

Albaraka Türk Katılım Bankası Anonim Şirketi

**Unconsolidated financial statements
and related disclosures at December 31, 2022
together with independent auditor's report**

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



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REPORT ORIGINALLY ISSUED IN TURKISH
(See Note I.b of Section Three)
INDEPENDENT AUDITOR’S REPORT**

To the General Assembly of Albaraka Türk Katılım Bankası Anonim Şirketi

A. Audit of the Unconsolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying unconsolidated financial statements of Albaraka Türk Katılım Bankası Anonim Şirketi (the “Bank”), which comprise the statement of unconsolidated balance sheet as at 31 December 2022, unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows for the year then ended and the notes to the unconsolidated financial statements and a summary of significant accounting policies and unconsolidated financial statement notes.

In our opinion, except for the effect of the matter on the unconsolidated financial statements described in the Basis For Qualified Opinion paragraph below, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2022, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and 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 Financial Reporting Standards (“TFRS”) for those matters not regulated by the aforementioned regulations.



2. Basis for Qualified Opinion

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 31 December 2022 include a free provision amounting to TL 1.800.000 thousand which consist of TL 100.000 thousand provided in prior periods and TL 1.700.000 thousand recognized in the current year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

Our audit was conducted in accordance with the “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements” section of our report. We hereby declare that we are independent of the Bank in accordance with the Ethical Rules for Independent Auditors (including International Independence Standards) (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Expected credit losses for loans and receivables</p> <p>The Bank has total expected credit losses provision for loans and receivables amounting to TL 2.879.731 thousand in respect to total loans and receivables amounting to TL 74.596.011 thousand which represent a significant portion of the Bank's total assets in its unconsolidated financial statements as at 31 December 2022. Explanations and notes regarding the provision for impairment of loans are represented in Notes VII of Section Three, II.1 and X.c of Section Four and 1.6 of Section Five of the accompanying unconsolidated financial statements as at 31 December 2022.</p> <p>The Bank recognizes provision for impairment in accordance with "TFRS 9 Financial Instruments" ("TFRS 9") requirements and the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750. The Bank exercises significant decisions using subjective judgement, interpretation and assumptions over when and how much to record as loan impairment.</p> <p>The Bank uses complex models for determining significant increase in credit risk and calculation of TFRS 9 expected credit losses. Historical events and information used in current conditions and macro-economic expectations considered in expected loss accounting should be reasonable and supportable.</p> <p>Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as historical loss experiences, current conditions, macro-economic expectations; the significance of the loans and receivables balances, the classification of loans and</p>	<p>Within our audit procedures, we assessed policies and procedures together with the overall governance established by the Bank with respect to classification of loans and the calculation of expected credit losses in accordance with the applicable regulations. We tested the design and the operating effectiveness of relevant systems and processes implemented in accordance with these principles.</p> <p>We checked appropriateness of matters considered in methodology applied by the Bank with TFRS 9 for calculation of the provision amount through stage classification of loans and receivables. For forward looking assumptions made by the Bank's management in its expected credit losses calculations, we held discussions with management and evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed reasonability and tested model segmentation, lifetime probability of default model, exposure at default calculation, loss given default model and the approaches to reflecting macroeconomic expectations with our financial risk experts. We have assessed interpretation of expert opinion regarding reasonable and supportable forward looking expectations (including macroeconomic factors) Our procedures also included the following:</p> <ul style="list-style-type: none"> • Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology and the performance of the impairment models used. • For a selected sample, we checked



<i>Key Audit Matters</i>	<i>How the key audit matter was addressed in the audit</i>
<p>receivables as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans and receivables. Therefore, this area is considered as key audit matter.</p>	<p>expected credit losses and receivables determined based on individual assessment per Bank's policy by means of supporting data, and evaluated appropriateness via communications with management.</p> <ul style="list-style-type: none"> • We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists. • We checked accuracy of resultant expected credit losses calculations on a sample basis. • To assess appropriateness of the Bank's determination of staging for credit risk in the framework of existing regulations, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample. • We evaluated the adequacy of the disclosures made in the unconsolidated financial statements regarding the provision for impairment of loans and receivables.



4. Other Matter

The unconsolidated financial statements of the Bank as at 31 December 2021 were audited by another auditor whose auditor's report dated 25 February 2022 expressed an unqualified opinion.

5. Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

The Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.



As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2022 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 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, 17 February 2023

UNCONSOLIDATED FINANCIAL REPORT OF ALBARAKA TRK KATILIM BANKASI A..
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 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 year ended 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
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S 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, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related appendices and interpretations and in compliance with the records of our Bank, have been independently audited and presented as attached.

Houssem BEN HAJ AMOR

Chairman of the Board of
Directors

Malek Khodr TEMSAH

General Manager

Umut AKMAK

Assistant General
Manager

Kemaleddin DİLBAZ

Financial Reporting and
Budget Management
Manager

Mustafa BYKABACI

Chairman of the Audit
Committee

Bekir PAKDEMİRLİ

Member of the Audit
Committee

Mohamed Ali CHATTI

Member of the Audit
Committee

Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname/Title : Bora İMEK/ Financial Reporting and Budget Management/ Vice Manager
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ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 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 223 (December 31, 2021: 229) local branches and 2 (December 31, 2021: 2) foreign branches and with 2.695 (December 31, 2021: 2.918) staff as of December 31, 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 December 31, 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, 4,23% (December 31, 2021: 7,84%) owned by Islamic Development Bank, 42,02% (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
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(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 (%)
Chairman of the Board of Directors (BOD):	Houssein BEN HAJ AMOR	Chairman of BOD	Bachelor	-
Members of BOD:	Dr. Bekir PAKDEMİRLİ	Deputy Independent Member of BOD	Doctorate	-
	Prof. Dr. Kemal VAROL	Member of BOD	Doctorate	-
	Mustafa BÜYÜKABACI	Member of BOD	Master	-
	Dr. Mohamed Ali CHATTI	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	-
General Manager:	Malek Khodr TEMSAH	Member of BOD/ General Manager	Master	-
Assistant General Managers:	Turgut SİMİTCİOĞLU	Chief Assistant General Manager	Master	-
	Muhammet Faruk TORLAK	Assistant General Manager Responsible for Credits	Doctorate	-
	Mehmet Emin ÇONKAR	Assistant General Manager Responsible for Credit Monitoring and Legal Follow-Up	Bachelor	-
	Serhan YILDIRIM	Assistant General Manager Responsible for Treasury and International Banking	Bachelor	-
	Muzaffer ÇÖLMEK	Assistant General Manager Responsible for Operations	Bachelor	-
	Mehmet ULUDAĞ	Assistant General Manager Responsible for Individual and Private Banking	Master	-
	Serhan AKYILDIZ	Assistant General Manager Responsible for Corporate Banking	Bachelor	-
	Umut ÇAKMAK	Assistant General Manager Responsible for Finance and Human Values	Bachelor	-
	Ömer EMEÇ	Assistant General Manager Responsible for Strategy and Transformation	Doctorate	-
	Yasemin AYDIN	Assistant General Manager Responsible for Information Technologies and Digital Channels Development	Master	-
Audit Committee:	Mustafa BÜYÜKABACI	Chairman of Audit Committee	Master	-
	Dr. Bekir PAKDEMİRLİ	Member of Audit Committee	Doctorate	-
	Dr. Mohamed Ali CHATTI	Member of Audit Committee	Doctorate	-

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 ^(*)	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 DECEMBER 31, 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 and HDI Katılım Sigorta, as a private pension insurance agency on behalf of Anadolu Hayat Emeklilik, Agesa Emeklilik Hayat and Katılım Emeklilik ve Hayat, and as a brokerage agency on behalf of Bizim Menkul Değerler A.Ş. and Oyak Yatırım Menkul Değerler A.Ş. through its branches, engages in purchase and sale of precious metals, provides intermediary services in quick money transfers, credit card and member business (P.O.S.) services. Moreover, the 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", "Albaraka Portföy Yönetimi A.Ş. Bereket Katılım Gayrimenkul Yatırım Fonu" and Venture Capital Investment Funds: "Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu" "Albaraka Portföy Yönetimi A.Ş. 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 DECEMBER 31, 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
- VII. Unconsolidated Statement of profit appropriation

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF DECEMBER 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

ASSETS	Notes (Section Five-I)	CURRENT PERIOD December 31, 2022			PRIOR PERIOD December 31, 2021		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		12.561.907	37.196.320	49.758.227	5.231.761	35.729.094	40.960.855
1.1 Cash and Cash Equivalents	(1)	6.432.070	27.376.196	33.808.266	3.268.762	28.468.734	31.737.496
1.1.1 Cash and Balances with Central Bank		2.326.791	22.538.285	24.865.076	1.820.832	24.677.779	26.498.611
1.1.2 Banks		2.480.687	4.859.165	7.339.852	1.494.422	3.802.000	5.296.422
1.1.3 Money Market Placements		1.725.715	-	1.725.715	-	-	-
1.1.4. Expected Credit Losses (-)		101.123	21.254	122.377	46.492	11.045	57.537
1.2 Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	(2)	5.265.144	8.433.506	13.698.650	1.492.874	6.889.642	8.382.516
1.2.1 Government Securities		3.005.016	8.381.142	11.386.158	707.698	6.850.649	7.558.347
1.2.2 Equity Securities		-	37.912	37.912	-	19.198	19.198
1.2.3 Other Financial Assets		2.260.128	14.452	2.274.580	785.176	19.795	804.971
1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	(3)	850.542	1.386.618	2.237.160	381.640	370.718	752.358
1.3.1 Government Securities		650.796	603.298	1.254.094	373.973	353.699	727.672
1.3.2 Equity Securities		7.667	23.865	31.532	7.667	17.019	24.686
1.3.3 Other Financial Assets		192.079	759.455	951.534	-	-	-
1.4 Derivative Financial Assets	(5)	14.151	-	14.151	88.485	-	88.485
1.4.1 Derivative Financial Assets Measured at Fair Value through Profit/Loss		14.151	-	14.151	88.485	-	88.485
1.4.2 Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)		49.455.730	42.620.222	92.075.952	24.807.293	40.232.465	65.039.758
2.1 Loans	(6)	45.080.822	29.515.189	74.596.011	25.484.848	33.819.930	59.304.778
2.2 Lease Receivables	(7)	322.764	585.979	908.743	379.930	440.744	820.674
2.3 Financial Assets Measured at Amortised Cost	(4)	6.198.303	13.252.626	19.450.929	697.735	7.405.476	8.103.211
2.3.1 Government Securities		6.032.245	13.127.122	19.159.367	697.735	7.405.476	8.103.211
2.3.2 Other Financial Assets		166.058	125.504	291.562	-	-	-
2.4 Expected Credit Losses (-)	(6)	2.146.159	733.572	2.879.731	1.755.220	1.433.685	3.188.905
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(8)	341.132	-	341.132	118.874	104	118.978
3.1 Asset Held for Resale		341.132	-	341.132	118.874	104	118.978
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
IV. OWNERSHIP INVESTMENTS (Net)	(9)	25.100	64.221	89.321	25.100	18.311	43.411
4.1 Associates (Net)		-	-	-	-	-	-
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)		5.100	64.221	69.321	5.100	18.311	23.411
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		-	-	-	-	-	-
4.3 Joint Ventures (Net)		20.000	-	20.000	20.000	-	20.000
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		20.000	-	20.000	20.000	-	20.000
V. TANGIBLE ASSETS (Net)	(10)	2.705.460	27.231	2.732.691	1.484.134	24.834	1.508.968
VI. INTANGIBLE ASSETS (Net)	(11)	166.752	-	166.752	83.000	-	83.000
6.1 Goodwill		-	-	-	-	-	-
6.2 Others		166.752	-	166.752	83.000	-	83.000
VII. INVESTMENT PROPERTY (Net)	(12)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	2.483	-	2.483
IX. DEFERRED TAX ASSET	(13)	453.731	-	453.731	489.049	-	489.049
X. OTHER ASSETS	(14)	609.957	112.343	722.300	568.849	139.772	708.621
TOTAL ASSETS		66.319.769	80.020.337	146.340.106	32.810.543	76.144.580	108.955.123

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 DECEMBER 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

LIABILITIES		Notes (Section Five-II)	CURRENT PERIOD December 31, 2022			PRIOR PERIOD December 31, 2021		
			TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED		(1)	51.544.182	61.131.615	112.675.797	20.200.193	71.036.456	91.236.649
II. FUNDS BORROWED		(2)	940.461	3.471.519	4.411.980	4.168.387	2.090.828	6.259.215
III. BORROWINGS FROM MONEY MARKETS			-	7.817.681	7.817.681	1.327	-	1.327
IV. SECURITIES ISSUED (Net)			-	-	-	-	-	-
V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS			-	-	-	-	-	-
VI. DERIVATIVE FINANCIAL LIABILITIES		(3)	12.819	1.660	14.479	180.485	6.769	187.254
6.1 Derivative Financial Liabilities at Fair Value through Profit or Loss			12.819	1.660	14.479	180.485	6.769	187.254
6.2 Derivative Financial Liabilities at Fair Value through Other Comprehensive Income			-	-	-	-	-	-
VII. LEASE PAYABLES		(4)	450.407	26.399	476.806	327.840	21.774	349.614
VIII. PROVISIONS		(5)	2.558.145	17.375	2.575.520	308.018	4.060	312.078
8.1 Restructuring Reserves			-	-	-	-	-	-
8.2 Reserve for Employee Benefits			685.577	-	685.577	148.046	-	148.046
8.3 Insurance Technical Reserves (Net)			-	-	-	-	-	-
8.4 Other Provisions			1.872.568	17.375	1.889.943	159.972	4.060	164.032
IX. CURRENT TAX LIABILITY		(6)	704.214	32.539	736.753	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)	-	4.694.238	4.694.238	-	3.119.354	3.119.354
12.1 Loans			-	4.694.238	4.694.238	-	3.119.354	3.119.354
12.2 Other Debt Instruments			-	-	-	-	-	-
XIII. OTHER LIABILITIES		(9)	3.076.607	1.741.272	4.817.879	2.093.568	651.993	2.745.561
XIV. SHAREHOLDERS' EQUITY		(10)	8.090.431	28.542	8.118.973	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			1.608.402	-	1.608.402	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			1.585.124	-	1.585.124	1.193.669	-	1.193.669
14.3 Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss			841.487	-	841.487	388.024	-	388.024
14.4 Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss			681.085	28.542	709.627	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			627.155	-	627.155	(379.501)	-	(379.501)
14.6.1 Prior Years Profit/(Loss)			(738.341)	-	(738.341)	(483.904)	-	(483.904)
14.6.2 Current Year Profit/(Loss)			1.365.496	-	1.365.496	104.403	-	104.403
TOTAL LIABILITIES			67.377.266	78.962.840	146.340.106	31.997.304	76.957.819	108.955.123

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 DECEMBER 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF OFF-BALANCE SHEET	Notes (Section Five-III)	CURRENT PERIOD December 31, 2022			PRIOR PERIOD December 31, 2021		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)		16.770.259	13.216.005	29.986.264	11.428.440	16.308.916	27.737.356
I. GUARANTEES AND SURETIES	(1)	11.430.631	9.692.379	21.123.010	7.080.257	10.323.043	17.403.300
1.1. Letters of Guarantees		11.302.364	6.147.271	17.449.635	7.048.318	5.322.918	12.371.236
1.1.1. Guarantees Subject to State Tender Law		1.704.625	223.781	1.928.406	1.098.043	134.460	1.232.503
1.1.2. Guarantees Given for Foreign Trade Operations		165	2.104.485	2.104.650	15	1.905.653	1.905.668
1.1.3. Other Letters of Guarantee		9.597.574	3.819.005	13.416.579	5.950.260	3.282.805	9.233.065
1.2. Bank Loans		-	70.414	70.414	-	99.278	99.278
1.2.1. Import Letter of Acceptances		-	70.414	70.414	-	99.278	99.278
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letter of Credits		11.385	3.456.459	3.467.844	12.324	4.886.075	4.898.399
1.3.1. Documentary Letter of Credits		-	-	-	-	-	-
1.3.2. Other Letter of Credits		11.385	3.456.459	3.467.844	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		-	18.235	18.235	-	14.772	14.772
1.7. Other Collaterals		116.882	-	116.882	19.615	-	19.615
II. COMMITMENTS	(1)	3.744.209	561.809	4.306.018	2.929.406	606.006	3.535.412
2.1. Irrevocable Commitments		3.690.709	561.809	4.252.518	2.889.906	606.006	3.495.912
2.1.1. Asset Purchase and Sale Commitments		19.940	561.809	581.749	321.618	606.006	927.624
2.1.2. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3. Loan Granting Commitments		618.854	-	618.854	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		1.109.464	-	1.109.464	834.732	-	834.732
2.1.7. Tax And Fund Liabilities from Export Commitments		30.942	-	30.942	17.234	-	17.234
2.1.8. Commitments for Credit Card Expenditure Limits		1.910.259	-	1.910.259	1.059.919	-	1.059.919
2.1.9. Commitments for Promotions Related with Credit Cards and Banking Activities		687	-	687	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		563	-	563	552	-	552
2.2. Revocable Commitments		53.500	-	53.500	39.500	-	39.500
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		53.500	-	53.500	39.500	-	39.500
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	1.595.419	2.961.817	4.557.236	1.418.777	5.379.867	6.798.644
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		1.595.419	2.961.817	4.557.236	1.418.777	5.379.867	6.798.644
3.2.1. Forward Foreign Currency Buy/Sell Transactions		525.019	705.963	1.230.982	461.810	489.238	951.048
3.2.1.1. Forward Foreign Currency Transactions-Buy		307.298	310.779	618.077	239.837	242.194	482.031
3.2.1.2. Forward Foreign Currency Transactions-Sell		217.721	395.184	612.905	221.973	247.044	469.017
3.2.2. Other Forward Buy/Sell Transactions		1.070.400	2.255.854	3.326.254	956.967	4.890.629	5.847.596
3.3. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		195.850.209	76.219.165	272.069.374	104.483.970	48.433.026	152.916.996
IV. ITEMS HELD IN CUSTODY		8.003.258	25.965.959	33.969.217	5.856.026	12.698.331	18.554.357
4.1. Assets Under Management		1.337.798	-	1.337.798	2.448.761	-	2.448.761
4.2. Investment Securities Held in Custody		19.853	274.662	294.515	17.473	548.751	566.224
4.3. Cheques Received for Collection		4.909.013	357.854	5.266.867	2.325.217	700.121	3.025.338
4.4. Commercial Notes Received for Collection		1.491.411	268.677	1.760.088	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	9.509.633	9.720.759	219.693	1.043.531	1.263.224
4.8. Custodians		33.954	15.555.133	15.589.087	33.125	10.241.687	10.274.812
V. PLEDGED ITEMS		187.846.951	50.253.206	238.100.157	98.627.944	35.734.695	134.362.639
5.1. Marketable Securities		19.153.683	10.676.095	29.829.778	10.587.982	8.001.966	18.589.948
5.2. Guarantee Notes		4.325.462	184.003	4.509.465	2.043.190	506.747	2.549.937
5.3. Commodity		26.851.614	4.243.573	31.095.187	11.752.302	3.695.799	15.448.101
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		122.373.633	31.168.237	153.541.870	67.505.021	18.800.660	86.305.681
5.6. Other Pledged Items		14.892.518	3.971.600	18.864.118	6.458.745	4.715.730	11.174.475
5.7. Pledged Items-Depository		250.041	9.698	259.739	280.704	13.793	294.497
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		212.620.468	89.435.170	302.055.638	115.912.410	64.741.942	180.654.352

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 DECEMBER 31, 2022

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

STATEMENT OF PROFIT OR LOSS		Notes (Section Five-IV)	CURRENT PERIOD January 1- December 31, 2022	PRIOR PERIOD January 1- December 31, 2021
I.	PROFIT SHARE INCOME	(1)	11.052.438	5.023.098
1.1	Profit Share on Loans		8.302.171	4.175.857
1.2	Income Received from Reserve Deposits		47.503	134.657
1.3	Income Received from Banks		172	373
1.4	Income Received from Money Market Placements		6.327	-
1.5	Income Received from Marketable Securities Portfolio		2.605.240	672.506
1.5.1	Financial Assets at Fair Value Through Profit and Loss		1.152.838	235.667
1.5.2	Financial Assets at Fair Value through Other Comprehensive Income		265.473	134.329
1.5.3	Financial Assets Measured at Amortised Cost		1.186.929	302.510
1.6	Finance Lease Income		87.878	38.313
1.7	Other Profit Share Income		3.147	1.392
II.	PROFIT SHARE EXPENSE	(2)	5.670.146	3.329.736
2.1	Expense on Profit Sharing Accounts		4.517.288	1.894.877
2.2	Profit Share Expense on Funds Borrowed		982.800	1.260.844
2.3	Profit Share Expense on Money Market Borrowings		32.061	80.024
2.4	Profit Share Expense on Securities Issued		-	-
2.5	Finance Lease Expense		66.377	51.346
2.6	Other Profit Share Expense		71.620	42.645
III.	NET PROFIT SHARE INCOME (I – II)		5.382.292	1.693.362
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		644.548	405.756
4.1	Fees and Commissions Received		1.034.668	582.163
4.1.1	Non-Cash Loans		250.955	165.689
4.1.2	Other	(3)	783.713	416.474
4.2	Fees and Commissions Paid (-)		390.120	176.407
4.2.1	Non-Cash Loans		657	490
4.2.2	Other	(3)	389.463	175.917
V.	DIVIDEND INCOME	(4)	1.056	768
VI.	TRADING INCOME/LOSS(net)	(5)	2.881.082	136.227
6.1	Capital Market Transaction Income/(Loss)		1.872.425	(72.934)
6.2	Profit/(Loss) from Derivative Financial Instruments		92.726	(229.474)
6.3	Foreign Exchange Income/(Loss)		915.931	438.635
VII.	OTHER OPERATING INCOME	(6)	1.657.558	1.142.931
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		10.566.536	3.379.044
IX.	EXPECTED CREDIT LOSS (-)	(7)	3.950.152	1.711.343
X.	OTHER PROVISION EXPENSES (-)	(7)	2.066.767	123.926
XI.	PERSONNEL EXPENSES (-)		1.166.388	807.921
XII.	OTHER OPERATING EXPENSES (-)	(8)	1.067.988	654.412
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		2.315.241	81.442
XIV.	EXCESS AMOUNT RECORDED AS GAIN AFTER MERGER		-	-
XV.	PROFIT/(LOSS) ON EQUITY METHOD		-	-
XVI.	PROFIT/(LOSS) ON NET MONETARY POSITION		-	-
XVII.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)	(9)	2.315.241	81.442
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(10)	949.745	(22.961)
18.1	Provision for Current Taxes		605.203	18.614
18.2	Deferred Tax Expense Effect (+)		1.476.179	646.524
18.3	Deferred Tax Income Effect (-)		1.131.637	688.099
XIX.	NET INCOME/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)	(11)	1.365.496	104.403
XX.	INCOME FROM DISCONTINUED OPERATIONS	(11)	-	-
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		-	-
XXI.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
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		-	-
XXII.	PROFIT/(LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Provision for Current Taxes		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV.	NET PROFIT/LOSS (XIX+XXIV)	(12)	1.365.496	104.403
	Earnings Per Share		0,67457	0,07734

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 DECEMBER 31, 2022

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

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		CURRENT PERIOD January 1- December 31, 2022	PRIOR PERIOD January 1- December 31, 2021
I.	CURRENT PERIOD PROFIT/LOSS	1.365.496	104.403
II.	OTHER COMPREHENSIVE INCOME	846.980	353.948
2.1	Other Income/Expense Items not to be Recycled to Profit or Loss	453.463	133.979
2.1.1	Revaluation Surplus on Tangible Assets	715.529	185.972
2.1.2	Revaluation Surplus on Intangible Assets	-	-
2.1.3	Defined Benefit Plans' Actuarial Gains/Losses	(186.911)	(12.834)
2.1.4	Other Income/Expense Items not to be Recycled to Profit or Loss	(16.222)	(7.644)
2.1.5	Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	(58.933)	(31.515)
2.2	Other Income/Expense Items to be Recycled to Profit or Loss	393.517	219.969
2.2.1	Translation Differences	220.797	205.376
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	230.948	18.045
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	(58.228)	(3.452)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	2.212.476	458.351

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 DECEMBER 31, 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
CURRENT PERIOD (January 1 – December 31, 2022)															
I. Closing balance	(V)	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		-	-	-	-	590.110	(136.647)	-	220.797	172.720	-	-	-	1.365.496	2.212.476
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		-	-	-	391.455	-	-	-	-	-	-	9.614	(279.848) ^(**)	-	121.221
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)	-
Balances at end of the period (III+IV...+X+XI)		2.500.000	23.278	-	1.585.124	1.034.726	(193.239)	-	518.506	191.121	-	1.832.302	(738.341)	1.365.496	8.118.973

^(*) 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.

^(**) 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 91.167 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 DECEMBER 31, 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 – December 31, 2021)															
I. Closing balance	(V)	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		-	-	-	-	144.246	(10.267)	-	205.376	14.593	-	-	-	104.403	458.351
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		-	-	-	247.958	-	-	-	-	-	-	8.030	(131.713) ^(*)	-	124.275
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	-	1.193.669	444.616	(56.592)	-	297.709	18.401	-	1.743.696	(483.904)	104.403	4.626.853

(*) 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.

(*) 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 50.458 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 FINANCIAL STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF CASH FLOWS		Notes (Section Five-VI)	CURRENT PERIOD January 1- December 31, 2022	PRIOR PERIOD January 1- December 31, 2021
A.	CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit Before Changes In Operating Assets And Liabilities		1.901.445	1.575.217
1.1.1	Profit Share Income Received		9.095.948	4.994.375
1.1.2	Profit Share Expense Paid		(4.789.111)	(3.259.786)
1.1.3	Dividend Received		1.056	-
1.1.4	Fees and Commissions Received		772.937	405.471
1.1.5	Other Income		1.248.543	709.689
1.1.6	Collections from Previously Written Off Loans	(V-I-6,h2)	1.374.234	463.030
1.1.7	Payments to Personnel and Service Suppliers		(1.590.269)	(1.002.624)
1.1.8	Taxes Paid		(128.532)	(82.365)
1.1.9	Others	(V-VI-3)	(4.083.361)	(652.573)
1.2	Changes In Operating Assets And Liabilities		1.272.603	8.221.424
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		(3.660.519)	(3.179.153)
1.2.2	Net (Increase) Decrease in Due From Banks and Other Financial Institutions		73.061	(6.646.458)
1.2.3	Net (Increase) Decrease in Loans		(8.534.370)	(7.775.633)
1.2.4	Net (Increase) Decrease in Other Assets		(1.394.477)	(226.291)
1.2.5	Net Increase (Decrease) in Bank Deposits		(705.028)	773.699
1.2.6	Net Increase (Decrease) in Other Deposits		15.455.673	23.928.850
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	(V-VI-3)	38.263	1.346.410
I.	Net Cash Flow From Banking Operations		3.174.048	9.796.641
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash flow from investing activities		(8.340.483)	(1.540.346)
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		(200.313)	(161.009)
2.4	Disposals of Property and Equipment		298.040	318.262
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(1.714.082)	(1.549.849)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		690.116	2.103.730
2.7	Purchase of Financial Assets Measured at Amortised Cost	(V-I-4)	(9.810.181)	(3.762.132)
2.8	Sale of Financial Assets Measured at Amortised Cost	(V-I-4)	2.441.847	1.510.652
2.9	Other		-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Flow From Financing Activities		3.669.879	(5.545.577)
3.1	Cash Obtained from Funds Borrowed and Securities Issued		43.264.181	40.129.022
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(40.310.536)	(45.431.167)
3.3	Issued Capital Instruments		1.158.423	-
3.4	Dividends Paid		-	-
3.5	Leases Paid		(118.573)	(85.419)
3.6	Other		(323.616)	(158.013)
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(V-VI-3)	1.109.908	3.140.562
V.	Net (Decrease) Increase in Cash and Cash Equivalents		(386.648)	5.851.280
VI.	Cash and Cash Equivalents at the Beginning of the Period	(V-VI-a)	13.906.557	8.055.277
VII.	Cash and Cash Equivalents at the End of the Period	(V-VI-b)	13.519.909	13.906.557

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT APPROPRIATION
AS OF DECEMBER 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF PROFIT APPROPRIATION	CURRENT PERIOD December 31, 2022	PRIOR PERIOD December 31, 2021
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1. CURRENT YEAR INCOME	2.315.241	81.442
1.2. TAXES AND DUTIES PAYABLE (-)	949.745	(22.961)
1.2.1. Corporate tax (Income tax)	605.203	18.614
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and legal liabilities (*)	344.542	(41.575)
A. NET INCOME FOR THE YEAR (1.1-1.2)	1.365.496	104.403
1.3. PRIOR YEAR LOSSES (-)	-	-
1.4. FIRST LEGAL RESERVES (-)	-	5.220
1.5. OTHER STATUTORY RESERVES (-)	-	25.411
B. DISTRIBUTABLE NET PERIOD INCOME [(A-(1.3+1.4+1.5))] (**)	1.365.496	73.772
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1. To owners of ordinary shares	-	-
1.6.2. To owners of preferred shares	-	-
1.6.3. To owners of preferred shares (Preemptive rights)	-	-
1.6.4. To Profit sharing bonds	-	-
1.6.5. To owners of the profit /loss sharing certificates	-	-
1.7. DIVIDEND TO PERSONNEL (-)	-	-
1.8. DIVIDEND TO BOARD OF DIRECTORS (-)	-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1. To owners of ordinary shares	-	-
1.9.2. To owners of preferred shares	-	-
1.9.3. To owners of preferred shares (Preemptive rights)	-	-
1.9.4. To profit sharing bonds	-	-
1.9.5. To owners of the profit /loss sharing Certificates	-	-
1.10. SECOND LEGAL RESERVE (-)	-	-
1.11. STATUS RESERVES (-)	-	-
1.12. EXTRAORDINARY RESERVES	-	73.772
1.13. OTHER RESERVES	-	-
1.14. SPECIAL FUNDS	-	-
II. DISTRIBUTION FROM RESERVES		
2.1. DISTRIBUTED RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. SHARE TO SHAREHOLDERS (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of preferred shares	-	-
2.3.3. To owners of preferred shares (Preemptive rights)	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To owners of the profit /loss sharing certificates	-	-
2.4. SHARE TO PERSONNEL (-)	-	-
2.5. SHARE TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1. TO OWNERS OF ORDINARY SHARES (***) (Full TL)	0,546	0,077
3.2. TO OWNERS OF ORDINARY SHARES (%)	54,61	7,73
3.3. TO OWNERS OF PREFERRED SHARES	-	-
3.4. TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1. TO OWNERS OF ORDINARY SHARES (Full TL)	-	-
4.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3. TO OWNERS OF PREFERRED SHARES	-	-
4.4. TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) Deferred tax income is presented in "other taxes and legal liabilities" line. Deferred tax income is not subject to profit appropriation; thus it is classified under extraordinary reserves.

(**) General Assembly of the Bank is the authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of the preparation of these financial statements.

(***) Calculated by using the number of share certificates as of year-end.

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 DECEMBER 31, 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 Bank prepares its financial statements in accordance with the Banking Regulation and Supervision Authority ("BRSA") Accounting and Reporting Regulation which includes the regulation on "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA") for the matters not regulated by the aforementioned legislations.

The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette numbered 28337, dated June 28, 2012, and amendments to this Communiqué. The 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 December 31, 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 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.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 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):

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
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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 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.

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VI. Explanations on financial assets (continued):

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.

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

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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 in the note of significant estimates and assumptions in preparing financial statements, The Bank has reflected the estimations and judgments used in the calculation of credit losses as of December 31, 2022, using the best estimation method with the maximum effort principle.

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

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

Under this context, the approach used through 2022 has been maintained and will be reviewed in the coming reporting periods by considering the changes in credit portfolio and expectations related to the future.

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

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

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

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

Parameters used when calculating expected credit losses:

Probability of Default (PD):

PD refers to the likelihood that a loan will default within a specified time horizon. Based on TFRS 9, the 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 discontinued 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, capitalized information technology services and intangible rights.

The costs of the intangible assets purchased before December 31, 2004 have been restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended.

Intangible assets purchased after this date have been recorded at their historical costs. Intangible assets are amortised by the 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 December 31, 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:

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

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

If there is an indication for impairment, the 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 "IFRS 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.

IFRS 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 December 31, 2022, there is an actuarial loss amounts to TL 257.652 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 December 31, 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 14th day and paid by the 17th 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 25th 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 December 31, 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 XI.

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 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 December 31, 2022, the Bank’s total capital has been calculated as TL 10.373.589 and capital adequacy standard ratio is 14,88%. 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
COMMON EQUITY TIER 1 CAPITAL		
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	1.093.961	1.259.792
Gains recognized in equity as per TAS	2.551.647	1.178.661
Profit	1.365.496	104.403
Current Period Profit	1.365.496	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	-	-
Common Equity Tier 1 Capital Before Deductions	7.534.382	3.907.711
Deductions from Common Equity Tier 1 Capital	-	-
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	193.239	56.592
Improvement costs for operating leasing	17.978	21.295
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	155.985	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	113.611	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	-	-
Total Deductions From Common Equity Tier 1 Capital	480.813	566.492
Total Common Equity Tier 1 Capital	7.053.569	3.341.219

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

a. Information on capital (continued):

	Current Period	Prior Period
ADDITIONAL TIER I CAPITAL		
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)	-	-
Additional Tier I Capital before Deductions	775.720	775.720
Deductions from Additional Tier I Capital	-	-
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	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	775.720	775.720
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	7.829.289	4.116.939
TIER II CAPITAL	-	-
Debt instruments and share issue premiums deemed suitable by the BRSA	1.862.000	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)	688.023	303.215
Tier II Capital Before Deductions	2.550.023	2.286.515
Deductions From Tier II Capital	-	-
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 (-)	-	-
Total Deductions from Tier II Capital	-	127.336
Total Tier II Capital	2.550.023	2.159.179
Total Capital (The sum of Tier I Capital and Tier II Capital)	10.379.312	6.276.118
The sum of Tier I Capital and Tier II Capital (Total Capital)	-	-
Deductions from Capital Loans granted contrary to the 50 th and 51 th 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	5.723	7.187

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

a. Information on capital (continued):

	Current Period	Prior Period
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank 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	-	-
Total Capital (Total Core Capital and Supplementary Capital)	10.373.589	6.268.931
Total risk weighted amounts	69.719.750	42.079.121
Capital Adequacy Ratios	-	-
Core Capital Adequacy Ratio (%)	10,12	7,94
Tier 1 Capital Adequacy Ratio (%)	11,23	9,78
Capital Adequacy Ratio (%)	14,88	14,90
BUFFERS	-	-
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 (%)	5,62	3,44
Amounts below the Excess Limits as per the Deduction Principles	-	-
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	716.718	337.295
Limits related to provisions considered in Tier II calculation	-	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	688.023	303.215
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	688.023	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	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	-	-
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 calculating credit risk as per Regulation on Measurement and Evaluation of Capital Adequacy of Banks, it is possible that Central Bank buying exchange rates of December 31, 2021 can be used in calculating the revalued amounts of monetary and non monetary items and their specific provisions. The items which are carried at cost is out of scope. As of December 31, 2022, the Bank has utilized this facility in calculating capital adequacy ratio.

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
Special Consideration in the Calculation of Equity		
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 1.862.000	TL 775.720 ^(*)
Par Value of Instrument	TL 4.655.000	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	-	-
Profit Share/Dividends		
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
Convertible or Non-convertible		
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	-	-
Write-down feature		
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

^(*) 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:

- (1)** Credit risk represents the Bank's risk or losses arising from corporate and individual loan customers who have cash or non-cash credit relations with the Bank not fulfilling the terms of their agreements partially or in full. Limit assignment authority primarily belongs to the Board of Directors and based on the authority given by the Board of Directors, the risk limits of the Bank are determined by Head-office Loan Committee, Loan Committee and Board of Directors. Head-office Loan Committee may exercise such authority partially through units of the Bank or branches. Proposal for loans are presented in a written format to the Loan Committee and Board of Directors.

Regarding the credit risk, debtors or group of debtors is subject to risk limitations. Credit limits are determined separately for each individual customer, company, group of companies, and risk groups. While determining credit risk several criteria such as the customers' financial strength, commercial capacities, sectors, geographical areas and capital structure are evaluated collectively.

In accordance with the decision taken by the Board of Directors of the Bank, the Bank cannot grant loans above 15% of its equity to a real person or legal entity (Exception to this decision is subject to the decision of the Board of Directors). Distributing the risk in a balanced manner to the sectors is observed, therefore in their marketing operations the branches strive for reaching various firms existing in different sectors. As a principle, each branch oversees the balanced distribution of the total risk to the sectors and progress of the firms existing in critical sectors.

The credibility of the debtors of loans are monitored periodically in accordance with related legislation. The financial documents for loans are obtained, audited and updated as necessary as stipulated in the related legislation. Credit limits of customers are renewed periodically according to the Bank's credit limit renewal procedure. The Bank obtains necessary collaterals for loans by analyzing the creditworthiness of corporate and individual loans according to its credit policy. Main collaterals obtained for credit risk are mortgage on real estate, cash blockage, pledges on vehicle and machinery.

Limits defined by the Board of Directors and Loan Committee for each bank are followed-up by Treasury Management on a daily basis for the transactions related with placements or treasury operations like foreign currency purchase and sales with domestic and foreign correspondent banks.

As of 1 January 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. Related classifications are mentioned in the third section under the heading of Accounting Policies, in No.VII. "Explanations on expected credit loss provisions".

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II. Explanations on credit risk (continued):

The amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types, are disclosed below for the relevant period:

Risk Categories	Current Period Risk Amount	Average Risk Amount⁽¹⁾
Receivables from central governments or central banks	34.833.608	28.992.751
Receivables from regional or local governments	99.127	95.333
Receivables from administrative units and non-commercial enterprises	78.266	56.015
Receivables from multilateral development banks	-	-
Receivables from international organizations	-	-
Receivables from banks and brokerage houses	8.183.034	9.067.729
Receivables from corporates	31.474.579	26.997.672
Retail receivables	12.315.377	10.195.027
Receivables secured by mortgages on property	6.906.801	8.563.459
Past due receivables	98.560	398.068
Receivables defined in high risk category by BRSA	-	-
Collateralized Securities	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Other receivables	6.763.161	6.653.790
Equity share investments	205.691	128.573
TOTAL⁽¹⁾	100.958.204	91.148.417

⁽¹⁾ Average risk amount was tested by taking the arithmetic average of monthly risk amounts for 2022.

- (2) The credit risk undertaken for forwards, options and similar agreements is managed together with the risks arising from market movements.
- (3) The risks of forwards, options and similar agreements are followed regularly and the Bank utilizes risk mitigation methods if needed.
- (4) Indemnified non-cash loans are subject to the same risk weight as overdue loans. Rescheduled or restructured loans are followed in accordance with the principles of credit risk management and follow-up principle of the Bank. Financial position and commercial operations of those customers are analyzed continuously and the principal and profit payments based on the restructured payment plan are monitored by the related departments.
- The Bank considers that long-term commitments are exposed to more credit risk than short-term commitments and matters such as defining risk limits and obtaining collateral for long-term risks are addressed more extensively as compared to short-term risks.
- (5) The Bank has credit lines in different countries within the scope of its banking activity and due inquiries (economic, cyclical, etc.) are carried out during the allocation and revision of such credit lines.
- For the banks where correspondent activity and international commodity transactions are intended to be carried out, credit limits are allocated by the related credit committees taking into account the size of the correspondent bank and the size of Bank itself and concentration of risk is avoided. The Bank does not carry any serious risk in this respect.
- (6) Share of cash receivables of the Bank from its top 100 and top 200 cash loan customers in total cash loans is 49% (December 31, 2021: 52%) and 56% (December 31, 2021: 59%) respectively.
- Share of non-cash receivables of the Bank from its top 100 and top 200 non-cash loan customers in total non-cash loans is 39% (December 31, 2021: 48%) and 48% (December 31, 2021: 58%) respectively.
- Share of cash and non-cash receivables of the Bank from its top 100 and top 200 loan and non-cash loan customers in total of balance sheet and off balance sheet commitments is 43% (December 31, 2021: 46%) and 50% (December 31, 2021: 54%) respectively.
- (7) The Bank's expected credit loss (except non cash loans) amount for its credit risk (Stage 1 and 2) is TL 1.699.438 (December 31, 2021: TL 588.399).

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II. Explanations on credit risk (continued):

(8) Profile on significant risks in significant regions:

Risk Categories ^(*)													
Current Period	1	2	3	4	5	6	7	8	9	10	11	12	Total
Domestic	34.833.608	99.127	78.266	-	3.621.222	30.252.766	12.235.244	6.859.798	98.508	-	6.185.914	32.767	94.297.220
EU Countries	-	-	-	-	380.847	162.954	13.448	9.319	2	-	-	65.471	632.041
OECD Countries ^(**)	-	-	-	-	354.791	3.457	3.128	2.280	-	-	-	-	363.656
Off-shore banking regions	-	-	-	-	1.057.205	2	4.248	-	22	-	-	-	1.061.477
USA, Canada	-	-	-	-	512.950	9.732	899	3.477	23	-	-	-	527.081
Other countries	-	-	-	-	2.256.019	1.045.668	58.410	31.927	5	-	577.247	107.453	4.076.729
Associates, subsidiaries and jointly controlled entities	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated assets/liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	34.833.608	99.127	78.266	-	8.183.034	31.474.579	12.315.377	6.906.801	98.560	-	6.763.161	205.691	100.958.204
Prior Period	1	2	3	4	5	6	7	8	9	10	11	12	Total
Domestic	19.539.686	112.481	44.810	-	2.258.797	19.054.463	7.806.913	9.359.004	586.261	-	5.203.296	40.706	64.006.417
EU Countries	-	-	-	-	771.660	63.328	3.457	7.707	-	-	-	19.178	865.330
OECD Countries ^(**)	-	-	-	-	1.879.084	355	1.113	530	-	-	-	-	1.881.082
Off-shore banking regions	-	-	-	-	823.226	98.810	5.094	7.702	-	-	-	-	934.832
USA, Canada	-	-	-	-	445.344	6.482	456	501	-	-	-	-	452.783
Other countries	-	-	-	-	13.053	1.441.163	40.526	61.152	5.836	-	214.870	2.755	1.779.355
Associates, subsidiaries and jointly controlled entities	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated assets/liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	19.539.686	112.481	44.810	-	6.191.164	20.664.601	7.857.559	9.436.596	592.097	-	5.418.166	62.639	69.919.799

^(*) Risk classifications in the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" will be used.

^(**) OECD countries other than EU countries, USA and Canada.

^(***) Assets and liabilities are not allocated on a consistent basis

- 1- Receivables from central governments or central banks
- 2- Receivables from regional or local governments
- 3- Receivables from administrative units and non-commercial enterprises
- 4- Receivables from multilateral development banks
- 5- Receivables from banks and brokerage houses
- 6- Receivables from corporates
- 7- Retail receivables

- 8- Receivables secured by mortgages on property
- 9- Past due receivables
- 10- Investments as collective investment enterprises
- 11- Other receivables
- 12- Equity share investments

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II. Explanations on credit risk (continued):

Risk Profile according to sectors and counterparties:

Sectors / Counterparties	Risk Categories												TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12			
1 Agriculture	-	-	-	-	-	413.410	174.821	40.529	1.041	-	2.919	-	543.949	88.771	632.720
1.1 Farming and stockbreeding	-	-	-	-	-	313.142	107.406	27.621	599	-	2.594	-	384.925	66.437	451.362
1.2 Forestry	-	-	-	-	-	62.385	59.455	12.577	442	-	232	-	130.472	4.619	135.091
1.3 Fishery	-	-	-	-	-	37.883	7.960	331	-	-	93	-	28.552	17.715	46.267
2 Manufacturing	-	-	26.187	-	-	10.654.746	2.567.848	861.244	25.099	-	99.203	-	7.141.085	7.093.242	14.234.327
2.1 Mining	-	-	-	-	-	134.361	44.277	8.685	2.434	-	47.362	-	187.409	49.710	237.119
2.2 Production	-	-	27	-	-	8.560.752	2.430.335	786.024	22.162	-	50.729	-	6.685.586	5.164.443	11.850.029
2.3 Electricity, gas, water	-	-	26.160	-	-	1.959.633	93.236	66.535	503	-	1.112	-	268.090	1.879.089	2.147.179
3 Construction	-	-	-	-	-	4.957.502	1.050.617	830.212	12.204	-	51.992	-	3.266.949	3.635.578	6.902.527
4 Services	34.833.304	99.104	51.615	-	8.170.781	14.282.418	6.824.242	3.523.081	49.597	-	1.629.990	205.591	29.373.811	40.295.912	69.669.723
4.1 Wholesale and retail trade	-	-	-	-	-	5.394.869	3.070.443	902.706	34.860	-	59.725	-	7.167.673	2.294.930	9.462.603
4.2 Hotel, food and beverage services	-	-	-	-	-	156.567	69.128	30.414	667	-	1.437	-	121.540	136.673	258.213
4.3 Transportation and telecommunication	-	-	499	-	-	1.104.923	629.583	99.666	4.835	-	2.914	-	755.982	1.086.438	1.842.420
4.4 Financial institutions	34.833.304	-	-	-	7.243.262	2.192.264	7.011	116.580	46	-	1.531.645	200.591	11.968.438	34.156.265	46.124.703
4.5 Real estate and renting services	-	-	23.948	-	927.519	4.928.132	2.529.002	2.261.075	5.872	-	22.984	5.000	8.269.014	2.434.518	10.703.532
4.6 Self-employment services	-	-	22.991	-	-	224.866	281.616	71.714	2.776	-	5.035	-	540.598	68.400	608.998
4.7 Education services	-	-	1.616	-	-	10.352	28.850	2.522	144	-	409	-	43.353	540	43.893
4.8 Health and social services	-	99.104	2.561	-	-	270.445	208.609	38.404	397	-	5.841	-	507.213	118.148	625.361
5 Other	304	23	464	-	12.253	1.166.503	1.697.849	1.651.735	10.619	-	4.979.057	100	7.823.820	1.695.087	9.518.907
6 Total	34.833.608	99.127	78.266	-	8.183.034	31.474.579	12.315.377	6.906.801	98.560	-	6.763.161	205.691	48.149.614	52.808.590	100.958.204

- 1- Receivables from central governments or central banks
- 2- Receivables from regional or local governments alacaklar
- 3- Receivables from administrative units and non-commercial enterprises
- 4- Receivables from multilateral development banks
- 5- Receivables from banks and brokerage houses
- 6- Receivables from corporates
- 7- Retail receivables
- 8- Receivables secured by mortgages on property
- 9- Past due receivables
- 10- Investments as collective investment enterprises
- 11- Other receivable
- 12- Equity share investments

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II. Explanations on credit risk (continued):

Distribution of risks with term structure according to remaining maturities:

		Time to Maturity				
	Risk Categories	1 month	1–3 months	3–6 months	6–12 months	1 year and over
1	Receivables from central governments or central banks	-	31.638	1.227.942	471.572	19.052.582
2	Receivables from regional or local governments	-	-	-	40.363	-
3	Receivables from administrative units and non-commercial enterprises	39	39	26.061	5.282	34.210
4	Receivables from multilateral development banks	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-
6	Receivables from banks and brokerage houses	6.700	-	103.133	84.981	1.054.262
7	Receivables from corporates	1.102.534	5.046.751	2.630.707	5.628.845	12.550.510
8	Retail receivables	511.302	1.077.645	1.466.158	3.202.084	3.588.014
9	Receivables secured by mortgages on property	185.690	653.121	469.416	981.010	4.164.692
10	Past due receivables	1.830	24	-	-	131
11	Receivables defined in high risk category by BRSA	-	-	-	-	-
12	Collateralized Securities	-	-	-	-	-
13	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
14	Investments similar to collective investment funds	-	-	-	-	-
15	Other receivables	-	-	-	-	-
16	Equity share investments	-	91.400	-	-	-
17	TOTAL	1.808.095	6.900.618	5.923.417	10.414.137	40.444.401

- (9) While determining risk weights of receivables from banks and receivables from central banks and central governments indicated in the sixth article of “Regulation on Measurement and Assessment of Capital Adequacy of Banks”, rating grades obtained from rating agencies commissioned by customers are being used. Resident banks and intermediary firms are evaluated as unrated and credit rating agencies’ ratings are considered for non resident counterparties. The ratings by IIRA (Islamic International Rating Agency) are considered for receivables from central governments or central banks. Other receivables in the regulation are considered as unrated while calculating capital adequacy.

The match-up of the ratings by rating agencies are represented in “credit quality stages” in the following table:

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II. Explanations on credit risk (continued):

		Credit Quality stage	Fitch Ratings	Moody's Investor Service	S&P Ratings Services	Japan Credit Rating Agency	DBRS	IIRA
The match-up of the ratings	Long term credit ratings	1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA-	AAA to AA (low)	AAA to AA-
		2	A+ to A-	A1 to A3	A+ to A-	A+ to A-	A (high) to A (low)	A+ to A-
		3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB+ to BBB-	BBB (high) to BBB (low)	BBB+ to BBB-
		4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	BB+ to BB-	BB (high) to BB (low)	BB+ to BB-
		5	B+ to B-	B1 to B3	B+ to B-	B+ to B-	B (high) to B (low)	B+ to B-
		6	CCC+ and lower	Caa1 and lower	CCC+ and lower	CCC and lower	CCC (high) and lower	CCC+ and lower
	Short term credit ratings	1	F1+ to F1	P-1	A-1+ to A-1	J-1	R-1 (high) to R-1 (low)	A-1+ to A-1
		2	F2	P-2	A-2	J-2	R-2 (high) to R-2 (low)	A-2
		3	F3	P-3	A-3	J-3	R-3	A-3
		4	F3 lower	NP	A-3 lower	J-3 lower	R-3 lower	A-3 lower
		5	-	-	-	-	---	-
		6	-	-	-	-	---	-
	Ratings for long term securitization positions	1	AAA to AA-	Aaa to Aa3	AAA to AA-	-	AAA to AA (low)	AAA to AA-
		2	A+ to A-	A1 to A3	A+ to A-	-	A (high) to A (low)	A+ to A-
		3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	-	BBB (high) to BBB (low)	BBB+ to BBB-
		4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	-	BB (high) to BB (low)	BB+ to BB-
		5	B+ and lower	B1 and lower	B+ and lower	-	B (high) and lower	B+ and lower
	Ratings for short term securitization positions	1	F1+ to F1	P-1	A-1+ to A-1	-	R-1 (high) to R-1 (low)	A-1+ to A-1
		2	F2	P-2	A-2	-	R-2 (high) to R-2 (low)	A-2
		3	F3	P-3	A-3	-	R-3	A-3
		Diğerleri	F3 lower	NP	A-3 lower	-	R-3	A-3 lower
	The match-up for collective investment undertakings	1	AAA to AA-	Aaa to Aa3	FCQR: AAAf to AA-f; PSFR: AAAm to AA-m	-	-	-
		2	A+ to A-	A1 to A3	FCQR: A+f to A-f; PSFR: A+m to A-m	-	-	-
		3	BBB+ to BBB-	Baa1 to Baa3	FCQR: BBB+f to BBB-f; PSFR: BBB+m to BBB-m	-	-	-
		4	BB+ to BB-	Ba1 to Ba3	FCQR: BB+f to BB-f; PSFR: BB+m to BB-m	-	-	-
		5	B+ to B-	B1 to B3	FCQR: B+f to B-f; PSFR: B+m to B-m	-	-	-
		6	CCC+ and lower	Caa1 and lower	FCQR: CCC+f and lower; PSFR: CCC+m and lower	-	-	-

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II. Explanations on credit risk (continued):

Total exposure amount before and after applying risk mitigation techniques and total amounts deducted from the capital which are calculated in accordance with the Appendix-1 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks" are presented below:

										Deductions from Shareholders' Equity
Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	
1 Amount before credit risk mitigation	37.934.507	-	5.929.237	2.522.568	4.224.467	11.789.576	33.416.593	457.374	4.683.882	179.686
2 Amount after credit risk mitigation	39.708.036	-	6.041.235	2.497.811	4.238.684	11.546.089	31.531.464	457.964	4.936.921	179.686

(10) Amounts of impaired loans and past due receivables, value adjustments and provisions, current period value adjustments and provisions according to sectors or counterparties individually:

As of December 31, 2022, the Bank has allocated expected lifetime loss provision for loans classified as Stage 2 based on the risk assessments made under TFRS 9. For the loans which are determined as impaired by being classified in the third stage, the expected lifetime loss provision has been allocated for such loans as well.

As of December 31, 2022, the credit risks of the loans which has not increased at first recognition or thereafter, are classified as stage 1 and 12 months expected credit loss has been allocated for such loans.

Sectors / Counterparties	Loans		Provisions
	Impaired Value (TFRS 9)		Provisions for Credit Losses (TFRS 9)
	Significant increase in credit risk (Stage 2)	Default (Stage 3)	
1 Agriculture	12.188	33.111	31.395
1.1 Farming and stockbreeding	2.670	28.603	27.606
1.2 Forestry	9.518	4.508	3.789
1.3 Fishery	-	-	-
2 Manufacturing	2.659.687	324.518	1.341.280
2.1 Mining	2.826	11.077	8.160
2.2 Production	691.312	298.678	282.277
2.3 Electricity, gas, water	1.965.549	14.763	1.050.843
3 Construction	1.075.835	530.095	608.405
4 Services	2.807.007	494.227	561.839
4.1 Wholesale and retail trade	2.132.740	233.685	288.632
4.2 Hotel, food and beverage services	127.818	47.831	47.470
4.3 Transportation and telecommunication	123.243	47.263	42.143
4.4 Financial institutions	204	60.144	60.053
4.5 Real estate and renting services	367.112	61.620	85.143
4.6 Self-employment services	46.591	34.572	30.226
4.7 Education services	-	7.519	7.340
4.8 Health and social services	9.299	1.593	832
5 Other	149.413	86.026	73.980
6 Total	6.704.130	1.467.977	2.616.899

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II. Explanations on credit risk (continued):

(11) Information related to value adjustments and credit provisions:

Current Period

Risk Weight	Opening Balance	Provision made during the period	Reversal of Provisions	Other Adjustments ^(*)	Closing Balance
1. Stage 3 Provisions	2.658.043	2.691.929	(4.625.891) ^(**)	578.589	1.302.670
2. Stage 1 and 2 Provisions	530.862	1.173.079	(133.352)	6.472	1.577.061

^(*) Determined according to currency differences.

^(**) Includes reversal of provisions related to write off amounts to TL 3.994.760.

Prior Period

Risk Weight	Opening Balance	Provision made during the period	Reversal of Provisions	Other Adjustments ^(*)	Closing Balance
1. Stage 3 Provisions	1.247.950	1.599.318	(742.418) ^(**)	553.193	2.658.043
2. Stage 1 and 2 Provisions	584.657	300.573	(360.443)	6.075	530.862

^(*) Determined according to currency differences.

^(**) Includes reversal of provisions related to write off amounts to TL 249.185.

III. Explanations on risks including countercyclical capital buffer calculation:

Explanations on receivables from consolidated private sector:

Country where risk is ultimately taken	Private sector loans in banking books	Risk weighted amount calculated within trading book	Total
Türkiye	58.599.294	12.624.503	71.223.797
Iraq	1.964.783	-	1.964.783
Marshall Islands	393.763	-	393.763
Libya	118.964	-	118.964
Pakistan	7.831	-	7.831
Algeria	189.984	-	189.984
Malta	75.463	-	75.463
Tunisia	126.068	-	126.068
Georgia	69.982	-	69.982
Italy	65.754	-	65.754
Singapore	31.219	-	31.219
United States of America	481.673	37.041	518.714

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IV. 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 December 31, 2022 - Balance sheet evaluation rate	18,620	19,901
As of December 30, 2022	18,620	19,901
As of December 29, 2022	18,639	19,833
As of December 28, 2022	18,622	19,843
As of December 27, 2022	18,631	19,791
As of December 26, 2022	18,560	19,714

- 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 18,575 for 1 USD (December 2021: TL 13,562), TL 19,674 for 1 EUR (December 2021: TL 15,327). The Bank is mainly exposed to EUR and USD currency risks.

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IV. Explanations on currency risk (continued):

Information on currency risk of the Bank:

Current Period	EUR	USD	Other FC ⁽¹⁾	Total
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye	6.107.995	13.308.303	3.121.987	22.538.285
Banks	613.593	1.505.018	2.719.300	4.837.911
Financial assets at fair value through profit and loss ^(**)	1.172.446	1.409.648	5.851.412	8.433.506
Money market placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	1.649	1.375.601	9.368	1.386.618
Loans and financial lease receivables ^(***)	7.646.931	22.172.722	-	29.819.653
Subsidiaries, associates and joint ventures	64.221	-	-	64.221
Financial Assets Measured at Amortised Cost	1.890.812	11.236.076	123.503	13.250.391
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	27.231	27.231
Intangible assets	-	-	-	-
Other assets ^(****)	23.646	82.459	13.365	119.470
Total assets	17.521.293	51.089.827	11.866.166	80.477.286
Liabilities				
Current account and funds collected from banks via participation accounts	379.712	661.096	28.271	1.069.079
Other current and profit sharing accounts	11.849.125	38.288.310	9.925.101	60.062.536
Money market borrowings	1.537.479	5.375.657	904.545	7.817.681
Funds provided from other financial institutions and subordinated loans	2.241.774	5.923.983	-	8.165.757
Marketable securities issued	-	-	-	-
Miscellaneous payables	299.479	1.243.628	198.165	1.741.272
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	601	44.481	32.891	77.973
Total liabilities	16.308.170	51.537.155	11.088.973	78.934.298
Net balance sheet position	1.213.123	(447.328)	777.193	1.542.988
Net off balance sheet position	(1.204.011)	931.364	37.065	(235.582)
Derivative financial instruments assets ^(*****)	59.703	1.430.583	153.736	1.644.022
Derivative financial instruments liabilities ^(*****)	1.263.714	499.219	116.671	1.879.604
Non-cash loans ^(*****)	2.892.867	6.729.280	70.232	9.692.379
Prior Period				
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
Net balance sheet position	1.882.621	(2.434.082)	272.007	(279.454)
Net off balance sheet position	(2.145.002)	2.733.834	(75.193)	513.639
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 ^(*****)	3.317.764	6.952.583	52.696	10.323.043

⁽¹⁾ TL 3.002.738 (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 1.321.927 (December 31, 2021: TL 962.090) of the balance in Banks in other FC column represent precious metals accounts with banks, TL 8.902.072 (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 5.851.412 (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)

^(**) Derivative financial instruments are included.

^(***) The balance includes foreign currency indexed loans and financial lease receivables of TL 452.057 (December 31, 2021: TL 944.111).

^(****) Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 4.892 (December 31, 2021: TL 3.479) is included in other assets.

^(*****) In the current period, derivative financial instruments assets include foreign currency purchase commitment in the amount of TL 271.449 (December 31, 2021: TL 142.473) and derivative financial instruments liabilities include foreign currency sale commitment in the amount of TL 290.360 (December 31, 2021: TL 463.533).

^(*****) Does not have any effect on the net off-balance sheet position.

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IV. 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.

V. 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 205.691 100% risk weight is applied to related whole amount (December 31, 2021: TL 62.639).

VI. 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.

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VI. Explanations on liquidity risk (continued):

Liquidity Coverage Ratio:

		Rate of "Percentage to be taken into account" not Implemented Total Value ^(*)		Rate of "Percentage to be taken into account" Implemented Total Value ^(*)	
		TL+FC	FC	TL+FC	FC
	Current Period				
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1	HIGH QUALITY LIQUID ASSETS			49.600.352	41.466.881
	CASH OUTFLOWS				
2	Retail and Small Business Funds Collected	63.812.140	48.007.851	6.109.621	4.800.785
3	Stable Funds Collected	5.431.871	-	271.594	-
4	Less stable Funds Collected	58.380.269	48.007.851	5.838.027	4.800.785
5	Unsecured Funding other than Retail and Small Business Customers Deposits	32.131.818	20.176.829	14.091.320	7.674.482
6	Operational Funds Collected	20.414.118	15.267.247	5.103.530	3.816.812
7	Non-Operational Funds Collected	5.997.804	1.907.392	3.490.728	924.389
8	Other Unsecured Funding	5.719.896	3.002.190	5.497.062	2.933.281
9	Secured funding			-	-
10	Other Cash Outflows	4.451.835	3.795.123	4.451.835	3.795.123
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	4.451.835	3.795.123	4.451.835	3.795.123
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	23.230.428	10.056.196	2.511.764	1.468.949
16	TOTAL CASH OUTFLOWS			27.164.540	17.739.339
	CASH INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	17.618.132	9.567.159	14.018.108	8.569.508
19	Other contractual cash inflows	4.453.160	2.950.007	4.453.160	2.950.007
20	TOTAL CASH INFLOWS	22.071.292	12.517.166	18.471.268	11.519.515
				Upper limit applied amounts	
21	TOTAL HQLA			49.600.352	41.466.881
22	TOTAL NET CASH OUTFLOWS			8.693.272	6.219.824
23	Liquidity Coverage Ratio (%)			570,56	666,69

^(*) 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 Date	227,32 October 15, 2022	419,56 December 31, 2022
Highest Date	762,14 December 9, 2022	918,58 October 3, 2022
Average	570,56	666,69

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VI. Explanations on liquidity risk (continued):

Liquidity Coverage Ratio (continued):

		Rate of "Percentage to be taken into account" not Implemented Total Value ^(*)		Rate of "Percentage to be taken into account" Implemented Total Value ^(*)	
	Prior period	TL+FC	FC	TL+FC	FC
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1	HIGH QUALITY LIQUID ASSETS			33.240.760	29.994.681
	CASH OUTFLOWS				
2	Retail and Small Business Funds Collected	48.002.205	35.868.013	4.554.809	3.586.801
3	Stable Funds Collected	4.908.238	-	245.412	-
4	Less stable Funds Collected	43.093.967	35.868.013	4.309.397	3.586.801
5	Unsecured Funding other than Retail and Small Business Customers Deposits	26.730.954	18.464.414	12.063.765	6.743.836
6	Operational Funds Collected	14.671.442	11.667.569	3.667.861	2.916.892
7	Non-Operational Funds Collected	7.626.022	5.215.140	4.073.633	2.411.535
8	Other Unsecured Funding	4.433.490	1.581.705	4.322.271	1.415.409
9	Secured funding			-	-
10	Other Cash Outflows	3.839.376	3.332.027	3.839.376	3.332.027
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	3.839.376	3.332.027	3.839.376	3.332.027
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	15.718.241	8.909.943	1.820.327	1.306.136
16	TOTAL CASH OUTFLOWS			22.278.277	14.968.800
	CASH INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	9.891.169	6.436.367	7.762.936	5.345.582
19	Other contractual cash inflows	3.892.265	2.629.280	3.892.265	2.629.280
20	TOTAL CASH INFLOWS	13.783.434	9.065.647	11.655.201	7.974.862
				Upper limit applied amounts	
21	TOTAL HQLA			33.240.760	29.994.681
22	TOTAL NET CASH OUTFLOWS			10.623.076	6.993.938
23	Liquidity Coverage Ratio (%)			312,91	428,87

^(*) 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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VI. 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 3,24% cash, 49,78% deposits in central banks and 46,98% 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 86,94% funds collected, 13,06% 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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VI. Explanations on liquidity risk (continued):

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand ^(*)	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated ^(****) (*****)	Total
Assets								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye	8.632.118	16.232.625	-	-	-	-	-	24.864.743
Banks	4.422.626	2.387.687	407.495	-	-	-	-	7.217.808
Financial Assets at Fair Value Through Profit and Loss ^(**)	1.977.930	1.221.307	191.322	988.465	9.045.560	288.217	-	13.712.801
Money Market Placements	-	1.725.715	-	-	-	-	-	1.725.715
Financial Assets at Fair Value Through Other Comprehensive Income	31.532	92.217	862.717	282.075	968.519	100	-	2.237.160
Loans ^(***)	328.360	8.704.264	15.114.077	27.618.919	18.151.680	2.542.416	165.307	72.625.023
Financial Assets Measured at Amortised Cost	-	247.524	319.188	2.587.815	12.912.502	3.383.900	-	19.450.929
Other Assets	-	-	2.059	33.049	225.048	328.118	3.917.653	4.505.927
Total Assets	15.392.566	30.611.339	16.896.858	31.510.323	41.303.309	6.542.751	4.082.960	146.340.106
Liabilities								
Current account and funds collected from banks via participation accounts	1.065.196	37	-	28.261	-	-	-	1.093.494
Other current and profit sharing accounts	51.145.408	31.121.770	20.618.168	7.757.240	939.717	-	-	111.582.303
Funds provided from other financial institutions and subordinated loans	-	2.103.119	2.134.805	166.729	4.701.565	-	-	9.106.218
Money Market Borrowings	-	7.817.681	-	-	-	-	-	7.817.681
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	895.229	248.639	108.497	65	-	3.565.449	4.817.879
Other liabilities	775.720	-	201	5.662	154.708	289.836	10.696.404	11.922.531
Total Liabilities	52.986.324	41.937.836	23.001.813	8.066.389	5.796.055	289.836	14.261.853	146.340.106
Net Liquidity Gap	(37.593.758)	(11.326.497)	(6.104.955)	23.443.934	35.507.254	6.252.915	(10.178.893)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	(4.582)	2.217	3.015	-	-	-	650
Financial Derivative Liabilities	-	1.854.901	171.071	252.971	-	-	-	2.278.943
Financial Derivative Liabilities	-	1.859.483	168.854	249.956	-	-	-	2.278.293
Non-cash Loans	12.960.558	311.074	1.239.464	4.434.515	2.149.613	27.786	-	21.123.010
Prior period								
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
Net Liquidity Gap	(32.619.856)	(15.337.776)	1.863.340	15.798.078	29.015.582	3.826.310	(2.545.678)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	(284.967)	243.204	8.513	-	-	-	(33.250)
Financial Derivative Liabilities	-	2.701.371	549.987	131.339	-	-	-	3.382.697
Financial Derivative Liabilities	-	2.986.338	306.783	122.826	-	-	-	3.415.947
Non-cash Loans	11.725.992	164.297	770.409	3.464.733	1.262.356	15.513	-	17.403.300

^(*) Loans include accruals, other liabilities include undated additional Tier 1 Capital accounted under Shareholders' Equity.

^(**) Derivative financial instruments are included.

^(***) Leasing receivables are included under loans. Unallocated amount represents the net non-performing loans.

^(****) 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.

^(*****) The unallocated other liabilities column consists of equity, provisions and (if any) deferred tax liabilities.

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VII. Explanations on leverage ratio:

As of December 31, 2022, leverage ratio of the Bank calculated from the arithmetic average of the last three months is 4,29% (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 ^(*)	Prior Period ^(*)
Balance sheet assets		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	146.965.201	102.434.886
2 (Assets deducted from Core capital)	(220.476)	(371.694)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	146.744.725	102.063.192
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	23.520	157.781
5 Potential credit risk amount of derivative financial assets and credit derivatives	34.310	31.543
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	57.830	189.324
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	5.491.016	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)	5.491.016	600.159
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	25.587.177	20.035.331
11 (Correction amount due to multiplication with credit conversion rates)	(37.350)	(30.750)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	25.549.827	20.004.581
Capital and total risk		
13 Core Capital	7.636.053	3.881.503
14 Total risk amount (sum of lines 3, 6, 9 and 12)	177.843.398	122.857.256
Leverage ratio		
15 Leverage ratio (%)	4,29	3,18

^(*) The average amounts for the last three months.

VIII. Explanations on presentation of financial assets and liabilities at fair value:

a. Information on fair value of financial assets and liabilities:

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated profit share accruals of corresponding financial assets or liabilities.

The fair values of financial assets and liabilities are calculated based on the following principles:

The fair values of financial investments measured at amortised cost are determined based on market prices.

The fair value of loans is determined by calculating the discounted cash flows using the current market profit share rates.

Carrying value of funds collected via special current accounts and participation accounts is assumed to approximate their fair value as they are valued at year-end unit values.

The fair values of funds collected from financial institutions are determined by calculating the discounted cash flows using the current market profit share rates.

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VIII. Explanations on presentation of financial assets and liabilities at fair value (continued):

a. Information on fair value of financial assets and liabilities:

	Carrying value		Fair value	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Financial Assets				
Money market placements	1.725.715	-	1.735.873	-
Banks	7.339.852	5.296.422	7.339.852	5.296.422
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	13.698.650	8.382.516	13.698.650	8.382.516
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	2.237.160	752.358	2.237.160	752.358
Financial Assets Measured at Amortised Cost	19.450.929	8.103.211	19.752.403	8.066.060
Loans and financial lease receivables	72.625.023	56.936.547	70.336.809	53.502.790
Financial Liabilities				
Funds collected from banks via current accounts and profit sharing accounts	1.093.494	1.728.503	1.093.494	1.728.503
Other current and profit sharing accounts	111.582.303	89.508.146	111.582.303	89.508.146
Funds provided from other financial institutions	9.106.218	9.378.569	8.845.805	9.556.432
Marketable securities issued	7.817.681	1.327	7.913.844	1.327
Miscellaneous payables	4.817.879	2.745.561	4.817.879	2.745.561

b. Information on fair value measurement recognized in the financial statements:

TFRS 7 "Financial Instruments: Turkish Financial Reporting Standard Related to Explanations" sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish a basis for fair value measurement. Aforesaid fair value hierarchy is determined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level I);
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in Level 1 (Level II);
- Data not based on observable data regarding assets and liabilities (Level III).

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VIII. Explanations on presentation of financial assets and liabilities at fair value (continued):

Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles are given in the table below:

Current period ^(*)	Level I	Level II	Level III	Total
Financial assets				
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	13.362.684	32.509	303.457	13.698.650
Government Securities	11.386.158	-	-	11.386.158
Equity securities	37.912	-	-	37.912
Other Financial Assets	1.938.614	32.509	303.457	2.274.580
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	1.254.094	951.534	-	2.205.628
Equity securities ^(**)	-	-	-	-
Government Securities	1.254.094	-	-	1.254.094
Other Financial Assets	-	951.534	-	951.534
Derivative Financial Assets	-	14.151	-	14.151
Financial Liabilities				
Derivative Financial Liabilities	-	14.479	-	14.479

^(*) In the current period, there is no classification between level I and level II.

^(**) Equity securities amounting to TL 31.532 under financial assets measured at fair value through other comprehensive income are not quoted in an active market and hence, they are accounted at cost in the financial statement and not represented above table.

Prior period ^(*)	Level I	Level II	Level III	Total
Financial assets				
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	7.600.320	782.196	-	8.382.516
Government Securities	7.558.347	-	-	7.558.347
Equity securities	19.198	-	-	19.198
Other Financial Assets	22.775	782.196	-	804.971
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	727.672	-	-	727.672
Equity securities ^(**)	-	-	-	-
Government Securities	727.672	-	-	727.672
Other Financial Assets	-	-	-	-
Derivative Financial Assets	-	88.485	-	88.485
Financial Liabilities				
Derivative Financial Liabilities	-	187.254	-	187.254

^(*) In the current period, there is no classification between level I and level II.

^(**) Equity securities amounting to TL 24.686 under financial assets measured at fair value through other comprehensive income are not quoted in an active market and hence, they are accounted at cost in the financial statement and not represented above table.

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

The Bank does not perform purchases, sales and custody services on behalf of its customers. The Bank has no fiduciary transactions.

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X. 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. Due to usage of standard approach for the calculation of capital adequacy ratio by the Bank, tables which have to be prepared within the scope of Internal rating-based (IRB) approach have not been presented.

a. Risk management strategy and weighted amounts:

a.1. Risk management strategy:

The aim of the Bank's Risk management system is basically to ensure identification, measurement, monitoring and controlling of risks exposed, through establishment of policies, implementation procedure and limits for monitoring, controlling and in case of need changing the risk/return structure of future cash flows, and accordingly nature and level of operations.

The Board of Directors has a responsibility of establishing and providing compatible, adequate and effective system on internal control, risk management and internal auditing as anticipated by the Banking Law for the purpose of monitoring and controlling risks emerging from operations.

The Board of Directors is responsible for establishing risk management policies and strategies. These policies are revised and evaluated periodically according to prevailing market conditions.

The general manager is responsible from ensuring that departments of the bank operate in accordance with the specified policies and strategies about risk management as determined by the Board of Directors.

The Board of Directors of the Bank takes an important part in the processes of risk management by following policies and strategies on consolidated and unconsolidated basis, setting up limit systems and procedures in the Bank.

The related limits are monitored, reported and maintained within the set limits by the units under the internal systems and the related departments in the bank. Risk Management Department, organized within the frame of Risk Management regulations, undertakes activities for measuring, monitoring, controlling and reporting of risks.

Ultimate goal of the bank's risk management system is to allocate capital in accordance with risks that functional activities have (economical capital), to maximize return on capital adjusted according to risk and to increase added value created.

In Asset and Liability Committee, asset-liability structure is managed via evaluating fund collection activities in line with risk management policies and domestic and foreign conditions regarding the bank's fund lending.

The risks that the Bank is exposed to or may be exposed to in the future are determined and the definition of these risks is made. Defined risks are measured and prioritized as far as possible. It is provided that all important risks are in the risk appetite considering the potential impact of the risks and the strategy arising from the bank's strategies to risk profile. The bank's strategies are integrated with risk profile and risk appetite. If it is expected that the risk profile is going to change in the future, this change is assessed with the degree of capital impact. While a risk profile is being developed, the risk profile is analyzed based on the risk type, the sector and/or the geographic location.

The bank's risk tolerance is the most comprehensive calculated risk amount which may be accepted in accordance with the determined mission and vision. In other words, before deciding on the necessity of taking measures, it is the bank's readiness to exposure of any risk amount. In this respect, the risk tolerance, in connection with the variety of services offered by the bank, is the level of risk it identifies as acceptable.

The bank's risk appetite means the amount of risk that can be accepted by the bank in order to reach the strategic targets, and it includes an acceptable variability around the targets as well.

The common feature of the bank's risk appetite and risk tolerance is to drive the lines regarding risk acceptance. However, risk tolerance is more comprehensive.

By means of "Risk Appetite Policy" approved by the board of directors, risk levels can be taken to implement risk strategies and to achieve the objectives of the Banks were identified. Limits, which are determined within the framework of risk profile of the bank in accordance with the bank's risk appetite and risk tolerance, and triggering functions, were described in detail.

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X. Explanations on risk management (continued):

Considering the bank's financial position, activity profile and the growth expectations of the future, the amount of capital needed for the strategic targets to be met have been calculated by the basis of static and dynamic stress tests and scenario analyses.

Considering the factors that may affect the bank operates market today and in the future, stress tests and scenario analysis studies on the financial structure of the bank have been assessed together with the other financial indicators; in this context, a coordination based on harmony was created between prepared capital plans and processes of the bank.

Aiming to ensure capital allocation compatible with the risks of its functional operations and increase the capital yield set according to these risks to the maximum level, Albaraka Türk evaluates risks by classifying them as market risks, liquidity risk, credit risk, operational risk, strategic risk and credibility risk.

Market Risk

The Bank's market risk; refers to the probability of loss may be exposed to exchange rate risk, equity position risk, profit rate risk and commodity risk.

Within the coverage of market risk, Albaraka Türk calculates the foreign currency position risk and the security risk, as well as specific risks associated with market risk, by using the Standard approach and reports to it the authorities accordingly on a regular basis. Additionally, for test-purpose, foreign currency position risk of our Bank is measured by internal models. With backtesting applications, deviations between actual values and daily VaR values, predicted by internal models, are observed in order to control accuracy and performance of these models. Potential strength of portfolio against to unexpected risks is measured with stress tests including stress scenarios.

Whether the market risk of our Bank is in conformity with legal regulations and the determined limits is constantly monitored. Our foreign currency risk is discussed and evaluated at every Assets/Liabilities Committee meeting and our foreign currency strategy is based on holding this risk constant by holding to square foreign currency position (i.e. no short or long positions are taken).

Liquidity risk

The Bank's liquidity risk consists of funding related liquidity risk and market-related liquidity risk.

The liquidity risk is the situation whereby, as a result of any imbalances in the cash flows, there is a potential for not being able to meet the Participation Funds which have matured or other due liabilities in a timely manner due to shortage of liquid funds.

Market liquidity risk is an expression of the likelihood of the bank's suffering a loss because the bank is unable to close or cover a particular position at the market price owing to insufficient market depth or to excessive market volatility.

Liquidity risk could be caused by such factors as maturity mismatch, deterioration in the quality of assets, unexpected funding outflows, erosion in profitability levels and economic crisis.

In order to manage liquidity risk, the Bank monitors the cash flows on a daily basis and takes preventive and improving measures taken so that commitments are met duly in time. The Liquidity risk is also evaluated by ALCO on a weekly basis.

The Bank applies a policy whereby liquid assets are kept in sufficient volumes and qualities in consideration of the minimum liquidity coverage ratios determined by the related regulations and the liquidity experiences of the past in order to meet any liquidity requirement that could arise with unexpected volatilities in the markets.

Credit risk

Credit risk is defined as the probability of losses to the Bank due to customers failing to partially or completely pay their commitments to the Bank in a timely manner, in violation of the provisions of their credit contracts. This risk also contains any losses in the market value of the customers due to any deterioration in the financial position of the customer. The definition of credit risk includes not just the portfolios within the balance sheet, but also those kept off balance sheet.

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X. Explanations on risk management (continued):

The authority to approve credits belongs to the Board of Directors at our Bank. The Board of Directors determines the policies concerning the utilization, approval, risk management of the credits and other related management principles. It then ensures the implementation and supervision of these policies, taking required measures when necessary. The Board of Directors has transferred some of its authority in approving credit lines to the Credit Committee and General Management within the framework of the procedures and principles determined by the legal provisions. The General Management uses that authority to utilize credits by means of the credit departments and Bank branches. At our Bank, credit allocations are realized within those limits that are determined on the basis of each debtor and group of debtors.

It is systematically not possible for customers to exceed the predetermined and approved limit. Close attention is paid to prevent any sector concentration that might impair the health of the credit portfolio. Utmost care is given to the prevention of risks concentrating on a small number of customers. Credit risks are constantly monitored and reported by the internal systems units and risk management bodies. Credit risks are ensured to be in conformity to "Regulation on Credit Policies and Implementation Procedures".

Operational risk

Operational risk is a risk of loss caused by insufficient or unsuccessful internal processes, by persons and systems or external events, wherein the legal risks and compliance risks are included while the strategic (making wrong decisions at the wrong time) and reputational risk are excluded.

Operational risk is a type of risk present in all activities of the Bank. It could arise from errors of the staff or the system, from such transactions as may have been made based on insufficient or incorrect legal information or documents, due to impediments in the flow of information between the divisions in the organizational structure of the Bank, due to uncertainties in the definition of limits of authorities or from structural and/or operational changes, natural disasters, terror and frauds.

The Bank classifies operational risks into five groups according to their sources: staff risks, technological risks, organizational risks, legal and compliance risks and external risks.

The Bank also takes required measures to maintain operational risks at acceptable levels.

Other risks

The other risks that the Bank could encounter include strategic and reputational risk, counterparty credit risk, country risk, and concentration risk.

For the management of strategic risk, the Bank keeps a close watch on the domestic and international situation, on technological, financial, and social developments, on the legal and regulatory frameworks, and on the banking industry as a whole in order to make rational decisions and to change them as circumstances warrant.

The Bank regards reputational risk as anything that might lead to the Bank's suffering a loss on account of adverse developments such as a reduction in the confidence that is had in it or any impairment in its good standing due to unfavorable opinions that existing or potential customers, shareholders, competitors, regulatory agencies, or other outside or associated parties may have about it or due to any breach of existing laws and regulations. For the risk of reputation to be avoided and/or controlled by the Bank's Risk Management System, a proactive communication mechanism that gives the customer priority is established any time a condition that could detriment the Bank's reputation or image is detected. Preparations are made for the worst-case scenarios in advance. In the evaluation of the reputation risk, the relationship, level and impact of operational risks to the reputation risk are also taken into account.

Counterparty credit risk is an expression of the likelihood that the counterparty in any transaction that imposes an obligation on two parties will default on the obligation before the final payment in the transaction's cash flow sequence. The Bank manages its counterparty credit risk exposure as required by laws and regulations, taking best practices into consideration, and compatibly with the volume, nature, and complexity of its operations.

Country risk is an expression of the likelihood that the bank will suffer a loss because debtors in another country fail to fulfill or avoid fulfilling their obligations owing to uncertainties in the economic, social, and/or political conditions of that country. The Bank enters into business relationships with foreign financial

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X. Explanations on risk management (continued):

institutions and/or the agencies of foreign countries taking legal and regulatory restrictions, market conditions, and customer satisfaction into consideration and on the basis of feasibility studies that take the country's economic conditions into account.

Concentration risk is defined as the likelihood that a single risk or several risks that have some attribute in common may, if realized, cause losses that are capable of endangering the bank itself or its ability to carry out its essential activities. Policies aimed at managing concentration risk are formulated so as to deal with particular aspects of it such as sectoral concentration, collateral concentration, market risk concentration, types of loss concentration, and creditor concentration.

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)	54.964.417	34.696.010	4.397.153
2	Standardised approach (SA)	54.964.417	34.696.010	4.397.153
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	77.419	60.985	6.194
5	Standardised approach for counterparty credit risk (SA-CCR)	77.419	60.985	6.194
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	10.918.458	3.993.135	873.477
17	Standardised approach (SA)	10.918.458	3.993.135	873.477
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	3.759.456	3.328.991	300.756
20	Basic Indicator Approach	3.759.456	3.328.991	300.756
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	69.719.750	42.079.121	5.577.580

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X. Explanations on risk management (continued):

b. Financial statements and regulatory exposures reconciliation:

b.1. Differences and Matching Between Accounting-related Consolidation and Legal Consolidation:

Current Period	Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)	Carrying values of items in accordance with Turkish Accounting Standards (TAS)				
		Subject to credit risk	Subject to counterparty credit risk	Securitization positions	Subject to market risk (*)	Not subject to capital requirements or deducted from capital
Assets						
Cash and cash equivalents	33.930.643	33.930.643	-	-	-	-
Financial assets at fair value through profit and loss	13.698.650	-	-	-	12.791.941	-
Financial Assets at Fair Value through Other Comprehensive Income	2.237.160	2.237.160	-	-	-	-
Financial Assets Measured at Amortised Cost	19.450.929	257.458	-	-	-	-
Derivative Financial Assets	14.151	-	14.151	-	14.151	-
Non Performing Financial Assets	-	-	-	-	-	-
Expected Credit Losses (-)	122.377	-	-	-	-	122.377
LOANS (Net)	72.625.023	38.522.731	-	-	-	(1.571.338)
Loans	73.128.034	38.144.145	-	-	-	5.723
Financial Lease Receivables	908.743	512.075	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Non Performing Receivables	1.467.977	1.169.181	-	-	-	-
Expected Credit Losses (-)	2.879.731	1.302.670	-	-	-	1.577.061
Assets Held for Sale and Assets of Discontinued Operations (Net)	341.132	341.132	-	-	-	-
Ownership Investments	89.321	89.321	-	-	-	-
Tangible Assets (Net)	2.732.691	2.732.691	-	-	-	17.978
Intangible Assets (Net)	166.752	166.752	-	-	-	155.985
Investment Property (Net)	-	-	-	-	-	-
Current Tax Asset	-	-	-	-	-	-
Deferred Tax Asset	453.731	453.730	-	-	-	-
Other Assets	722.300	722.305	-	-	-	-
Total assets	146.340.106	79.453.923	14.151	-	12.806.092	(1.519.752)
Liabilities						
Funds collected	112.675.797	-	-	-	-	112.675.800
Funds borrowed	4.411.980	-	-	-	-	4.411.980
Borrowings from money markets	7.817.681	-	-	-	-	7.817.681
Securities issued	-	-	-	-	-	-
Financial Liabilities At Fair Value Through Profit and Loss	-	-	-	-	-	-
Derivative Financial Liabilities	14.479	-	-	-	-	14.479
Lease Payables	476.806	-	-	-	-	476.806
Provisions	2.575.520	40.203	-	-	-	2.575.519
Current Tax Liability	736.753	-	-	-	-	736.755
Deferred Tax Liability	-	-	-	-	-	-
Liabilities For Assets Held For Sale and Assets of Discontinued (Net)	-	-	-	-	-	-
Subordinated Loans	4.694.238	-	-	-	-	4.694.238
Other Liabilities	4.817.879	-	-	-	-	4.817.875
Shareholders' equity	8.118.973	-	-	-	-	8.118.972
Total liabilities	146.340.106	40.203	-	-	-	146.340.105

(*) Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.

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X. Explanations on risk management (continued):

b. Financial statements and regulatory exposures reconciliation (continued):

b.1. Differences and Matching Between Accounting-related Consolidation and Legal Consolidation (continued):

Prior Period	Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)	Carrying values of items in accordance with Turkish Accounting Standards (TAS)				
		Subject to credit risk	Subject to counterparty credit risk	Securitization positions	Subject to market risk (*)	Not subject to capital requirements or deducted from capital
Assets						
Cash and cash equivalents	31.795.033	13.058.732	-	-	-	-
Financial assets at fair value through profit and loss	8.382.516	-	360	-	8.382.156	111.451
Financial Assets at Fair Value through Other Comprehensive Income	752.358	752.358	-	-	-	-
Financial Assets Measured at Amortised Cost	8.103.211	6.103.211	-	-	-	-
Derivative Financial Assets	88.485	-	90.479	-	88.845	-
Non Performing Financial Assets	-	-	-	-	-	-
Expected Credit Losses (-)	57.537	-	-	-	-	57.537
LOANS (Net)	56.936.547	43.506.451	-	-	-	(523.675)
Loans	55.521.541	43.146.767	-	-	-	7.187
Financial Lease Receivables	820.674	438.842	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Non Performing Receivables	3.783.237	2.578.885	-	-	-	-
Expected Credit Losses (-)	3.188.905	2.658.043	-	-	-	530.862
Assets Held for Sale and Assets of Discontinued Operations (Net)	118.978	118.978	-	-	-	-
Ownership Investments	43.411	43.411	-	-	-	-
Tangible Assets (Net)	1.508.968	1.430.286	-	-	-	21.295
Intangible Assets (Net)	83.000	34.630	-	-	-	78.682
Investment Property (Net)	-	-	-	-	-	-
Current Tax Asset	2.483	2.483	-	-	-	-
Deferred Tax Asset	489.049	489.049	-	-	-	-
Other Assets	708.621	708.621	-	-	-	-
Total assets	108.955.123	66.248.210	90.839	-	8.471.001	(369.784)
Liabilities						
Funds collected	91.236.649	-	-	-	-	91.236.649
Funds borrowed	6.259.215	-	-	-	-	6.259.215
Borrowings from money markets	1.327	-	-	-	-	1.327
Securities issued	-	-	-	-	-	-
Financial Liabilities At Fair Value Through Profit and Loss	-	-	-	-	-	-
Derivative Financial Liabilities	187.254	-	-	-	-	187.254
Lease Payables	349.614	-	-	-	-	349.614
Provisions	312.078	9.710	-	-	-	302.368
Current Tax Liability	117.218	-	-	-	-	117.218
Deferred Tax Liability	-	-	-	-	-	-
Liabilities For Assets Held For Sale and Assets of Discontinued (Net)	-	-	-	-	-	-
Subordinated Loans	3.119.354	-	-	-	-	3.119.354
Other Liabilities	2.745.561	-	-	-	-	2.745.561
Shareholders' equity	4.626.853	-	-	-	-	4.626.853
Total liabilities	108.955.123	9.710	-	-	-	108.945.413

(*) Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.

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X. Explanations on risk management (continued):

b.2. Main reasons of the differences between the risk amounts and Carrying Value in accordance with Turkish Accounting Standards (TAS):

Current Period		Total	Subject to credit risk	Securitisation positions	Subject to counterparty credit risk	Subject to market risk ^(*)
1	Carrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	146.340.106	79.453.923	-	14.151	12.806.092
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	-	40.203	-	-	-
3	Total net amount within the scope of legal consolidation	146.340.106	79.413.720	-	14.151	12.806.092
4	Off balance sheet amounts	29.986.264	10.480.863	-	63.268	-
5	Repo and similar transactions ^(**)	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	11.063.621	-	-	-
10	Risk amounts	176.326.370	100.958.204	-	77.419	12.806.092

^(*) Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.

^(**) In accordance with "Regulation on Measurement and Assessment of Capital Adequacy of Banks", it is counterparty credit risk amount calculated for repurchase agreements and similar transactions.

Prior Period		Total	Subject to credit risk	Securitisation positions	Subject to counterparty credit risk	Subject to market risk ^(*)
1	Carrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	108.955.123	66.248.210	-	90.839	8.471.001
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	-	9.710	-	-	-
3	Total net amount within the scope of legal consolidation	108.955.123	66.238.500	-	90.839	8.471.001
4	Off balance sheet amounts	27.737.356	8.171.482	-	35.136	-
5	Repo and similar transactions ^(**)	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	(4.490.183)	-	-	-
10	Risk amounts	136.692.479	69.919.799	-	125.975	8.471.001

^(*) Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.

^(**) In accordance with "Regulation on Measurement and Assessment of Capital Adequacy of Banks", it is counterparty credit risk amount calculated for repurchase agreements and similar transactions.

b.3. Explanations on differences between carrying values in accordance with Turkish Accounting Standards (TAS) and risk amounts:

There is no significant difference between the financial statement amounts of assets and liabilities and the amounts included in capital adequacy calculation.

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X. Explanations on risk management (continued):

c. Credit risk:

c.1. General information on credit risk:

c.1.1. General qualitative information on credit risk:

This information is already included in (II). Explanations on Credit Risk and (X.a.I) The Bank's risk management approach.

c.1.2. Credit quality of assets:

Current Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ amortisation and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	1.467.977	74.051.777	2.894.731	72.625.023
2 Debt securities	-	33.134.622	50.031	33.084.591
3 Off-balance sheet exposures	15.360	25.413.668	46.641	25.382.387
4 Total	1.483.337	132.600.067	2.991.403	131.092.001

Prior Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ amortisation and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	3.783.237	56.395.588	3.242.278	56.936.547
2 Debt securities	-	8.956.430	25.163	8.931.267
3 Off-balance sheet exposures	152.901	20.785.811	27.275	20.911.437
4 Total	3.936.138	86.137.829	3.294.716	86.779.251

c.1.3. Changes in stock of default loans and debt securities:

	Current Period	Prior Period
1 Defaulted loans and debt securities at end of the previous reporting period	3.936.138	2.107.148
2 Loans and debt securities that have defaulted since the last reporting period	3.145.221	2.458.517
3 Receivables back to non-defaulted status	(91.487)	(8.341)
4 Amounts written off	(3.994.760)	(249.185)
5 Other changes	(1.511.775)	(372.001)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	1.483.337	3.936.138

c.1.4. Additional information on credit quality of assets:

The scope and definitions of past due receivables and the methods used by the bank to determine the provisions are mentioned in the Explanations on Credit risk.

The Bank may restructure not only non-performing credits but also the first and the second stage credits. Restructuring for the first and the second stage credits are made to improve the customer's ability to repay the credit or for changes in contractual terms upon the customer request regardless of the customer's credit risk. Restructuring for non-performing credits are made for providing collection possibility by establishing a new payment plan.

Breakdowns for receivables in terms of sectors are stated in "II. Explanations on credit risk", footnote 8 "Profile on significant risks in significant regions"

Breakdowns according to the remaining maturity for past due receivables and in terms of geographic locations receivables that specific provisions are set are represented below. In accordance with resolution of the Board of the Bank, TL 3.994.760 has been written off.

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X. Explanations on risk management (continued):

c.1.4. Additional information on credit quality of assets (continued):

Aging analysis for past due receivables:

As per Financial instruments segmentations, aging analysis of past due but not impaired financial assets is as follows:

	0-30 Day	31-90 Day	Total
Current Period	1.412.469	6.704.130	8.116.599

	0-30 Day	31-90 Day	Total
Prior Period	691.894	5.742.345	6.434.239

c.1.5. Receivables that provisions are set in terms of geographical region:

Current Period	Non-performing Loans^(*)	Specific Provision^(*)
Domestic	1.447.032	1.281.779
Off-shore Banking Countries	27	5
Other Countries	20.918	20.886
General Total	1.467.977	1.302.670

^(*) Represents amounts for cash loans.

Prior Period	Non-performing Loans^(*)	Specific Provision^(*)
Domestic	3.738.378	2.628.505
Off-shore Banking Countries	25.730	23.288
Other Countries	19.129	6.250
General Total	3.783.237	2.658.043

^(*) Represents amounts for cash loans.

c.2. Credit risk mitigation

c.2.1 Qualitative disclosure on credit risk mitigation techniques:

On and off balance sheet offsetting agreements are not utilized.

The risk mitigators that are used in credit process in compliance with Communiqué "The Risk Mitigation Techniques" which is published at September 6, 2014 are stated below.

- a) Financial Collaterals (Government Securities, Cash, Deposit or Participation Fund Pledge, Gold, Stock Pledge)
- b) Guarantees

The credibility of guarantors is monitored and evaluated within the framework of credit revision periods.

Collaterals obtained by the Bank are reviewed and appraised in accordance with related legislation as long as the credit relationship is outstanding.

If there are indicators on significant decreases of real estate's value in comparison to general market prices, the real estate's valuation is performed by the authorised valuation corporations authorised by Banking Regulation and Supervision Agency or Capital Markets Board of Türkiye.

The Bank monitors other banks' guarantees that are evaluated as risk mitigators within the framework of BRSA regulations on a regular basis and reviews the credibility of banks periodically.

The volatility in real estate market is monitored closely by the Bank and the market fluctuations are considered in credit activities.

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X. Explanations on risk management (continued):

c.2.2 Credit risk mitigation techniques:

Current Period		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	56.643.856	15.981.167	5.497.022	3.858.225	56.606	-	-
2	Debt securities	33.084.591	-	-	-	-	-	-
3	Total	89.728.447	15.981.167	5.497.022	3.858.225	56.606	-	-
4	Of which defaulted	82.792	82.515	46.539	-	-	-	-

Prior Period		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	41.491.404	15.445.143	12.853.182	5.192.318	3.918.228	-	-
2	Debt securities	8.931.267	-	-	-	-	-	-
3	Total	50.422.671	15.445.143	12.853.182	5.192.318	3.918.228	-	-
4	Of which defaulted	1.006.082	119.112	93.182	8.158	6.793	-	-

c.3. Credit risk under standardised approach:

c.3.1. Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk:

Explanations on rating grades that the banks use for calculation of credit risk by the standardised approach are mentioned in the footnote numbered (X) Explanations on Credit Risk.

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X. Explanations on risk management (continued):

c.3.2. Credit risk exposure and credit risk mitigation techniques:

Current Period		Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	Risk classes						
1	Receivables from central governments or central banks	34.833.367	480	34.833.367	240	-	0,00%
2	Receivables from regional or local governments	97.791	2.672	97.791	1.336	110.108	111,08%
3	Receivables from administrative units and non-commercial enterprises	68.234	26.711	68.234	10.032	84.466	107,92%
4	Receivables from multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	7.112.481	1.274.843	7.112.481	1.070.553	3.012.723	36,82%
7	Receivables from corporates	25.954.282	10.483.489	25.954.282	5.520.296	33.878.989	107,64%
8	Retail receivables	9.315.848	8.511.042	9.315.848	2.999.529	9.488.736	77,05%
9	Receivables secured by mortgages on property	2.444.371	354.268	2.444.371	135.259	983.521	38,13%
10	Receivables secured by mortgages on commercial property	3.868.933	967.494	3.868.933	458.240	3.092.727	71,47%
11	Past due receivables	98.560	-	98.560	-	102.779	104,28%
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-
13	Collateralized Securities	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	6.477.783	589.103	6.477.783	285.378	4.004.677	59,21%
17	Equity share investments	205.691	-	205.691	-	205.691	0,00%
18	Total	90.477.341	22.210.102	90.477.341	10.480.863	54.964.417	54,44%

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X. Explanations on risk management (continued):

c.3.2. Credit risk exposure and credit risk mitigation techniques (continued):

Prior Period	Risk classes	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Receivables from central governments or central banks	19.422.851	644	19.514.846	319	-	0,00%
2	Receivables from regional or local governments	112.481	-	113.103	-	56.241	49,73%
3	Receivables from administrative units and non-commercial enterprises	19.832	54.203	19.832	24.978	35.606	79,46%
4	Receivables from multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	4.976.290	1.368.977	5.184.821	1.255.906	2.077.439	32,25%
7	Receivables from corporates	16.554.063	7.974.394	16.311.189	4.117.293	19.563.573	95,60%
8	Retail receivables	5.618.454	6.173.231	5.560.804	2.239.105	5.652.742	72,47%
9	Receivables secured by mortgages on property	2.501.573	167.213	2.501.439	58.517	908.718	35,50%
10	Receivables secured by mortgages on commercial property	6.407.952	950.619	6.407.463	471.916	3.341.111	49,09%
11	Past due receivables	621.801	-	621.801	-	672.763	108,20%
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	5.450.381	17.234	5.450.380	3.448	2.325.178	42,91%
17	Equity share investments	62.639	-	62.639	-	62.639	100,00%
18	Total	61.748.317	16.706.515	61.748.317	8.171.482	34.696.010	49,67%

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X. Explanations on risk management (continued):

c.3.3 Exposures by asset classes and risk weights:

Current Period		35% secured by Property mortgage										Total risk amount (post-CCF and CRM)
	Risk Classes/Risk Weighted	0%	10%	20%		50%	75%	100%	150%	250%	Others ^(*)	
1	Receivables from central governments or central banks	34.833.607	-	-	-	-	-	-	-	-	-	34.833.607
2	Receivables from regional or local governments	-	-	-	-	58.764	-	-	-	-	40.363	99.127
3	Receivables from administrative units and non-commercial enterprises	20.640	-	135	-	-	-	30.543	-	-	26.948	78.266
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	1.102.344	-	4.909.025	-	281.499	-	1.890.166	-	-	-	8.183.034
7	Receivables from corporates	1.553.276	-	50.779	-	232.152	-	25.532.375	2.252	-	4.103.744	31.474.578
8	Retail receivables	185.808	-	56.743	-	137	11.546.089	38.978	393.701	-	93.921	12.315.377
9	Receivables secured by mortgages on property	13.804	-	4.785	2.497.811	2.010	-	6.305	17.619	-	37.296	2.579.630
10	Receivables secured by mortgages on commercial property	53.979	-	2.385	-	3.630.522	-	3.284	2.354	-	634.649	4.327.173
11	Past due receivables	-	-	-	-	33.600	-	22.922	42.038	-	-	98.560
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
13	Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Other receivables	1.944.578	-	1.017.383	-	-	-	3.801.200	-	-	-	6.763.161
17	Equity share investments	-	-	-	-	-	-	205.691	-	-	-	205.691
18	Total	39.708.036	-	6.041.235	2.497.811	4.238.684	11.546.089	31.531.464	457.964	-	4.936.921	100.958.204

^(*) Represents 200% risk weight.

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X. Explanations on risk management (continued):

c.3.3 Exposures by asset classes and risk weights:

Prior Period		35% secured by Property mortgage										Total risk amount (post-CCF and CRM)
Risk Classes/Risk Weighted		0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	
1	Receivables from central governments or central banks	19.514.867	-	-	-	298	-	-	-	-	-	19.515.165
2	Receivables from regional or local governments	-	-	-	-	113.103	-	-	-	-	-	113.103
3	Receivables from administrative units and non-commercial enterprises	489	-	10.894	-	-	-	33.427	-	-	-	44.810
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	1.206.229	-	3.546.949	-	430.468	-	1.257.081	-	-	-	6.440.727
7	Receivables from corporates	624.083	-	434.635	-	91.440	-	19.251.576	26.748	-	-	20.428.482
8	Retail receivables	181.125	-	230.418	-	-	7.302.726	-	85.640	-	-	7.799.909
9	Receivables secured by mortgages on property	2.954	-	4.276	2.520.147	13.536	-	19.043	-	-	-	2.559.956
10	Receivables secured by mortgages on commercial property	110.407	-	32.399	-	6.734.374	-	384	1.815	-	-	6.879.379
11	Past due receivables	95	-	15	-	198.555	-	122.446	300.690	-	-	621.801
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
13	Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Other receivables	2.148.830	-	1.224.775	-	-	-	2.080.223	-	-	-	5.453.828
17	Equity share investments	-	-	-	-	-	-	62.639	-	-	-	62.639
18	Total	23.789.079	-	5.484.361	2.520.147	7.581.774	7.302.726	22.826.819	414.893	-	-	69.919.799

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X. Explanations on risk management (continued):

ç. Counterparty credit risk:

ç.1. Qualitative disclosure on counterparty credit risk:

Derivatives and repurchase transactions in the calculation of counterparty credit risk are calculated according to the fair value in accordance with "Appendix-2 of Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette dated October 23, 2015 and numbered 29511. The sum of potential future exposures and positive replacement costs is taken in the calculation of the risk amount related to derivative transactions.

The Bank prepared "Charter on the Counterparty Credit Risk Management Policy and Implementation Procedures" in order to determine the basic principles that manage the counterparty credit risk and this regulation was approved by the Board of Directors. The Board of Directors periodically reviews and assesses the related policy.

ç.2. Counterparty credit risk (CCR) approach analysis:

Current Period		Replacement cost	Potential Future exposure	EEPE ^(*)	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	14.151	63.268		-	77.419	70.937
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						70.937

^(*) Effective Expected Positive Exposure

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X. Explanations on risk management (continued):

ç. Counterparty credit risk (continued):

ç.2. Counterparty credit risk (CCR) approach analysis (continued):

Prior Period	Replacement cost	Potential Future exposure	EEPE ^(*)	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1 Standardised Approach - CCR (for derivatives)	90.839	35.136		-	125.975	43.712
2 Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3 Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4 Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5 Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6 Total						43.712

^(*) Effective Expected Positive Exposure

ç.3. Capital requirement for credit valuation adjustment (CVA):

	Current Period		Prior Period	
	EAD post-CRM	RWA	EAD post-CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation	-	-	-	-
1 (i) VaR component (including the 3×multiplier)		-		-
2 (ii) Stressed VaR component (including the 3×multiplier)		-		-
3 All portfolios subject to the Standardised CVA capital obligation	77.419	6.482	125.975	17.273
4 Total subject to the CVA capital obligation	77.419	6.482	125.975	17.273

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X. Explanations on risk management (continued):

ç.4. CCR exposures by risk class and risk weights:

Current Period												
Risk Classes	Risk Weighted											Total credit exposure^(*)
	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	
Receivables from central governments or central banks	-	-	-	-	-	-	-	9.892	-	-	-	9.892
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses	6.482	-	-	-	-	-	-	743	-	-	-	7.225
Receivables from corporates	-	-	-	-	-	-	-	60.302	-	-	-	60.302
Retail receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables secured by mortgages on property	-	-	-	-	-	-	-	-	-	-	-	-
Past due receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-	-
Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	6.482	-	-	-	-	-	-	70.937	-	-	-	77.419

(*) Total credit risk represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.

Prior Period												
Risk Classes	Risk Weighted											Total credit exposure^(*)
	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	
Receivables from central governments or central banks	77.073	-	-	-	-	-	-	-	-	-	-	77.073
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses	-	-	6.487	-	-	-	-	-	-	-	-	6.487
Receivables from corporates	-	-	-	-	-	-	-	42.415	-	-	-	42.415
Retail receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables secured by mortgages on property	-	-	-	-	-	-	-	-	-	-	-	-
Past due receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-	-
Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	77.073	-	6.487	-	-	-	-	42.415	-	-	-	125.975

(*) Total credit risk represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.

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X. Explanations on risk management (continued):

ç.5. Collaterals for CCR

Current Period	Collateral for derivative transactions				Collateral for other transactions	
	Collaterals received		Collaterals granted		Collaterals received	Collaterals granted
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	-

Prior Period	Collateral for derivative transactions				Collateral for other transactions	
	Collaterals received		Collaterals granted		Collaterals received	Collaterals granted
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	4.440	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	4.440	-	-	-	-

ç.6. Information on the risks of the Bank arising from purchased or sold credit derivatives

The Bank does not have any risks arising from purchased or sold credit derivatives (December 31, 2021: None).

ç.7. Information on risks of the Bank arising from central counterparty

The Bank does not have any risks arising from central counterparty (December 31, 2021: None).

d. Information to be announced to public on Securitization:

There is not any information to be announced to public on securitization (December 31, 2021: None).

e. Market risk

e.1. Qualitative disclosure on market risk:

The Bank measures market risk by using the standard method in accordance with "Regulation on the Measurement and Assessment of the Capital Adequacy of Banks" dated October 23, 2015 and numbered 29511 and allocates legal capital on this basis. On the other hand, the market risk is also calculated by using the internal model for testing (Value at Risk) and the results found are supported by considering backtesting results. The market risk value (Value at Risk) calculated by using the internal model is calculated on a daily basis by using Variance-Covariance, EWMA, Monte Carlo and Historical Simulation methods and is reported to the top management.

The Board of Directors sets limits for these risks by considering the main risks and revises these limits periodically in line with market conditions and Bank's strategies. In addition, the Board of Directors ensures that the risk management unit and senior management take all necessary measures to identify, measure, prioritize, and reduce at an acceptable level and to manage the various risks that the Bank is exposed to.

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X. Explanations on risk management (continued):

Risks that positions held by the Bank under on-balance sheet and off-balance sheet accounts may occur due to fluctuations in financial markets are measured. Information about the market risk considered in the calculation of legal capital as follows.

e.2 Market risk under standardised approach:

		Current Period	Prior Period
		RWA	RWA
Outright products			
1	Profit rate risk (general and specific)	3.917.957	2.439.588
2	Equity risk (general and specific)	4.558.650	79.238
3	Foreign exchange risk	1.803.673	1.038.213
4	Commodity risk	638.178	436.096
Options			
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	10.918.458	3.993.135

f. Operational risk:

Capital requirement for operational risk is calculated annually by using the Basic Indicator Method in accordance with Article 24 of the Regulation on the Measurement and Assessment of Capital Adequacy of Banks. As of December 31, 2022, amount subject to operational risk and the calculation information are given below.

	2 PP Value	1 PP Value	CP Value	Total number of years for which gross income is positive	Rate (%)	Total
Gross Income	1.496.532	2.234.929	2.283.668	2.005.043	15	300.756
Amount subject to Operational Risk (Total*12,5)						3.759.456

g. Qualitative disclosure on profit rate risk arising from banking books

a) Important assumptions including the nature of profit rate risk arising from banking books and the early repayment of loans and movements in deposits other than time deposits with measurement frequency of the profit rate risk

Profit rate risk arising from banking books measures profit rate risk arising from on-balance sheet and off-balance sheet positions in the Bank's banking books by standard shock method.

The Bank calculates and measures legal ratio for profit rate risk arising from banking books on a monthly basis in accordance with "Regulation on Measurement and Assessment of Interest Rate Risk arising from Banking Books by Standard Shock Method" that have been published in Official Gazette numbered 28034 and dated August 23, 2011.

Profit share-yield assets, liabilities that profit share is paid, restructuring risk, yield curve risk in banking books and changes in profit rates occurred in market conditions are monitored, assessed, measured and managed by the Bank in the calculations made within the scope of the related regulation.

Against the risk that these matters may affect the Bank's capital negatively, these risks are assessed and managed on a weekly basis within the scope of the Charters established by the Board of Directors.

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X. Explanations on risk management (continued):

b) Economic value differences arising from profit rate fluctuations in accordance with Regulation on Measurement and Assessment of Profit Rate Risk arising from Banking Books by Standard Shock Method:

Currency	Applied Shock (+/-x basis point)	Gains/ (Losses)	Gains/Equity (Losses/Equity) (%)
TL	(+) 500bp	(461.715)	(4,45)
TL	(-) 400bp	445.662	4,29
USD Dollar	(+) 200bp	(804.550)	(7,75)
USD Dollar	(-) 200bp	933.736	9,00
EUR	(+) 200bp	(256.204)	(2,47)
EUR	(-) 200bp	279.650	2,69
Total (For Negative Shocks)	-	1.659.048	15,99
Total (For Positive Shocks)	-	(1.522.469)	(14,68)

XI. Explanations on business segments:

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

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Operating Income (Net)	(1.213.659)	7.038.183	4.961.528	179.261	10.965.313
Operating Expenses ^(*)	(2.477.123)	(4.623.614)	(475.504)	(1.073.831)	(8.650.072)
Operating Income/Expenses	(3.690.782)	2.414.569	4.486.024	(894.570)	2.315.241
Profit/(Loss) Before Tax	(3.690.782)	2.414.569	4.486.024	(894.570)	2.315.241
Tax Income (Expense)	-	-	-	(949.745)	(949.745)
Current Year Profit/(Loss)	(3.690.782)	2.414.569	4.486.024	(1.844.315)	1.365.496
Total Assets	5.532.646	71.019.804	66.187.381	3.600.275	146.340.106
Total Liabilities	81.411.164	38.322.867	17.612.150	8.993.925	146.340.106

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Operating Income (Net)	(207.316)	2.229.269	1.652.034	469.647	4.143.634
Operating Expenses ^(*)	(1.169.238)	(2.011.697)	(790.913)	(90.344)	(4.062.192)
Operating Income/Expenses	(1.376.554)	217.572	861.121	379.303	81.442
Profit/(Loss) Before Tax	(1.376.554)	217.572	861.121	379.303	81.442
Tax Income (Expense)	-	-	-	22.961	22.961
Current Year Profit/(Loss)	(1.376.554)	217.572	861.121	402.264	104.403
Total Assets	4.505.547	54.184.584	45.633.579	4.631.413	108.955.123
Total Liabilities	61.601.748	32.266.284	9.801.996	5.285.095	108.955.123

^(*) 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	242.111	1.688.995	158.510	1.636.898
CBRT	1.634.851	20.015.114	1.477.835	21.001.121
Other ^(*)	449.829	834.176	184.487	2.039.760
Total	2.326.791	22.538.285	1.820.832	24.677.779

^(*) Includes precious metals amounting to TL 64.374 (December 31, 2021: TL 528.804) and cash in transit amounting to TL 1.219.631 (December 31, 2021: TL 1.695.443) as of December 31, 2022.

b. Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	1.634.851	3.782.156	1.436.022	5.163.805
Unrestricted time deposit	-	-	-	-
Restricted time deposit ^(*)	-	16.232.958	41.813	15.837.316
Total	1.634.851	20.015.114	1.477.835	21.001.121

^(*) As of December 31, 2022, the reserve requirement held in standard gold is TL 2.938.364 (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 of December 31, 2022, the Bank's applicable rates for Turkish lira required reserves are between 3% and 8%, depending on the maturity structure for participation funds and other liabilities and the applicable rates for FX required reserves are between 5% and 26%, depending on the maturity structure of participation funds and other liabilities.

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

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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
Banks				
Domestic ^(*)	2.480.687	1.550.031	1.494.422	1.039.578
Abroad	-	3.309.134	-	2.762.422
Foreign head offices and branches	-	-	-	-
Total	2.480.687	4.859.165	1.494.422	3.802.000

^(*) Includes blockaged amount TL 2.387.687 (December 31, 2021: TL 1.480.543) booked under TL accounts arising from POS transactions.

c.2. Information on foreign bank accounts:

	Current period		Prior Period	
	Unrestricted amount	Restricted amount	Unrestricted amount	Restricted amount
European Union Countries	865.639	-	1.060.553	-
USA and Canada	700.977	-	657.063	-
OECD Countries ^(*)	49.492	-	61.275	-
Off-shore banking regions	3.993	-	14.204	-
Other ^(**)	1.455.393	233.640	797.251	172.076
Total	3.075.494	233.640	2.590.346	172.076

^(*) OECD countries other than EU countries, USA and Canada.

^(**) Represents the balance amounts to TL 1.342.849 in Iraq Banks belonging to Bank's foreign branches "Erbil and Baghdad" (December 31, 2021: TL 703.028)

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 December 31, 2022, the nominal investment amount subject to repurchase agreements is TL 2.485.290 (December 31, 2021: TL 993).

As of December 31, 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)	2.227.580	-	1.165	-
Sukuk	3.037.525	8.381.142	1.489.895	6.850.650
Equity Securities	-	37.912	-	19.198
Other	39	14.452	1.814	19.794
Total	5.265.144	8.433.506	1.492.874	6.889.642

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 December 31, 2022, the nominal investment amount subject to repurchase agreements is TL 344.775 (December 31, 2021: None).

As of December 31, 2022, the collateralized /blocked nominal investment amount is TL 100 (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
Debt Securities	2.205.636	733.943
Quoted on a stock exchange	2.205.636	733.943
Unquoted	-	-
Investment Funds	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Share Certificates	31.532	24.686
Quoted on a stock exchange	-	-
Unquoted	31.532	24.686
Impairment Provision (-)	8	6.271
Total	2.237.160	752.358

4. Information on financial assets measured at amortised cost:

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

As of December 31, 2022, the nominal investment amount subject to repurchase agreements is TL 5.113.467 (December 31, 2021: none)

As of December 31, 2022, the collateralized/blocked nominal investment amount is TL 5.072.373 (December 31, 2021: TL 539.107)

b) Information on debt securities measured at amortised cost:

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities ^(*)	19.159.367	8.103.211
Other Debt Securities	291.562	-
Total	19.450.929	8.103.211

^(*) 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	19.450.929	8.103.211
Quoted on a stock exchange	19.450.929	8.103.211
Unquoted	-	-
Impairment provision (-)	-	-
Total	19.450.929	8.103.211

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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	3.495.559	2.602.268
Purchases during period ^(*)	9.810.181	3.762.132
Disposals through sales and redemptions ^(*)	(2.441.847)	(1.510.652)
Impairment provision (-)	-	-
Reclassifications	-	-
Income accruals	483.825	24.663
Closing balance	19.450.929	8.103.211

^(*) 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	12.515	-	32.030	-
Swap Transactions	1.636	-	56.455	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Others	-	-	-	-
Total	14.151	-	88.485	-

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	45.232	5.114	102.174	5.591
Corporate shareholders	42.171	5.114	98.481	5.591
Real person shareholders	3.061	-	3.693	-
Indirect loans granted to shareholders	1.472.808	63.544	1.219.475	64.583
Loans granted to employees	45.914	37.800	20.765	39.800
Total	1.563.954	106.458	1.342.414	109.974

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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
Loans				
Export loans	6.615.023	5.236	-	-
Import loans	4.537.954	37.534	-	-
Business loans	28.124.411	931.874	2.179.889	2.969.768
Consumer loans	4.966.072	104.602	2.030	-
Credit cards	1.301.390	20.886	28	-
Loans given to financial sector	2.973.629	116	-	-
Other ^(*)	17.926.598	327.212	103.782	-
Other receivables	-	-	-	-
Total	66.445.077	1.427.460	2.285.729	2.969.768

^(*) Details of other loans are provided below:

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

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

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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
Loans				
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 ^(*)	14.015.168	424.240	193.107	4.765
Other receivables	-	-	-	-
Total	49.825.565	2.267.843	1.701.046	1.727.087

(*) 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 ^(**)	3.908.579
Loans for purchase of marketable securities for customer	470.413
Other	60.607
Total	14.637.280

(**) 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	262.832	-
Significant Increase in Credit Risk	-	1.314.229
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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I. Explanations and notes related to assets (continued):

c. Maturity analysis of cash loans:

Cash Loans Current Period	Standard Loans	Loans Under Follow-Up	
		Non-restructured	Restructured
Short term loans	23.940.085	242.917	-
Medium and long-term loans ^(*)	42.504.992	1.184.543	5.255.497
Total	66.445.077	1.427.460	5.255.497

^(*) Loans with original maturities longer than a year are classified as "Medium and Long Term Loans".

Cash Loans Prior Period	Standard Loans	Loans Under Follow-Up	
		Non-restructured	Restructured
Short term loans	9.732.110	1.123.635	-
Medium and long-term loans ^(*)	40.093.455	3.853.653	718.688
Total	49.825.565	4.977.288	718.688

^(*) Loans with original maturities longer than a year are classified as "Medium and Long Term Loans".

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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:

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

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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):

Prior Period	Short-term	Medium and long-term	Total
Consumer loans-TL	49.141	4.228.453	4.277.594
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	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	13.812	13.812
Housing loans	-	1.756	1.756
Vehicle loans	-	-	-
Consumer loans	-	12.056	12.056
Other	-	-	-
Retail credit cards-TL	166.841	71	166.912
With installment	61.040	61	61.101
Without installment	105.801	10	105.811
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	11.590	1.973	13.563
Housing loans	-	781	781
Vehicle loans	38	1.068	1.106
Consumer loans	11.552	124	11.676
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	7.185	17	7.202
With installment	3.441	15	3.456
Without installment	3.744	2	3.746
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL (Real Person)	-	-	-
Overdraft account-FC (Real Person)	-	-	-
Total	234.757	4.244.326	4.479.083

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

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

Current Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	1.956.691	3.042.792	4.999.483
Business loans	66.873	649.119	715.992
Vehicle loans	1.767.735	1.885.805	3.653.540
Consumer loans	122.083	507.868	629.951
Other	-	-	-
Commercial installment loans-FC indexed	-	28.284	28.284
Business loans	-	27.954	27.954
Vehicle loans	-	330	330
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	18.579	1.058.613	1.077.192
Business loans	12.613	339.133	351.746
Vehicle loans	5.966	519.984	525.950
Consumer loans	-	199.496	199.496
Other	-	-	-
Corporate credit cards-TL	939.426	1.443	940.869
With installment	301.816	1.308	303.124
Without installment	637.610	135	637.745
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	-	-	-
Overdraft account-FC (Legal Entity)	-	-	-
Total	2.914.696	4.131.132	7.045.828

Prior Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	268.178	2.529.595	2.797.773
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	-	-	-
Commercial installment loans-FC indexed	-	43.617	43.617
Business loans	-	37.760	37.760
Vehicle loans	-	3.068	3.068
Consumer loans	-	2.789	2.789
Other	-	-	-
Commercial installment Loans-FC	5.513	778.411	783.924
Business loans	-	177.360	177.360
Vehicle loans	5.513	413.436	418.949
Consumer loans	-	187.615	187.615
Other	-	-	-
Corporate credit cards-TL	526.903	2.393	529.296
With installment	178.587	2.105	180.692
Without installment	348.316	288	348.604
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	-	-	-
Overdraft account-FC (Legal Entity)	-	-	-
Total	800.594	3.354.016	4.154.610

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

e. Allocation of loans by customers:

	Current Period	Prior Period
Public	204.917	103.821
Private	72.923.117	55.417.720
Total	73.128.034	55.521.541

f. Breakdown of domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	69.537.828	51.950.811
Foreign loans	3.590.206	3.570.730
Total	73.128.034	55.521.541

g. Loans granted to subsidiaries and associates:

	Current Period		Prior Period	
	TL	FC	TL	FC
Direct Loans Granted to Subsidiaries and Associates	6	-	90	-
Indirect Loans Granted to Subsidiaries and Associates	-	-	-	-
Total	6	-	90	-

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

	Current Period	Prior Period
Loans with limited collectability	187.900	346.715
Loans with doubtful collectability	432.705	325.046
Uncollectible loans	682.065	1.986.282
Total	1.302.670	2.658.043

Specific provisions in the amount of TL 1.302.670 (December 31, 2021: TL 2.658.043) comprise TL 387.747 (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 Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectable loans
Current period			
Gross amount before specific provisions	56.473	28.473	11.840
Restructured loans	56.473	28.473	11.840
Prior Period			
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. Information on non-performing loans (net):

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

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

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

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

	Group III	Group IV	Group V
	Loans and	Loans and	Uncollectable
Prior Period	receivables	receivables	loans and
	with limited	with doubtful	loans and
	collectability	collectability	receivables
Closing balance of prior period	193.865	240.360	1.611.051
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(-)(*)	4.776	3.282	249.468
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	523.543	365.483	2.894.211
Specific provisions (-)	346.715	325.046	1.986.282
Net balance at the balance sheet	176.828	40.437	907.929

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

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current period:			
Period end balance	94.340	30.370	33.216
Provision (-)	92.271	26.168	31.300
Net balance	2.069	4.202	1.916
Prior period:			
Period end balance	328.762	273.061	817.947
Provision (-)	187.531	264.025	696.048
Net balance	141.231	9.036	121.899

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current period (net)	24.850	21.275	119.182
Loans to individuals and corporates (gross)	212.750	453.980	801.247
Provision (-)	187.900	432.705	682.065
Loans to individuals and corporates (net)	24.850	21.275	119.182
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Provision (-)	-	-	-
Other loans (net)	-	-	-
Prior period (net)	176.828	40.437	907.929
Loans to individuals and corporates (gross)	523.543	365.483	2.894.211
Provision (-)	346.715	325.046	1.986.282
Loans to individuals and corporates (net)	176.828	40.437	907.929
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Provision (-)	-	-	-
Other loans and receivables (net)	-	-	-

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

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

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:

	Group III Loans with limited collectibility	Group IV Loans with doubtful collectibility	Group V Uncollectible loans
Current Period (Net)	11.218	5.060	96.567
Profit Share Accruals and Valuation Differences	24.407	6.322	140.043
Provision (-)	13.189	1.262	43.476
Prior Period (Net)	5.330	21.043	357.066
Profit Share Accruals and Valuation Differences	9.367	21.469	942.724
Provision (-)	4.037	426	585.658

i. Liquidation policy for uncollectible loans:

Loans determined as uncollectible are liquidated through starting legal follow up and by converting the guarantees into cash.

i. Information on write-off policies:

The write-off policy of the Bank for receivables under follow up is to retire the receivables from assets in case of determination of the inability of collection through follow-up by the decision of Bank management. As of December 31, 2022, loans which deemed uncollectible amounts to TL 3.994.760 have been written off as per the decision taken by the bank management (December 31, 2021: TL 249.185).

7. Information on lease receivables (net):

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	244.455	229.389	168.950	158.920
1 to 4 years	642.468	567.951	617.544	563.304
More than 4 years	122.238	111.403	106.525	98.450
Total	1.009.161	908.743	893.019	820.674

b. Information on net investments through finance lease:

	Current Period	Prior Period
Financial lease receivables (Gross)	1.009.161	893.019
Unearned financial lease receivable (-)	100.418	72.345
Net receivable from financial leases	908.743	820.674

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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)	887.570	6.439	14.734	-
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	380.642	222.019
Disposals	(89.884)	(87.111)
Transfers ^(*)	(111.996)	(104.641)
Impairment Provision(-)/Reversal of Impairment Provision ^(*)	43.392	(42.339)
Net closing balance	341.132	118.978

^(*)The transfers and impairments related to the transfers (if any) have been moved to assets to be sold under tangible assets.

As of December 31, 2022, TL 341.132 (December 31, 2021: TL 118.517) of the assets held for sale is comprised of real estates. There are 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 December 31, 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 audited financial statements as of December 31, 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
921.456	201	2	-	-	21	120	-

ii. The balances of Değer Varlık Kiralama A.Ş. presented in the table below have been obtained from audited financial statements as of December 31, 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
85.468	484	-	-	-	434	-	-

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 December 31, 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 unaudited financial statements as of December 31, 2022.

Name	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Albaraka Portföy Yön. 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
219.386	206.258	1.929	1.413	-	126.531	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 December 31, 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 December 31, 2022, unaudited 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
€ 1.486.332	€ 275.771	€ 527.966	-	-	€ (2.648.186)	€ (3.058.298)	-

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

v. Movement and sectoral information on consolidated subsidiaries:

	Current Period	Prior Period
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	-	-
Share of the capital at the end of the period (%)	100	100

	Current Period	Prior Period
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 unaudited financial statements as of December 31, 2022 is as follows:

Joint-Ventures	The Parent Bank's shareholding percentage (%)	Group's shareholding percentage (%)	Current Assets	Non-Current Assets	Long Term Debts	Income	Expense
Katılım Emeklilik ve Hayat A.Ş.	50%	50%	709.134	11.327.169	11.362.943	592.559	473.566

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:

Current period	Immovables^(*)	Leased tangible assets	Vehicles	Other	Assets held for sale	Total
Cost						
Opening balance: January 1, 2022	1.109.697	-	818	396.808	497.299	2.004.622
Additions	172.769	-	352	34.663	277.500	485.284
Revaluation differences	715.529	-	-	-	-	715.529
Disposals	-	-	(400)	(9.853)	(150.302)	(160.555)
Impairment losses(-)/Reversal of impairment losses	-	-	-	-	180.584	180.584
Transfers	-	-	-	-	111.996	111.996
Ending balance: December 31, 2022	1.997.995	-	770	421.618	917.077	3.337.460
Accumulated depreciation(-)						
Opening balance: January 1, 2022	219.712	-	692	273.117	2.133	495.654
Depreciation expense	69.801	-	99	51.368	-	121.268
Reversal of depreciation of the disposed assets	-	-	(398)	(9.797)	(1.958)	(12.153)
Transfers	-	-	-	-	-	-
Ending balance: December 31, 2022	289.513	-	393	314.688	175	604.769
Total cost at the end of the year	1.997.995	-	770	421.618	917.077	3.337.460
Total accumulated depreciation at the end of the year	(289.513)	-	(393)	(314.688)	(175)	(604.769)
Closing net book value	1.708.482	-	377	106.930	916.902	2.732.691

Prior period	Immovables^(*)	Leased tangible assets	Vehicles	Other	Assets Held for sale	Total
Cost						
Opening balance: January 1, 2021	876.740	-	922	365.685	555.254	1.798.601
Additions	46.985	-	18	38.885	-	85.888
Revaluation differences	185.972	-	-	-	-	185.972
Disposals	-	-	(122)	(7.762)	(190.492)	(198.376)
Impairment losses(-)/Reversal of impairment losses	-	-	-	-	27.896	27.896
Transfers	-	-	-	-	104.641	104.641
Ending balance: December 31, 2021	1.109.697	-	818	396.808	497.299	2.004.622
Accumulated depreciation(-)						
Opening balance: January 1, 2021	165.280	-	706	242.036	2.320	410.342
Depreciation expense	54.432	-	85	37.115	-	91.632
Reversal of depreciation of the disposed assets	-	-	(99)	(6.034)	(187)	(6.320)
Transfers	-	-	-	-	-	-
Ending balance: December 31, 2021	219.712	-	692	273.117	2.133	495.654
Total cost at the end of the year	1.109.697	-	818	396.808	497.299	2.004.622
Total accumulated depreciation at the end of the year	(219.712)	-	(692)	(273.117)	(2.133)	(495.654)
Closing net book value	889.985	-	126	123.691	495.166	1.508.968

As of December 31, 2022, the immovables of the Bank have been revalued by an independent valuer and revaluation fund of TL 715.529 (December 31, 2021: TL 185.972) has been reflected in the financial statements. After the revaluation, the total cost of the Bank's immovables is TL 1.404.044 (December 31, 2021: TL 688.517), their amortisation is TL 114.869 (December 31, 2021: TL 90.454), net carrying value is TL 1.289.175 (December 31, 2021: TL 598.063). As of December 31, 2022, the total cost of the immovables recognized as "right of use" under tangible assets in accordance with "TFRS 16 Leases" standard in the balance sheet of the Bank is TL 593.951 (December 31, 2021: TL 421.180), related amortisation is TL 174.644 (December 31, 2021: TL 129.258), net carrying value is TL 419.307 (December 31, 2021: TL 291.922).

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

11. Information on intangible assets:

a) Opening and ending book values and accumulated depreciation balances:

	Current Period	Prior Period
Gross book value	434.921	283.265
Accumulated depreciation (-)	268.169	200.265
Total (net)	166.752	83.000

b) Intangible assets movement between the beginning and end of the period:

	Current Period	Prior Period
Opening balance	83.000	40.533
Additions	142.835	75.121
Disposals (-) (net)	97	-
Depreciation expense (-)	58.986	32.654
Closing net book value	166.752	83.000

12. Information on investment property:

None (December 31, 2021: None)

13. Information related to deferred tax asset:

As of December 31, 2022, the Bank calculated net deferred tax asset of TL 453.731 (December 31, 2021: TL 489.049) by netting off deferred tax asset of TL 819.562 (December 31, 2021: TL 631.449) and deferred tax liability of TL 365.831 (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	183.605	79.209
Provisions for retirement premium and vacation pay liabilities	171.394	30.142
Difference between carrying value and tax base of tangible assets (amortisation differences)	79.722	46.991
Depreciation of tangible assets	387	45.110
Provisions for cases on trial	10.542	6.811
Provisions	311.329	70.461
Leasing profit share expenses	57.838	33.226
Other	4.745	319.499(*)
Deferred tax asset	819.562	631.449
Revaluation difference of property	145.533	41.415
Rediscount on profit share	9.577	9.577
Right of use assets	111.529	60.625
Derivative financial liabilities	3.538	17.697
Other(**)	95.654	13.086
Deferred tax liability	365.831	142.400
Deferred tax asset (net)	453.731	489.049

(*) Includes tax assets of TL 289.473 calculated from prior period financial losses. Since there is financial profit including previous years' financial losses, there is not any deferred tax assets for carried financial losses in the current term.

(**) Includes TL 63.871, the deferred tax liability of securities revaluation difference at fair value through other comprehensive income.(December 31, 2021: 6.133 TL)

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- I. Explanations and notes related to assets (continued):**
- 14. Information on other assets:**

As of the balance sheet date, the Bank's other assets balance is TL 722.300 (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
I. Real Persons Current Accounts									
Non-Trade TL	5.222.601	-	-	-	-	-	-	-	5.222.601
II. Real Persons Participation Accounts Non-Trade TL	-	2.814.203	20.314.487	1.664.847	-	17.513	4.966.871	14.144	29.792.065
III. Current Account other-TL	7.430.916	-	-	-	-	-	-	-	7.430.916
Public Sector	46.362	-	-	-	-	-	-	-	46.362
Commercial Institutions	7.129.339	-	-	-	-	-	-	-	7.129.339
Other Institutions	213.030	-	-	-	-	-	-	-	213.030
Commercial and Other Institutions	17.807	-	-	-	-	-	-	-	17.807
Banks and Participation Banks	24.378	-	-	-	-	-	-	-	24.378
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	24.354	-	-	-	-	-	-	-	24.354
Participation Banks	22	-	-	-	-	-	-	-	22
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	1.192.652	5.344.286	911.150	-	5.162	1.645.237	113	9.098.600
Public Sector	-	20	135	-	-	-	-	-	155
Commercial Institutions	-	1.139.687	4.919.233	864.510	-	5.155	1.639.092	113	8.567.790
Other Institutions	-	52.786	342.517	43.787	-	7	6.145	-	445.242
Commercial and Other Institutions	-	159	82.364	2.853	-	-	-	-	85.376
Banks and Participation Banks	-	-	37	-	-	-	-	-	37
V. Real Persons Current Accounts Non- Trade FC	19.128.553	-	-	-	-	-	-	-	19.128.553
VI. Real Persons Participation Accounts Non-Trade FC	-	7.212.751	6.985.507	1.000.316	-	57.892	2.727.477	18.533	18.002.476
VII. Other Current Accounts FC	13.639.947	-	-	-	-	-	-	-	13.639.947
Residents in Türkiye-Corporate	7.002.573	-	-	-	-	-	-	-	7.002.573
Residents Abroad-Corporate	5.596.555	-	-	-	-	-	-	-	5.596.555
Banks and Participation Banks	1.040.819	-	-	-	-	-	-	-	1.040.819
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	103	-	-	-	-	-	-	-	103
Foreign Banks	1.040.473	-	-	-	-	-	-	-	1.040.473
Participation Banks	243	-	-	-	-	-	-	-	243
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	619.148	709.210	23.608	-	28.454	77.647	500	1.458.567
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	561.264	524.458	11.627	-	194	31.391	500	1.129.434
Other institutions	-	26.657	13.526	246	-	-	-	-	40.429
Commercial and Other Institutions	-	31.227	171.226	11.735	-	-	46.256	-	260.444
Banks and Participation Banks	-	-	-	-	-	28.260	-	-	28.260
IX. Precious Metals Deposits	6.788.587	731.679	1.225.306	56.154	-	2.648	94.228	3.470	8.902.072
X. Participation Accounts Special Fund Pools TL	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	52.210.604	12.570.433	34.578.796	3.656.075	-	111.669	9.511.460	36.760	112.675.797

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, 2022, TL participation accounts include TL 27.864.396 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
I. Real Persons Current Accounts Non-Trade TL	4.001.458	-	-	-	-	-	-	-	4.001.458
II. Real Persons Participation Accounts Non-Trade TL	-	3.113.067	5.518.589	161.758	-	22.416	504.010	12.734	9.332.574
III. Current Account other-TL	3.713.083	-	-	-	-	-	-	-	3.713.083
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	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	840.330	1.994.941	137.709	-	12.031	167.947	120	3.153.078
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
V. Real Persons Current Accounts Non- Trade FC	16.580.053	-	-	-	-	-	-	-	16.580.053
VI. Real Persons Participation Accounts Non-Trade FC	-	7.392.746	11.689.171	984.545	-	73.865	3.091.153	10.588	23.242.068
VII. Other Current Accounts FC	16.467.636	-	-	-	-	-	-	-	16.467.636
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	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other- FC	-	1.255.705	4.051.953	28.420	-	29.869	34.009	2.014	5.401.970
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
IX. Precious Metals Deposits	5.520.205	1.015.474	2.487.785	140.218	-	43.979	128.270	8.798	9.344.729
X. Participation Accounts Special Fund Pools TL	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools -FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	46.282.435	13.617.322	25.742.439	1.452.650	-	182.160	3.925.389	34.254	91.236.649

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	9.230.265	6.207.822	25.784.400	7.126.212
Foreign currency accounts	10.360.486	8.600.262	34.973.814	38.238.727
Foreign branches' deposits subject to foreign authorities' insurance	44.818	35.842	310.499	276.478
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, all deposit and participation funds have been insured except official institutions in the presence of credit institutions, credit institutions and financial institutions. In this context, commercial current and participation accounts covered by the insurance amount to TL 3.674.273, amount exceeding the insurance limit is TL 26.074.642 and the mentioned amount is not included in the footnote.

Funds collected by Participation Banks (except belonging to official institutions, credit institutions and financial institutions) from current and participation accounts denominated in Turkish Lira or foreign currency up to a limit of maximum TL 200 (including both principal and profit shares) for each real person or legal person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law numbered 5411.

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

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

	Current Period	Prior Period
Foreign Branches' Profit Sharing Accounts and Other Accounts	-	-
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board Of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	41.853	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	-	3.054.715	-	1.249.451
Loans Obtained from Issued Lease Certificates (Sukuk)	886.036	-	4.109.766	-
Other	54.425	416.804	58.621	841.377
Total	940.461	3.471.519	4.168.387	2.090.828

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	940.461	6.731	4.168.387	465.339
Loans from foreign banks, institutions and funds	-	3.464.788	-	1.625.489
Total	940.461	3.471.519	4.168.387	2.090.828

a.3. Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	507.864	3.466.719	4.041.603	2.007.533
Medium and Long-Term	432.597	4.800	126.784	83.295
Total	940.461	3.471.519	4.168.387	2.090.828

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	8.542	808	20.861	-
Swap transactions	4.277	852	159.624	6.769
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	12.819	1.660	180.485	6.769

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	5.863	-	4.631	-
1 to 5 years	154.708	26.214	108.401	-
Over 5 years	289.836	185	214.808	21.774
Total	450.407	26.399	327.840	21.774

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 321.032 (December 31, 2021: TL 130.282), vacation pay liability amounting to TL 14.545 (December 31, 2021: TL 17.764) and performance premium provision amounting to TL 350.000 (December 31, 2021: TL None) totaling to TL 685.577 (December 31, 2021: TL 148.046). 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 (%)	11,10	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	8.956	25.300
Actuarial (gain)/loss	181.794	(15.950)
Balance at the end of the period	321.032	130.282

b. Other provisions:

	Current Period	Prior Period
Non-cash loans first and second stage expected loss provisions	20.239	16.435
Provisions allocated from profit shares to be distributed to profit sharing accounts	6.438	2.957
Third stage expected loss provisions for unindemnified letter of guarantees	15.360	3.881
Third stage expected loss provisions for cheques commitments	4.604	4.002
Provisions for promotions related with credit cards and promotion of banking services	445	283
Provisions for cases on trial	42.169	34.057
Accrual for purchase and sale commitments	375	1.583
Free provisions allocated for possible losses ^(*)	1.800.000	100.000
Other	313	834
Total	1.889.943	164.032

^(*) Includes free provision amounting to TL 1.800.000, 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 December 31, 2022, there is no provision for 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 December 31, 2022, the Bank's remaining tax liability after deducting the temporary taxes paid from corporate tax amount is TL 604.361 (December 31, 2021: TL 18.614).

a.2. Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	604.361	18.614
Banking insurance transaction tax	41.888	26.333
Taxation on securities income	13.020	18.094
Value added tax payable	6.698	3.224
Taxation on real estate income	1.888	1.371
Foreign exchange transaction tax	6.255	17.031
Income tax deducted from wages	28.796	14.432
Other	6.063	2.611
Total	708.969	101.710

a.3. Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	11.983	6.708
Social security premiums-employer	13.239	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	854	478
Unemployment insurance-employer	1.708	956
Other	-	-
Total	27.784	15.508

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	-	4.694.238	-	3.119.354
Subordinated loans	-	4.694.238	-	3.119.354
Subordinated debt instruments	-	-	-	-
Total	-	4.694.238	-	3.119.354

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 ^(*)	162.579	28.542	11.641	6.760
Foreign exchange difference	-	-	-	-
Total	162.579	28.542	11.641	6.760

^(*) 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	1.910.259	1.059.919
Payment commitments for cheques	1.109.464	834.732
Asset purchase and sale commitments	581.749	927.624
Loan granting commitments	618.854	655.296
Tax and funds liabilities arising from export commitments	30.942	17.234
Commitments for promotions related with credit cards and banking activities	687	555
Other irrevocable commitments	563	552
Other revocable commitments	53.500	39.500
Total	4.306.018	3.535.412

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	17.449.635	12.371.236
Bank loans	70.414	99.278
Letters of credit	3.467.844	4.898.399
Other guaranties and sureties	135.117	34.387
Total	21.123.010	17.403.300

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

	Current Period	Prior Period
Letters of guarantees	17.449.635	12.371.236
Long standing letters of guarantees	12.792.451	8.421.227
Temporary letters of guarantees	546.270	294.638
Advance letters of guarantees	866.507	803.105
Letters of guarantees given to customs	1.059.864	654.451
Letters of guarantees given for obtaining cash loans	2.184.543	2.197.815
Sureties and similar transactions	135.117	34.387
Total	17.584.752	12.405.623

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	2.184.543	2.197.815
With original maturity of 1 year or less	745.936	662.573
With original maturity of more than 1 year	1.438.607	1.535.242
Other non-cash loans	18.938.467	15.205.485
Total	21.123.010	17.403.300

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

c. Within the Non-cash Loans (continued):

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

	Current period			
	TL	(%)	FC	(%)
Agricultural	309.177	2,70	115.146	1,19
Farming and stockbreeding	148.285	1,30	103.676	1,07
Forestry	159.028	1,38	11.470	0,12
Fishery	1.864	0,02	-	0,00
Manufacturing	3.142.777	27,49	4.503.578	46,47
Mining	138.623	1,21	2.463	0,03
Production	2.821.178	24,68	3.873.421	39,96
Electricity, gas and water	182.976	1,60	627.694	6,48
Construction	2.463.975	21,56	813.548	8,39
Services	5.208.894	45,56	3.663.413	37,79
Wholesale and retail trade	3.157.674	27,62	1.259.375	12,99
Hotel, food and beverage services	68.732	0,60	139.499	1,44
Transportation and telecommunication	426.993	3,74	219.754	2,27
Financial Institutions	514.329	4,50	1.751.895	18,07
Real estate and renting services	369.420	3,23	177.009	1,83
Self-employment services	323.551	2,83	76.820	0,79
Education services	42.576	0,37	13	0,00
Health and social services	305.619	2,67	39.048	0,40
Other	305.808	2,69	596.694	6,16
Total	11.430.631	100,00	9.692.379	100,00

	Prior period			
	TL	(%)	FC	(%)
Agricultural	110.103	1,56	53.430	0,52
Farming and stockbreeding	59.909	0,85	52.460	0,51
Forestry	49.622	0,70	970	0,01
Fishery	572	0,01	-	0,00
Manufacturing	1.745.283	24,65	4.600.865	44,57
Mining	55.295	0,78	690	0,01
Production	1.513.702	21,38	3.896.762	37,75
Electricity, gas and water	176.286	2,49	703.413	6,81
Construction	1.486.579	21,00	1.045.891	10,13
Services	3.539.218	49,99	4.275.662	41,42
Wholesale and retail trade	1.938.841	27,38	1.780.183	17,24
Hotel, food and beverage services	43.099	0,61	87.363	0,85
Transportation and telecommunication	305.655	4,32	146.175	1,42
Financial Institutions	390.114	5,51	1.989.986	19,28
Real estate and renting services	340.794	4,81	176.968	1,71
Self-employment services	207.978	2,94	55.029	0,53
Education services	64.880	0,92	1.469	0,01
Health and social services	247.857	3,50	38.489	0,38
Other	199.074	2,80	347.195	3,36
Total	7.080.257	100,00	10.323.043	100,00

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

c. Within the Non-cash Loans (continued):

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

Current Period	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	11.128.112	9.486.814	274.264	131.418
Letters of guarantee	10.999.994	5.959.056	274.115	114.068
Bank loans	-	70.414	-	-
Letters of credit	11.385	3.439.109	-	17.350
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	116.733	18.235	149	-

Prior Period	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	6.940.630	10.048.418	104.436	223.386
Letters of guarantee	6.908.691	5.048.293	104.436	223.386
Bank loans	-	99.278	-	-
Letters of credit	12.324	4.886.075	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	19.615	14.772	-	-

2. Explanations on derivative transactions:

	Derivative transactions according to purpose December 31, 2022	Derivative transactions according to purpose December 31, 2021
Trading Derivatives		
Foreign Currency Related Derivative Transactions (I)	4.557.236	6.798.644
Currency Forwards-Purchases, sales	1.230.982	951.048
Currency Swaps-Purchases, sales	3.326.254	5.847.596
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
Profit share Rate Related Derivative Transactions (II)	-	-
Profit share rates forwards-Purchase, sales	-	-
Profit share rates swaps-Purchases, sales	-	-
Profit share rates options-Purchases, sales	-	-
Profit share rates futures-Purchases, sales	-	-
Other Trading Derivatives (III)	-	-
A. Total Trading Derivatives (I + II + III)	4.557.236	6.798.644
Hedging Derivatives	-	-
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total Hedging Derivatives	-	-
Total Derivatives Transactions (A+B)	4.557.236	6.798.644

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

3. Explanations on contingent assets and liabilities:

The Bank has made a provision amounting to TL 42.169 (December 31, 2021: TL 34.057), as presented under “Other Provisions” note in Section Five Note II.5.b, for the lawsuits opened by various real persons and legal entities against the Bank with high probability of realization and cash outflows. Although there are other ongoing lawsuits against the Bank, the Bank considers the probability of a negative result in ongoing litigations resulting in cash outflows as remote.

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
Profit share received from loans^(*)				
Short Term Loans	2.551.682	320.341	889.366	200.080
Medium and Long Term Loans ^(**)	4.317.481	1.044.803	2.173.463	785.728
Profit Share on Non-Performing Loans	62.924	4.940	121.382	5.838
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	6.932.087	1.370.084	3.184.211	991.646

^(*) Includes fees and commission income on cash loans.

^(**) Includes TL 861.227 as profit and loss sharing investment income. (December 31, 2021: 146.893 TL)

b. Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	47.503	-	134.657	-
Domestic Banks	172	-	373	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	47.675	-	135.030	-

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	930.197	222.641	123.911	111.756
Financial assets measured at fair value through other comprehensive income	232.929	32.544	100.431	33.898
Financial assets measured at amortised cost	605.801	581.128	107.823	194.687
Total	1.768.927	836.313	332.165	340.341

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	44.259	-	34.438	-
Total	44.259	-	34.438	-

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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	-	26.318	-	-	-	-	-	26.318	
Real persons' non-trading profit sharing accounts	398.032	2.028.722	151.907	-	3.282	361.049	1.812	2.944.804	
Public sector profit sharing accounts	3	18	-	-	-	-	-	21	
Commercial sector profit sharing accounts	111.691	590.370	351.036	-	113.613	27.526	3	1.194.239	
Other institutions profit sharing accounts	8.370	68.455	9.690	-	3	540	-	87.058	
Total	518.096	2.713.883	512.633	-	116.898	389.115	1.815	4.252.440	
FC									
Funds collected from banks through current and profit sharing accounts	-	846	-	-	577	-	-	1.423	
Real persons' non-trading profit sharing accounts	73.579	97.370	12.584	-	688	37.519	262	222.002	
Public sector profit sharing accounts	-	-	-	-	-	-	-	-	
Commercial sector profit sharing accounts	7.030	17.550	212	-	41	418	7	25.258	
Other institutions profit sharing accounts	1.644	5.585	90	-	-	849	-	8.168	
Precious metals deposits	1.596	5.401	243	-	24	721	12	7.997	
Total	83.849	126.752	13.129	-	1.330	39.507	281	264.848	
Grand total	601.945	2.840.635	525.762	-	118.228	428.622	2.096	4.517.288	
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	-	780	2.420	-	-	-	-	3.200	
Real persons' non-trading profit sharing accounts	357.644	572.616	18.051	-	3.324	64.908	1.449	1.017.992	
Public sector profit sharing accounts	3	1	-	-	-	-	-	4	
Commercial sector profit sharing accounts	78.780	410.641	25.908	-	32.533	6.101	2	553.965	
Other institutions profit sharing accounts	8.718	55.325	448	-	48	330	-	64.869	
Total	445.145	1.039.363	46.827	-	35.905	71.339	1.451	1.640.030	
FC									
Funds collected from banks through current and profit sharing accounts	389	4.069	-	-	193	49	-	4.700	
Real persons' non-trading profit sharing accounts	49.994	86.700	8.822	-	734	31.855	62	178.167	
Public sector profit sharing accounts	-	-	-	-	-	-	-	-	
Commercial sector profit sharing accounts	7.175	47.027	1.817	-	3.878	313	21	60.231	
Other institutions profit sharing accounts	1.464	2.380	106	-	-	-	-	3.950	
Precious metals deposits	1.556	5.223	321	-	170	512	17	7.799	
Total	60.578	145.399	11.066	-	4.975	32.729	100	254.847	
Grand total	505.723	1.184.762	57.893	-	40.880	104.068	1.551	1.894.877	

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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	60.009	289	48.500
CBRT	-	-	-	-
Domestic banks	-	780	-	1.919
Foreign banks	38	59.229	289	46.581
Head offices and branches abroad	-	-	-	-
Other institutions	494.847	427.906	950.925	261.130
Total	494.885	487.915	951.214	309.630

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	483.869	33	941.694	-
Total	483.869	33	941.694	-

ç. Profit share expenses paid to marketable securities issued:

None (December 31, 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
Clearing room fees and commissions	130.403	75.188
Member firm-POS fees and commissions	124.211	71.518
Commissions on money orders	109.872	58.764
Prepaid import commissions	86.333	47.128
Loan Limit Allocation Fees	70.847	22.474
Insurance and brokerage commissions	58.624	28.422
Service pack commissions	32.181	15.345
Appraisal fees	25.295	16.580
Export credit commissions	22.276	9.559
Advocacy service commissions and counsel fees	9.548	8.517
Checks and bills commissions	7.007	4.910
Fees and commissions from correspondent banks	5.435	4.377
Safe deposit box commissions	4.284	3.312
Pledge Put and Mortgage Release Fees	3.543	3.209
Enquiry fees received	3.007	2.315
Other	90.847	44.856
Total	783.713	416.474

Other Fees and Commissions Paid	Current Period	Prior Period
Required Reserves Commissions for CBRT in Foreign currency	158.422	3.160
Fees and commissions for Swift, EFT and money orders	81.517	71.204
Member firm-POS fees and commissions	65.870	37.955
Credit cards fees and commissions	59.128	36.762
Funds borrowed fees and commissions	7.068	9.551
Other	17.458	17.285
Total	389.463	175.917

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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)	-	282	768	-
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	774	-	-	-
Other	-	-	-	-
Total	774	282	768	-

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

	Current Period	Prior Period
Income	45.854.273	46.453.647
Income from capital market transactions	2.104.264	140.505
Income from derivative financial instruments	227.603	241.653
Foreign exchange income	43.522.406	46.071.489
Loss (-)	42.973.191	46.317.420
Loss on capital market transactions	231.839	213.439
Loss on derivative financial instruments	134.877	471.127
Foreign exchange losses	42.606.475	45.632.854
Trading Income/Loss (net)	2.881.082	136.227

6. Explanations related to other operating income:

	Current Period	Prior Period
Reversal of prior year provisions	1.390.440	944.571
Income from sale of assets	154.415	150.670
Communication revenue	41.630	23.337
Cheque book charges	4.115	3.044
Operating Lease Income	47.090	10.592
Other income	19.868	10.717
Total	1.657.558	1.142.931

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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
Expected Credit Loss	3.865.008	1.575.273
12 month expected credit loss (stage 1)	127.045	59.313
Significant increase in credit risk (stage 2)	1.046.034	241.260
Non-performing loans (stage 3)	2.691.929	1.274.700
Marketable Securities Impairment Expense	-	-
Financial Assets Measured at Fair Value through Profit/Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Impairment Provision for Associates, Subsidiaries and Joint Ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Miscellaneous Provisions	85.144	136.070
Expected credit losses for 1st and 2nd group non-cash loans	4.380	3.607
Third stage expected loss provision for unindemnified non cash loans	12.080	-
Expected credit losses (stage 1) for banks	64.840	22.111
Profit and loss sharing investments' fair value provision.	-	109.533
Expected credit losses (stage 1) for other financial assets.	-	726
Expected credit losses for financial assets measured at amortized cost	3.844	93
Total	3.950.152	1.711.343

Expected credit losses amount to TL 3.950.152 (December 31, 2021: TL 1.711.343 TL) includes TL 1.240.654 (December 31, 2021: TL 650.124) 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	346.781	4.055
Impairment on financial assets measured at fair value through profit/loss	8.042	3.393
Provisions for cases on trial	8.112	13.874
Free provisions allocated for possible losses	1.700.000	100.000
Provisions allocated from profit shares to be distributed to profit sharing accounts	3.832	2.604
Total	2.066.767	123.926

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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	3.838	-
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	161.317	116.920
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	58.986	32.654
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	1
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and assets of discontinued operations	6.505	46.769
Other business expenses	423.881	194.703
Leasing Expenses on TFRS 16 Exceptions	1.954	6.079
Maintenance and repair expenses	50.723	36.317
Advertisement expenses	22.263	9.819
Other expenses ^(*)	348.941	142.488
Loss on sale of assets	1.642	1.062
Other ^(**)	411.819	262.303
Total	1.067.988	654.412

^(*) The details of the "Other Expenses" balance under Other Operating Expenses are as follows:

	Current Period	Prior Period
Communication Expenses	66.284	37.875
Donations	32.250	8.133
Cleaning expenses	41.749	22.897
Heating, lighting and water expenses	53.694	16.290
Representation and Hosting expenses	13.795	10.200
Vehicle expenses	17.509	6.568
Lawsuit and court expenses	7.737	3.783
Movables Insurance Expenses	11.034	4.837
Stationery Expenses	6.710	4.641
Expense Share for Common Expenses	3.706	2.514
Subcontractor security service expenses	41.000	-
Cash and banknote group transportation service expenses	25.586	9.939
Other	27.887	14.811
Total	348.941	142.488

^(**) Details of "other" balance are provided as below:

	Current Period	Prior Period
Saving Deposit Insurance Fund	190.587	120.296
Taxes, Duties, Charges and Funds	128.532	82.365
Expertise and Information Expenses	28.685	21.888
Audit and Consultancy Fees	37.278	13.211
Institution and Union participation share	18.487	13.201
Other	8.250	11.342
Total	411.819	262.303

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

As per the decision by Public Oversight Accounting and Auditing Standards Authority dated March 26,2021 ,the following table represents the fees for the services received from the auditor or independent audit firm for reporting period. The audit fees of the associates of the Bank are included as well. The fees in the table does not include Value Added Tax.

Current Period	Audit services provided by Group auditor	Audit services provided by other audit firms
Independent Audit fee for reporting period ^(*)	4.575	295
Fees for tax consultancy	115	-
Other assurance services' fees	-	-
Other service fees other than independent audit.	-	1.150
Total	4.690	1.445

Prior Period	Audit services provided by Group auditor	Audit services provided by other audit firms
Indenpendent Audit fee for reporting period ^(*)	2.324	190
Fees for tax consultancy	185	-
Other assurance services' fees	1.945	-
Other service fees other than independent audit.	450	-
Total	4.904	190

^(*) For foreign currency independent audit fees fx rates of December 31,2022 and December 31,2021 have been used.

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

As the Bank does not have any discontinued operations, there is no explanation related to income/loss from discontinued operations before taxes.

The Bank's income before tax increased by 2.742% compared to prior period and is realized as TL 2.315.241 (31 December 2021: TL 81.442). Income before tax comprises net profit share income in the amount of TL 5.382.292 (December 31, 2021: TL 1.693.362) and fees and commission income in the amount of TL 644.548 (December 31, 2021: TL: 405.756). Total other operating expenses amount to TL 1.067.988 (December 31, 2021: TL 654.412).

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 December 31, 2022, the Bank has deferred tax income amounts to TL 1.131.637 (December 31, 2021: TL 688.099) and deferred tax expense amounts to TL 1.476.179 (December 31, 2021: TL 18.614). Current tax provision is TL 605.203. (December 31, 2021: 18.614).

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

The Bank has no discontinued operations. Net income for the period has been realized as TL 1.365.496 (December 31, 2021: TL: 104.403) by deducting tax expense amounting to TL 949.745 (December 31, 2021: TL 22.961 total tax income, including TL18.614 current tax expense, TL 41.575 deferred tax income) from profit from continued operations amounting to TL 2.315.241 (December 31, 2021: TL 81.442).

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.

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

- a) There is no declaration of dividends made subsequent to the balance sheet date, and prior to the announcement of the financial statements.
- Decision related to the dividend distribution will be taken in the General Assembly. General Assembly has not been held as of the date of finalization of the accompanying financial statements.
- b) "Unrealized gains and losses" arising from changes in the fair value of securities classified as financial assets measured at fair value through other comprehensive income are recognized in the "Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss" account under equity, until the financial assets are sold, disposed of or impaired at which time they are transferred to the statement of income. TL 230.948 increase (before deferred tax) has occurred after the revaluation of financial assets measured at fair value through other comprehensive income (December 31, 2021: TL 18.045 increase).
- c) Revaluation amounts related to tangible and intangible assets are accounted under equity in revaluation reserve on tangible assets and revaluation reserve on intangible assets.
- d) Foreign exchange differences arising from translation of income statement of foreign branch of the Bank are accounted in other capital reserves amounts to TL 220.797 as increase. (December 31, 2021: TL 205.376 increase).

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

1. Components of cash and cash equivalents and accounting policy applied in their determination:

"Cash" is defined as cash in vault and foreign currency cash, money in transit, cheques purchased, unrestricted balance with the Central Bank and demand deposits at banks. "Cash equivalents" is defined as money market placements and time deposits at banks with original maturities less than three months.

- (a) Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
Cash	10.090.678	5.406.129
Cash in TL/foreign currency	1.795.408	1.457.399
Cash in transit	1.695.443	844.125
CBRT	6.599.827	3.104.605
Cash equivalents	3.815.879	2.649.148
Domestic banks	1.053.457	1.442.851
Foreign banks	2.762.422	1.206.297
Total cash and cash equivalents	13.906.557	8.055.277

- (b) Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
Cash	8.567.744	10.090.678
Cash in TL/foreign currency	1.931.106	1.795.408
Cash in transit	1.219.631	1.695.443
CBRT	5.417.007	6.599.827
Cash equivalents	4.952.165	3.815.879
Domestic banks	1.643.031	1.053.457
Foreign banks	3.309.134	2.762.422
Total cash and cash equivalents	13.519.909	13.906.557

2. Cash and cash equivalent items which are restricted for the usage of the Bank by legal or other limitations:

Restricted time deposits held at the Central Bank of Türkiye and blockaged amount arising from POS are not considered as cash and cash equivalent items.

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VI. Explanations and notes related to the statement of cash flows (continued):

3. Explanation about other cash flow items and the effect of the changes in foreign exchange rates on cash and cash equivalents:

The “Others” item under “Operating profit before changes in operating assets and liabilities” amounting to TL (4.083.361) (December 31, 2021: TL (652.573)) mainly comprises other operating expenses excluding personnel expenses and amortization expenses.

The “Net increase/decrease in other liabilities” item under “Changes in operating assets and liabilities” amounting to TL 38.263 (December 31, 2021: TL 1.346.410 mainly comprises changes in miscellaneous payables, other liabilities and taxes and other duties payable.

Effect of the changes in foreign currency rates on cash and cash equivalents has been calculated approximately as TL 1.109.908 as of December 31, 2022 (December 31, 2021 TL 3.140.562).

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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 ^(*)	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
Loans						
Balance at the beginning of the period	90	62	1.321.649	70.174	52	-
Balance at the end of the period	6	1.418	1.518.040	68.658	375	12
Profit share and commission income received	-	7	64.462	328	-	-

b. Prior period:

Risk Group of the Bank ^(*)	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
Loans and other receivables						
Balance at the beginning of period	6	53	818.807	34.537	187	-
Balance at end of period	90	62	1.321.649	70.174	52	-
Profit share and commission income received	-	-	36.243	183	-	-

^(*) 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 ^(*)	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
Current and profit sharing accounts						
Balance at the beginning of period	15.374	35.342	688.843	271.125	28.403	12.518
Balance at the end of period	40.176	15.374	704.955	688.843	34.322	28.403
Profit share expense	1.022	2	-	3	262	117

^(*) As of December 31, 2022, wakala borrowings obtained from risk group of the Bank through investment purpose wakala contracts amount to USD 36.288.426 and EUR 3.600.000 (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 – December 31, 2022 is TL 16.318 (December 31, 2021: TL 19.896).

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 December 31, 2022, the Bank has paid TL 27.108 (December 31, 2021: TL 21.695) to top management.

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

1. Information on the domestic and foreign branches and representative offices of the Bank:

	Number	Number of Personnel			
Domestic Branches	223	2.672			
			Country		
Foreign Representation Office	-	-	-		
				Total Assets (Thousand TL)	Statutory Share Capital
Foreign Branches	2	23	Irak	3.978.191	USD 50.000.000
Off-Shore Branches	-	-	-	-	-

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure:

In 2022, the Bank has closed 6 branches, including 5 physical branches and 1 digital branch, and has not opened any branch. The Bank has not opened and closed any branch abroad in 2022.

IX. Explanations related to subsequent events:

As per the communique on the changes on General Communique of tax procedure law numbered 547 published in the Official Gazette dated January 14,2023 counted 32073, the procedures and principles of the law articles that allow the revaluation of immovable and depreciable economic assets have been rearranged. Accordingly, the Bank will be able to do valuation for the immovables and depreciable economic assets on condition that fulfilling the conditions in tax procedure law temporary 32th item and duplicated item's terms numbered 298/ç. Thus, corporate tax can be paid according to the values found after revaluation of immovables and depreciable economic assets.

An earthquake occurred in the southeastern part of Turkey that affected many of our cities. As the ultimate severity of this earthquake, which killed and injured thousands of people, is currently uncertain, efforts to measure the impact on the Bank's operations and financial condition continue.

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

None.

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SECTION SIX

Other explanations

I. Other explanations regarding the Bank's operations

None.

SECTION SEVEN

Independent auditor's report

I. Explanations on independent auditor's report:

The Bank's unconsolidated financial statements as of and for the period ended December 31, 2022 have been audited by "PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi" and the audit report dated February 17, 2023 is presented at the beginning of the financial statements and related notes.

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

None.