for the membership of the board of directors vacant with the resignation of Mehmet Ali Gökce dated 23.08.2022.



**ALBARAKA TRK KATILIM BANKASI A..**  
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**Information on Interim Report (continued):**

**6. Announcements Regarding Important Developments During January 1, 2022 – September 30, 2022 Period:**

- With the decision of the Board of Directors of our Bank, dated 05.09.2022, session number 2385, Mr. Serhan Yıldırım was appointed as the Assistant General Manager Responsible for Treasury, Financial Institutions and Investment Banking. The Banking Regulation and Supervision Agency did not give a negative opinion on our application within the period stipulated in the relevant legislation.
- With the decision of the Board of Directors of our Bank, dated 24.10.2022 and session number 2395, Mr. mer Eme has been appointed as the Assistant General Manager responsible for Strategy and Transformation. The Banking Regulation and Supervision Agency did not give a negative opinion on our application within the period stipulated in the relevant legislation.

The issues that took place during the period **January 1, 2022 – September 30, 2022** were announced to the public and uploaded to the Public Disclosure Platform as notifications. All of these announcements are shared in the Investor Relations section of the Albaraka Trk website.

<https://www.albaraka.com.tr/ozel-durum-aciklamalari.aspx>

**ALBARAKA TÜRK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
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**Information on Interim Report (continued):**

- As announced in public disclosure platform on February 22, 2022, our Bank's ordinary general meeting of shareholders was held on March 30, 2022 with the following agenda:

**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 2021.
4. Reading and discussing the Auditor's reports.
5. Reading, discussing and approving the Financial Statements.
6. Acquittal the Members of the BoD.
7. 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,
8. Discussing the fiscal rights and benefits of the Board members such as salary & wages, per diems, bonus & premiums and alike.
9. Election of the Auditor.
10. 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.
11. 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".
12. 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".
13. Permitting Members of the BoD with respect to articles 395 and 396 of Turkish Commercial Code
14. Presenting information to the shareholders pursuant to Principle no. 1.3.6. of the Capital Markets Board's Corporate Governance Communique.
15. Presenting information to the General Assembly about operations effected in scope of the buy-back Program for our Bank's own shares in 2021.
16. Presenting information to the General Assembly about donations made by our Bank in 2021.
17. Remarks and requests.

The general assembly meeting dated 30.03.2022, in which General Assembly Meeting Minutes and List of Attendees were attached, has been postponed due to the negotiation of the financial statements and the request for the postponement of the related matters. Due to the postponement of the general assembly, the discussion of the agenda items 3, 4, 5, 6, 7, 8, 10, 12, 13, 15 and 16 was postponed in accordance with Article 420 of the Turkish Commercial Code. Information regarding the postponed general assembly meeting will be made in the next date. The postponed General Assembly was held on May 16, 2022 and the process was completed.