

*(Convenience Translation of Financial Statements and Related Disclosures and Footnotes
Originally Issued in Turkish, See Section 3.1)*

Arap Türk Bankası Anonim Şirketi

**Unconsolidated Financial Statements
As of and For The Nine-Month Period Ended 30 September 2022
With Auditor’s Review Report**
*(Convenience Translation of Unconsolidated
Financial Statements and Related Disclosures and Footnotes
Originally Issued in Turkish)*

4 November 2022

This report contains “Independent Auditor’s Review Report” comprising 2 pages and; “Unconsolidated Financial Statements and Related Disclosures and Footnotes” comprising 86 pages.



KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr

Convenience Translation of the Independent Auditor's Review Report Originally Prepared and
Issued in Turkish to English (See Note I in Section Three)

REVIEW REPORT ON UNCONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Board of Directors of Arap Türk Bankası Anonim Şirketi.;

Introduction

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

Scope of review

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



Conclusion

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

Report on other regulatory requirements arising from legislation

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

Additional paragraph for convenience translation to English

The accounting principles summarized in Note 1 Section Three, differ from the accounting principles generally accepted in countries in which the accompanying unconsolidated interim financial information is to be distributed and International Financial Reporting Standards ("IFRS"). Accordingly, the accompanying unconsolidated interim financial information is not intended to present the financial position and results of operations in accordance with accounting principles generally accepted in such countries of users of the unconsolidated interim financial information and IFRS.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güvenç, SMMM
Partner

4 November 2022
İstanbul, Turkey


**ARAP TÜRK BANKASI A.Ş. UNCONSOLIDATED INTERIM FINANCIAL REPORT
AS OF AND FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2022**


Address of the Bank's Headquarters : Valikonağı Caddesi No:10, 34367 – ŞİŞLİ/İSTANBUL
Telephone and Fax Numbers : Tel : 0 212 225 05 00 Faks: 0 212 225 05 26
Website of the Bank : http://www.atbank.com.tr
E-mail address of the Bank : corp@atbank.com.tr

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

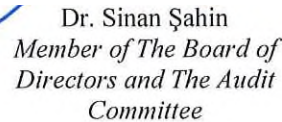
- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- DISCLOSURES AND FOOTNOTES RELATED TO UNCONSOLIDATED INTERIM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

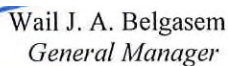
The unconsolidated financial statements for the nine-month period and related disclosures and footnotes that were subject to limited review, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidances, and in compliance with the financial records of our Bank and, unless stated otherwise, presented in **thousands of Turkish Lira**.


Dr. Ertan Altıkulaç
Chairman of the Board of


Aflah Omar Magsi
Deputy Chairman of The Board

Mohamed Milad Hassadi
*Member of The Board of
Directors and The Audit
Committee*


Dr. Sinan Şahin
*Member of The Board of
Directors and The Audit
Committee*


Wail J. A. Belgasem
General Manager


Salih Hatipoğlu
*Assistant General Manager
Responsible For Financial Reporting*

F.Betül Yörelİ
D.Manager

Contact information of the personnel for addressing questions regarding this financial report

Name / Title: F.Betül Yörelİ / D.Manager

Phone No : 0 212 225 05 00

Fax No : 0 212 225 05 26

SECTION ONE

General Information About The Bank

I.	Bank's date of establishment, beginning statute, its history regarding changes on its statute	1
II.	Bank's share capital structure, shareholders directly or indirectly, alone or together holding the management and control of the bank, related changes within the year and information about the Bank's group	1
III.	Information about the bank's chairman and members of board of directors, members of audit committee, general manager and assistant general managers and their qualifications, related changes within the year and their shares at the bank	2
IV.	Information on people and entities who have qualified share in the bank	2
V.	Information about the services and nature of activities of the bank	3
VI.	Differences between the communicate on preparation of consolidated financial statements of banks and Turkish Accounting Standards and short explanation about the entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods	3
VII.	The existing or potential, actual or legal obstacles on the transfer of shareholders' equity between the Bank and its subsidiaries or the reimbursement of liabilities	3

SECTION TWO

Current Period Unconsolidated Financial Statements

I.	Balance Sheet-Assets	4
II.	Balance Sheet-Liabilities	5
III.	Off balance Sheet Commitments	6
IV.	Statement of Profit or Loss	7
V.	Statement of Profit or Loss and Other Comprehensive Income	8
VI.	Statement of Changes in Shareholders' Equity	9
VII.	Statement of Cash Flows	10

SECTION THREE

Explanations on Accounting Policies

I.	Explanations for basis of presentation	11
II.	Information on strategy for the use of financial instruments and foreign currency transactions	12
III.	Explanations on investments in associates and subsidiaries	12
IV.	Information on forward transactions, options and derivative instruments	13
V.	Information on interest income and expense	13
VI.	Information on fees and commission	13
VII.	Information on financial assets	13
VIII.	Information on offsetting financial instruments	18
IX.	Information on sale and repurchase agreements and lending of financial assets	18
X.	Information on assets held for sale and related to discontinued operations and explanations on liabilities related with these assets	19
XI.	Information on goodwill and other intangible assets	19
XII.	Information on tangible assets	19
XIII.	Information on leasing activities	20
XIV.	Information on provisions, contingent liabilities and contingent assets	21
XV.	Information on liabilities regarding employee benefits	22
XVI.	Information on tax applications	23
XVII.	Additional information on borrowings	25
XVIII.	Information on share issuances	25
XIX.	Information on bills of exchanges and acceptances	25
XX.	Information on government incentives	25
XXI.	Cash and cash equivalents	26
XXII.	Information on segment reporting	26
XXIII.	Other disclosures	26

SECTION FOUR

Information on the Financial Position of the Bank

I.	Information on shareholder's equity	27
II.	Information on foreign currency exchange rate risk	34
III.	Information on interest rate risk	37
IV.	Information on stock position risk	41
V.	Information on Liquidity risk management and liquidity coverage ratio	41
VI.	Information of leverage ratio	48
VII.	Information on risk management	49
VIII.	Information on operating segments	50

SECTION FIVE

Information on Disclosures and Footnotes of Unconsolidated Financial Statements

I.	Information on disclosures and footnotes of assets	51
II.	Information and disclosures and footnotes of liabilities	66
III.	Information and disclosures related to off-balance sheets	72
IV.	Information and footnotes related to statement of profit or loss	74
V.	Information on the bank's risk group	79
VI.	Explanations and notes related to subsequent events	80

SECTION SIX

Independent Auditor's Review Report

I.	Information on independent auditor's review report	80
II.	Information and footnotes prepared by the independent auditor	80

SECTION SEVEN

Explanations on Interim Activity Report

I.	The report of the evaluation of the Chairman and the General Manager for the interim period	81
II.	Unconsolidated Financial Highlights	83
III.	Evaluation of the Bank's Financial Position and Performance	84
IV.	Changes in the Membership Structure of the Board of Directors	84
V.	Changes in the Membership Structure of the Audit Committee and Managers of the Units responsible for the Internal Systems	85
VI.	Changes in the Membership Structure of Other Governance Committees	85

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION ONE**GENERAL INFORMATION ABOUT THE BANK****I. BANK’S DATE OF ESTABLISHMENT, BEGINNING STATUTE, ITS HISTORY REGARDING CHANGES ON ITS STATUTE**

Arap Türk Bankası Anonim Şirketi (“the Bank”) has been established in 1977 as a joint stock entity in accordance with an agreement signed on 11 August 1975 between the Republic of Turkey and the Libyan Arab Republic. The duration of the Bank is 50 years from the commencement of the Agreement. This period shall be renewable automatically unless agreed otherwise by an Extraordinary General Meeting held at least one year prior to expiration.

In accordance with the Articles of Association, the Board of Directors shall elect a Chairman among its Turkish members and a Deputy Chairman among its Arab members. The General Manager shall always be nominated by Libyan Foreign Bank assigned by the Board.

II. BANK’S SHARE CAPITAL STRUCTURE, SHAREHOLDERS DIRECTLY OR INDIRECTLY, ALONE OR TOGETHER HOLDING THE MANAGEMENT AND CONTROL OF THE BANK, RELATED CHANGES WITHIN THE YEAR AND INFORMATION ABOUT THE BANK’S GROUP

The Bank is a foreign bank status incorporated in Turkey. The main shareholder Libyan Foreign Bank is 100% owned by Central Bank of Libya. The main shareholder Libyan Foreign Bank has financial investments in various countries.

The shareholder’s other qualified shares are Türkiye İş Bankası A.Ş. and T.C. Ziraat Bankası A.Ş.

As of 30 September 2022, the Bank’s share capital at the balance sheet date as follows:

Current Period		
Shareholders	Share amounts	Share percentages ⁽¹⁾
Libyan Foreign Bank	274,426	62.37%
T.İş Bankası A.Ş.	90,534	20.58%
T.C.Ziraat Bankası A.Ş.	67,900	15.43%
Kuwait Investment	7,140	1.62%
Total	440,000	100%

⁽¹⁾ Emek İnşaat ve İşletme A.Ş. has 0,0000014% share in the paid capital by TL 6.20 (full digit in TL) (31 December 2021: 0,0000014% share and TL 6.20 (full digit in TL).

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION ONE**GENERAL INFORMATION ABOUT THE BANK (Continued)****III. INFORMATION ABOUT THE BANK'S CHAIRMAN AND MEMBERS OF BOARD OF DIRECTORS, MEMBERS OF AUDIT COMMITTEE, GENERAL MANAGER AND ASSISTANT GENERAL MANAGERS AND THEIR QUALIFICATIONS, RELATED CHANGES WITHIN THE YEAR AND THEIR SHARES AT THE BANK****Chairmen of the Board of Directors and Board Members**

Name	Job Title – Description
Dr. Ertan Altıkulaç	Chairman of the Board of Directors
Aflah Omar Magsi	Deputy Chairman of the Board of Directors and Chairman of Audit Committee
Wail J. A. Belgasem	Member of the Board of Directors and General Manager
Dr. Sinan Şahin	Member of the Board of Directors and Audit Committee
Mohamed Milad Hassadi	Member of the Board of Directors and Audit Committee
Hüseyin Serdar Yücel	Member of the Board of Directors
Abdulkhalek Hussein Ergei	Member of the Board of Directors
Nouri Ali Mohamed Aboflega	Member of the Board of Directors
Hüseyin Emre Yılmaz	Member of the Board of Directors

General Manager and Deputies

Name	Job Title – Description
Wail J. A. Belgasem	Member of the Board of Directors and General Manager
Salih Hatipoğlu	Assistant General Manager - Financial Management, IT & Support Services Division
Ahmed Fraj Abdullah Ferjani	Assistant General Manager – Treasury, FI, Sales, Marketing & Operations Division

Members of the board and top level managers do not possess any share in the Bank.

IV. INFORMATION ON PEOPLE AND ENTITIES WHO HAVE QUALIFIED SHARE IN THE BANK

Name Surname/Entity Title	Share Amount	Share Percentage %	Paid-in Capital	Unpaid Capital
Libyan Foreign Bank	274,426	62.37	274,426	-
T. İş Bankası A.Ş.	90,534	20.58	90,534	-
T.C. Ziraat Bankası A.Ş.	67,900	15.43	67,900	-

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK (Continued)

V. INFORMATION ABOUT THE SERVICES AND NATURE OF ACTIVITIES OF THE BANK

The Bank was established to incorporate commercial activities among Turkey, Middle East and North African countries. The Bank is authorized to collect deposits and operates in corporate banking areas. The Bank has seven branches; three in Istanbul, one in Ankara, one in Kayseri, one in Konya and one in Gaziantep and has share participations in a subsidiary operating in financial leasing business.

VI. DIFFERENCES BETWEEN THE COMMUNIQUE ON PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF BANKS AND TURKISH ACCOUNTING STANDARDS AND SHORT EXPLANATION ABOUT THE ENTITIES SUBJECT TO FULL CONSOLIDATION OR PROPORTIONAL CONSOLIDATION AND ENTITIES WHICH ARE DEDUCTED FROM EQUITY OR ENTITIES WHICH ARE NOT INCLUDED IN THESE THREE METHODS

There is no difference for the Bank between the consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Consolidated Financial Statements of Banks in Turkey.

VII. THE EXISTING OR POTENTIAL, ACTUAL OR LEGAL OBSTACLES ON THE TRANSFER OF SHAREHOLDERS’ EQUITY BETWEEN THE BANK AND ITS SUBSIDIARIES OR THE REIMBURSEMENT OF LIABILITIES

None.

ARAP TRK BANKASI A..

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION TWO

Unconsolidated Financial Statements

- I. Balance Sheet-Assets
- II. Balance Sheet-Equity and Liabilities
- III. Off-balance Sheet Commitments
- IV. Statement of Profit or Loss
- V. Statement of Profit or Loss and Other Comprehensive Income
- VI. Statement of Changes in Shareholders’ Equity
- VII. Statement of Cash Flows

ARAP TÜRK BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AT 30 SEPTEMBER 2022
(Thousands of Turkish Lira ("TL"))

ASSETS		Note	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD			PRIOR PERIOD		
			30.09.2022			31.12.2021		
			TL	FC	TOTAL	TL	FC	TOTAL
I. FINANCIAL ASSETS (Net)			279,769	3,881,621	4,161,390	343,152	4,057,726	4,400,878
1.1 Cash and Cash Equivalents		1	278,484	2,580,269	2,858,753	308,543	2,904,930	3,213,473
1.1.1 Cash and Balances with Central Bank			73,876	2,097,939	2,171,815	8,086	1,658,250	1,666,336
1.1.2 Banks		3	205,166	482,330	687,496	46,626	1,246,680	1,293,306
1.1.3 Money Markets			-	-	-	255,100	-	255,100
1.1.4 Expected Credit Loss (-)			558	-	558	1,269	-	1,269
1.2 Financial Assets Measured at Fair Value Through Profit or Loss		2	-	-	-	-	-	-
1.2.1 Government Securities			-	-	-	-	-	-
1.2.2 Equity Securities			-	-	-	-	-	-
1.2.3 Other Financial Assets			-	-	-	-	-	-
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income		4	1,285	1,301,352	1,302,637	34,609	1,152,796	1,187,405
1.3.1 Government Securities			1,061	926,671	927,732	34,385	768,191	802,576
1.3.2 Equity Securities			224	7,364	7,588	224	5,348	5,572
1.3.3 Other Financial Assets			-	367,317	367,317	-	379,257	379,257
1.4 Derivative Financial Assets			-	-	-	-	-	-
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit or Loss			-	-	-	-	-	-
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income			-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)			1,249,751	5,042,472	6,292,223	832,568	4,092,849	4,925,417
2.1 Loans		5	1,184,009	2,243,821	3,427,830	732,832	1,929,005	2,661,837
2.2 Lease Receivables			-	-	-	-	-	-
2.3 Factoring Receivables			-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortised Cost		6	80,197	2,798,651	2,878,848	114,019	2,163,844	2,277,863
2.4.1 Government Securities			80,197	2,356,267	2,436,464	69,669	1,423,414	1,493,083
2.4.2 Other Financial Assets			-	442,384	442,384	44,350	740,430	784,780
2.5 Expected Credit Loss (-)		5	14,455	-	14,455	14,283	-	14,283
III. ASSETS HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)		14	1,000	-	1,000	1,000	-	1,000
3.1 Held for Sale Purpose			1,000	-	1,000	1,000	-	1,000
3.2 Related to Discontinued Operations			-	-	-	-	-	-
IV. EQUITY INVESTMENTS			140,199	-	140,199	126,202	-	126,202
4.1 Associations (Net)		7	-	-	-	-	-	-
4.1.1 Associates Accounted Based on Equity Method			-	-	-	-	-	-
4.1.2 Unconsolidated Financial Subsidiaries			-	-	-	-	-	-
4.2 Subsidiaries (Net)		8	140,199	-	140,199	126,202	-	126,202
4.2.1 Unconsolidated Financial Subsidiaries			140,199	-	140,199	126,202	-	126,202
4.2.2 Unconsolidated Non-Financial Subsidiaries			-	-	-	-	-	-
4.3 Joint Ventures (Net)		9	-	-	-	-	-	-
4.3.1 Joint Ventures Accounted Based on Equity Method			-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures			-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)			209,104	-	209,104	207,657	-	207,657
VI. INTANGIBLE ASSETS (Net)			6,924	-	6,924	3,744	-	3,744
6.1 Goodwill			-	-	-	-	-	-
6.2 Other			6,924	-	6,924	3,744	-	3,744
VII. INVESTMENT PROPERTY (Net)		12	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		13	-	-	-	-	-	-
IX. DEFERRED TAX ASSET		13	18,675	-	18,675	8,673	-	8,673
X. OTHER ASSETS (Net)		15	59,123	13,447	72,570	23,376	9,545	32,921
			-	-	-	-	-	-
TOTAL ASSETS			1,964,545	8,937,540	10,902,085	1,546,372	8,160,120	9,706,492

ARAP TÜRK BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AT 30 SEPTEMBER 2022
(Thousands of Turkish Lira ("TL"))

LIABILITIES		Note	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD			PRIOR PERIOD		
			30.09.2022			31.12.2021		
			TL	FC	TOTAL	TL	FC	TOTAL
I.	DEPOSITS	1	268,549	4,290,415	4,558,964	65,345	3,879,313	3,944,658
II.	FUNDS BORROWED	3	6,157	4,574,421	4,580,578	-	4,254,364	4,254,364
III.	MONEY MARKETS		-	-	-	-	-	-
IV.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1	Bills		-	-	-	-	-	-
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	FUNDS		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	2	-	-	-	-	-	-
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	-	-	-	-	-
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	FACTORING LIABILITES		-	-	-	-	-	-
IX.	LEASE LIABILITIES (Net)	5	5,925	106	6,031	5,870	350	6,220
X.	PROVISIONS	7	90,623	10,848	101,471	74,104	6,940	81,044
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		52,480	-	52,480	33,986	-	33,986
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		38,143	10,848	48,991	40,118	6,940	47,058
XI.	CURRENT TAX LIABILITY	8	37,141	-	37,141	22,418	-	22,418
XII.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIII.	LIABILITIES FOR ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS		-	-	-	-	-	-
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	-	-	-	-	-
XV.	OTHER LIABILITIES	4	59,335	68,786	128,121	20,962	42,030	62,992
XVI.	SHAREHOLDERS' EQUITY	9	1,538,808	(49,029)	1,489,779	1,367,766	(32,970)	1,334,796
16.1	Paid-in capital		440,000	-	440,000	440,000	-	440,000
16.2	Capital Reserves		-	-	-	-	-	-
16.2.1	Share Premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		-	-	-	-	-	-
16.3	Accumulated Other Comprehensive Income or Loss that will not be Reclassified to Profit or Loss		135,362	-	135,362	147,893	-	147,893
16.4	Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss		14,941	(49,029)	(34,088)	9,494	(32,970)	(23,476)
16.5	Profit Reserves		51,725	-	51,725	43,709	-	43,709
16.5.1	Legal Reserves		51,725	-	51,725	43,709	-	43,709
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		-	-	-	-	-	-
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	Profit or (Loss)		896,780	-	896,780	726,670	-	726,670
16.6.1	Prior Periods' Profit or (Loss)		718,654	-	718,654	566,334	-	566,334
16.6.2	Current Period Profit or (Loss)		178,126	-	178,126	160,336	-	160,336
16.7	Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES			2,006,538	8,895,547	10,902,085	1,556,465	8,150,027	9,706,492

ARAP TÜRK BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AT 30 SEPTEMBER 2022

(Thousands of Turkish Lira ("TL"))

	Note	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		30.09.2022			31.12.2021		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		56,709	7,973,546	8,030,255	23,710	6,368,835	6,392,545
I. GUARANTEES AND WARRANTIES	2	38,237	7,955,406	7,993,643	23,324	6,368,835	6,392,159
1.1. Letters of Guarantee		35,549	5,647,302	5,682,851	23,324	5,213,057	5,236,381
1.1.1. Guarantees Subject to State Tender Law		7,179	-	7,179	7,179	-	7,179
1.1.2. Guarantees Given for Foreign Trade Operations		8,123	5,638,767	5,646,890	3,408	5,207,937	5,211,345
1.1.3. Other Letters of Guarantee		20,247	8,535	28,782	12,737	5,120	17,857
1.2. Bank Acceptances		-	-	-	-	-	-
1.2.1. Import Letter of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	1,684,251	1,684,251	-	697,625	697,625
1.3.1. Documentary Letters of Credit		-	-	-	-	-	-
1.3.2. Other Letters of Credit		-	1,684,251	1,684,251	-	697,625	697,625
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees on Marketable Security Issuance		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		2,688	623,853	626,541	-	458,153	458,153
1.9. Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	1	18,472	18,140	36,612	386	-	386
2.1. Irrevocable Commitments		18,472	18,140	36,612	386	-	386
2.1.1. Asset Purchase and Sale Commitments		18,080	18,140	36,220	-	-	-
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		-	-	-	-	-	-
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheques		392	-	392	386	-	386
2.1.8. Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10. Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		-	-	-	-	-	-
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		-	-	-	-	-	-
3.1 Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		-	-	-	-	-	-
3.2.1 Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1 Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.1.2 Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		-	-	-	-	-	-
3.2.2.1 Foreign Currency Swap-Buy		-	-	-	-	-	-
3.2.2.2 Foreign Currency Swap-Sell		-	-	-	-	-	-
3.2.2.3 Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4 Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3 Foreign Currency, Interest rate and Securities Options		-	-	-	-	-	-
3.2.3.1 Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2 Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		416,287	859,631	1,275,918	367,148	622,133	989,281
IV. ITEMS HELD IN CUSTODY		3,633	-	3,633	596	-	596
4.1. Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		-	-	-	-	-	-
4.3. Checks Received for Collection		3,633	-	3,633	596	-	596
4.4. Commercial Notes Received for Collection		-	-	-	-	-	-
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		-	-	-	-	-	-
4.8. Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		412,654	859,631	1,272,285	366,552	622,133	988,685
5.1. Marketable Securities		-	-	-	-	-	-
5.2. Guarantee Notes		32,399	402,514	434,913	57,199	298,849	356,048
5.3. Commodity		-	-	-	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Immovable		14,394	448,153	462,547	14,394	322,562	336,956
5.6. Other Pledged Items		365,861	8,964	374,825	294,959	722	295,681
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		472,996	8,833,177	9,306,173	390,858	6,990,968	7,381,826

ARAP TÜRK BANKASI A.Ş.						
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS						
FOR THE PERIOD ENDED 30 SEPTEMBER 2022						
(Thousands of Turkish Lira ("TL"))						
STATEMENT OF PROFIT OR LOSS		Note	THOUSANDS OF TURKISH LIRA (TL)			
			CURRENT PERIOD	CURRENT PERIOD	PRIOR PERIOD	PRIOR PERIOD
			(01/01/2022-30/09/2022)	(01/07/2022-30/09/2022)	(01/01/2021-30/09/2021)	(01/07/2021-30/09/2021)
I.	INTEREST INCOME	1	466,940	181,424	265,837	93,030
1.1	Interest on Loans		285,567	121,665	121,112	44,759
1.2	Interest on Reserve Requirements		131	19	372	155
1.3	Interest on Banks		15,049	7,526	4,869	1,915
1.4	Interest on Money Market Transactions		6,266	334	54,163	14,972
1.5	Interest on Marketable Securities Portfolio		159,921	51,877	84,805	31,228
1.5.1	Fair Value Through Profit or Loss		-	-	716	-
1.5.2	Fair Value Through Other Comprehensive Income		52,772	12,675	24,337	6,862
1.5.3	Measured at Amortised Cost		107,149	39,202	59,752	24,366
1.6	Financial Lease Income		-	-	-	-
1.7	Other Interest Income		6	3	516	1
II.	INTEREST EXPENSE (-)	2	104,522	45,635	41,483	14,989
2.1	Interest on Deposits		16,358	5,453	14,455	3,789
2.2	Interest on Funds Borrowed		69,264	27,844	25,971	10,892
2.3	Interest Expense on Money Market Transactions		2,259	1,038	-	-
2.4	Interest on Securities Issued		-	-	-	-
2.5	Lease Interest Expenses		773	274	805	263
2.6	Other Interest Expenses		15,868	11,026	252	45
III.	NET INTEREST INCOME (I - II)		362,418	135,789	224,354	78,041
IV.	NET FEES AND COMMISSIONS INCOME		77,518	29,002	49,086	11,211
4.1	Fees and Commissions Received		81,515	30,240	51,960	12,298
4.1.1	Non-cash Loans		20,986	5,815	14,825	4,133
4.1.2	Other	12	60,529	24,425	37,135	8,165
4.2	Fees and Commissions Paid		3,997	1,238	2,874	1,087
4.2.1	Non-cash Loans		16	6	9	3
4.2.2	Other		3,981	1,232	2,865	1,084
V.	DIVIDEND INCOME		14,060	-	10,039	-
VI.	TRADING INCOME /(LOSS) (Net)	3	15,736	8,237	3,921	760
6.1	Trading Gains / (Losses) on Securities		-	-	-	-
6.2	Gains / (Losses) on Derivative Financial Transactions		-	-	-	-
6.3	Foreign Exchange Gains / (Losses)		15,736	8,237	3,921	760
VII.	OTHER OPERATING INCOME	4	4,946	2,240	11,841	7,373
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)		474,678	175,268	299,241	97,385
IX.	EXPECTED CREDIT LOSS (-)	5	1,063	(1,885)	203	(45)
X.	OTHER PROVISION EXPENSE (-)	6	12,671	(1,505)	1,774	(1,717)
XI.	PERSONNEL EXPENSE (-)		160,701	63,342	91,339	30,506
XII.	OTHER OPERATING EXPENSES (-)	7	69,502	25,883	39,691	12,363
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		230,741	89,433	166,234	56,278
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XVI.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)	8	230,741	89,433	166,234	56,278
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	9	(52,615)	(22,371)	(36,660)	(14,030)
18.1	Current Tax Provision		(60,508)	(26,360)	(38,741)	(12,867)
18.2	Deferred Tax Income Effect (+)		11,959	1,560	4,958	2,513
18.3	Deferred Tax Expense Effect (-)		19,852	5,549	7,039	1,350
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)	10	178,126	67,062	129,574	42,248
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1	Income from Non-current Assets Held for Sale		-	-	-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3	Income from Other Discontinued Operations		-	-	-	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Expenses for Non-current Assets Held for Sale		-	-	-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3	Expenses for Other Discontinued Operations		-	-	-	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)		-	-	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1	Current Tax Provision		-	-	-	-
23.2	Deferred Tax Expense Effect (+)		-	-	-	-
23.3	Deferred Tax Income Effect (-)		-	-	-	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)		-	-	-	-
XXV.	NET PROFIT/(LOSS) (XVIII+XXIII)	11	178,126	67,062	129,574	42,248
Earning/(Loss) per share (in TL full)			0.0040	0.0015	0.0029	0.0010

ARAP TÜRK BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2022 <small>(Thousands of Turkish Lira ("TL"))</small>		
	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD	PRIOR PERIOD
	(01/01/2022-30/09/2022)	(01/01/2021-30/09/2021)
I. CURRENT PERIOD PROFIT/LOSS	178,126	129,574
II. OTHER COMPREHENSIVE INCOME	(23,143)	(6,658)
2.1 Not Reclassified to Profit or Loss	(12,531)	(2,080)
2.1.1 Tangible Assets Revaluation Increase/Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	(10,067)	(2,600)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(2,464)	520
2.2 Reclassified to Profit or Loss	(10,612)	(4,578)
2.2.1 Foreign Currency Translation Differences	-	-
Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other		
2.2.2 Comprehensive Income	(15,185)	(5,418)
2.2.3 Cash Flow Hedge Income/Loss	-	-
2.2.4 Foreign Net Investment Hedge Income/Loss	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	4,573	840
III. TOTAL COMPREHENSIVE INCOME (I+II)	154,983	122,916

ARAP TÜRK BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2022
(Thousands of Turkish Lira ("TL"))

					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								
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in capital	Share premium	Share certificate cancel profits	Other capital reserves	Tangible and Intangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans	Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)	Exchange Differences on Translation	Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income	Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)	Profit reserves	Prior period net income/(loss)	Current period net income/(loss)	Total Equity Before Minority Interest	Minority Interest	Total Equity
PRIOR PERIOD 30.09.2021																
I. Balance at the beginning of the period	440,000	-	-	-	99,699	(5,530)	-	-	8,602	-	38,880	474,588	96,575	1,152,814	-	1,152,814
II. Adjustment in accordance with TMS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)	440,000	-	-	-	99,699	(5,530)	-	-	8,602	-	38,880	474,588	96,575	1,152,814	-	1,152,814
IV. Total comprehensive income (loss)	-	-	-	-	-	(2,080)	-	-	(4,578)	-	-	-	129,574	122,916	-	122,916
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	4,829	91,746	(96,575)	-	-	-
11.1 Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	4,829	91,746	(96,575)	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances (III+IV+.....+X+XI)	440,000	-	-	-	99,699	(7,610)	-	-	4,024	-	43,709	566,334	129,574	1,275,730	-	1,275,730
CURRENT PERIOD 30.09.2022																
I. Balance at the beginning of the period	440,000	-	-	-	155,486	(7,593)	-	-	(23,476)	-	43,709	566,334	160,336	1,334,796	-	1,334,796
II. Adjustment in accordance with TMS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)	440,000	-	-	-	155,486	(7,593)	-	-	(23,476)	-	43,709	566,334	160,336	1,334,796	-	1,334,796
IV. Total comprehensive income (loss)	-	-	-	-	(5,456)	(7,075)	-	-	(10,612)	-	-	-	178,126	154,983	-	154,983
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	8,016	152,320	(160,336)	-	-	-
11.1 Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	8,016	152,320	(160,336)	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances (III+IV+.....+X+XI)	440,000	-	-	-	150,030	(14,668)	-	-	(34,088)	-	51,725	718,654	178,126	1,489,779	-	1,489,779

ARAP TÜRK BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Thousands of Turkish Lira ("TL"))

		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD (01/01/2022-30/09/2022)	PRIOR PERIOD (01/01/2021-30/09/2021)
		Note	
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		612,207244,036
1.1.1	Interest Received		472,838262,346
1.1.2	Interest Paid		(130,538)(52,098)
1.1.3	Dividend Received		63-
1.1.4	Fees and Commissions Received		81,51551,960
1.1.5	Other Income		22,61512,374
1.1.6	Collections from Previously Written-off Loans and Other Receivables		1,2471,436
1.1.7	Payments to Personnel and Service Suppliers		(175,001)(102,536)
1.1.8	Taxes Paid		(47,894)(32,215)
1.1.9	Other		387,362102,769
1.2	Changes in Operating Assets and Liabilities		(2,009,373)447,819
1.2.1	Net Increase/Decrease in Financial Assets at Fair Value Through Profit or Loss		6,19217,185
1.2.2	Net (increase) / decrease in due from banks and other financial institutions		-
1.2.3	Net (increase) / decrease in loans		(372,861)59,695
1.2.4	Net (increase) / decrease in other assets		(39,792)(4,110)
1.2.5	Net increase / (decrease) in bank deposits		(526,379)(527,377)
1.2.6	Net increase / (decrease) in other deposits		79,177(35,660)
1.2.7	Net Increase/Decrease in Financial Liabilities at Fair Value Through Profit or Loss		-
1.2.8	Net increase / (decrease) in funds borrowed		(900,242)1,072,302
1.2.9	Net increase / (decrease) in payables		-
1.2.10	Net increase / (decrease) in other liabilities		(255,468)(134,216)
I.	Net Cash Provided from Banking Operations		(1,397,166)691,855
B.	CASH FLOWS FROM INVESTMENT ACTIVITIES		
II.	Net Cash Provided from Investing Activities		236,163(468,190)
2.1	Cash paid for acquisition of investments, associates and subsidiaries		-
2.2	Cash obtained from disposal of investments, associates and subsidiaries		-
2.3	Purchases of tangible assets		(10,541)(7,967)
2.4	Disposals of tangible assets		-
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(146,875)(545,593)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		378,210344,685
2.7	Purchase of Financial Assets Measured at Amortised Cost		(943,128)(468,937)
2.8	Sale of Financial Assets Measured at Amortised Cost		960,697211,604
2.9	Other		(2,200)(1,982)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net Cash Provided from Financing Activities		(773)(805)
3.1	Cash Obtained from Funds Borrowed and Securities Issued		-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		-
3.3	Issued Equity Instruments		-
3.4	Dividends Paid		-
3.5	Payments for Finance Leases		(773)(805)
3.6	Other		-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		520,638239,125
V.	Net Decrease/ Increase in Cash and Cash Equivalents (I+II+III+IV)		(641,138)461,985
VI.	Cash and Cash Equivalents at the Beginning of the Period		2,244,5371,178,119
VII.	Cash and Cash Equivalents at the End of the Period		1,603,3991,640,104

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS FOR BASIS OF PRESENTATION

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish Accounting Standards and Turkish Financial Reporting Standards (“TFRS”) and related appendices and interpretations (referred as “Turkish Accounting Standards” or “TAS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”) (all referred as “Reporting Standards”).

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 no. 28337, dated 28 June 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.

Pursuant to the announcement made by the POA on 20 January 2022, since the cumulative change in the general purchasing power of the last three years according to the Consumer Price Index (“CPI”) is 74.41%, It has been stated that businesses applying TFRS will not need to make any adjustments in their financial statements for the financial statement as of 31 December 2021 within the scope of TAS 29 Financial Reporting Standard in High Inflation Economies. In this content, no new disclosure has been made as of the report date for the financial statement of 2022, no inflation adjustment was made according to TAS 29 while preparing the financial statements as of 30 September 2022.

The accompanying unconsolidated financial statements are prepared in accordance with the cost basis except for financial assets and liabilities at fair value, and real estates which are presented on a fair value basis.

The preparation of financial statements requires the use of certain critical estimates on assets and liabilities reported as of balance sheet date or amount of contingent assets and liabilities explained and amount of income and expenses occurred in related period. Although these estimates rely on the management’s best judgment, actual results can vary from these estimates. Judgements and estimates are explained in related notes.

For a correct perception of the financial statements, the accounting policies and valuation principles are explained between in Notes No. II and XXIII.

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 2022 have no material effect on the financial statements, financial performance and on the Bank’s accounting policies. New and revised Turkish Accounting Standards issued but not yet effective as of the finalization date of the financial statements have no material effect on the financial statements, financial performance and on the Bank’s accounting policies.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

II. INFORMATION ON STRATEGY FOR THE USE OF FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS

The Bank’s core business operation is banking activities including corporate banking, commercial banking, retail banking and security transactions (treasury transactions) together with international banking services. The Bank uses financial instruments intensively because of the nature of the Bank. The main funding resources are deposits, borrowing and equity and these resources are invested in qualified financial assets. The Bank follows the utilization of resources and the risk and return for the investments in various financial assets through an effective asset and liability management strategy.

The transactions in foreign currency are recorded in accordance with “TAS 21 - Effects of Exchange Rate Changes” Related gain and loss occurred due to the changes in exchange rates resulted by the foreign currency transactions are translated into Turkish Lira over the effective exchange rate prevailing at the date of the transaction and is recorded accordingly.

At the end of the related periods, foreign currency assets and liability balances outstanding are translated into Turkish Lira over the Bank’s exchange rates prevailing at the balance sheet date and the resulting exchange rate differences are accounted as foreign exchange gains and losses.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

Subsidiary are the entities that the Bank has the power to govern the financial and operating policies of those to obtain benefits from its activities. Subsidiary is accounted in accordance with “TAS 27 – Separate Financial Statements” in the unconsolidated financial statements. Subsidiary is recorded at cost, with their costs after deducting impairment losses, if any.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IV. INFORMATION ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

Derivative financial instruments of the Bank are classified under "TFRS 9 Financial Instruments" ("TFRS 9"), "Derivative Financial Assets Designated at Fair Value through Profit or Loss".

Derivatives are initially recorded at their purchase costs including the transaction costs. The notional amounts of derivative transactions are recorded in off-balance sheet accounts based on their contractual amounts.

The derivative transactions are measured at fair value subsequent to initial recognition and if the fair value of a derivative financial instrument is positive, it is disclosed under trading derivative financial assets and if the fair value difference is negative, it is disclosed under trading derivative financial liabilities.

Gains and losses arising from a change in fair value of trading derivatives after the re-measurement are accounted in the statement of profit or loss. The fair value of the derivative financial instruments is calculated using quoted market prices by using discounted cash flows model.

V. INFORMATION ON INTEREST INCOME AND EXPENSE

Interest income and expense are recognized according to the effective interest method based on accrual basis. Effective interest rate is the rate that discounts the expected cash flows of financial assets or liabilities during their lifetimes to their carrying values. Effective interest rate is calculated when a financial asset or a liability is initially recorded and is not modified thereafter.

The computation of effective interest rate comprises discounts and premiums, fees and commissions paid or received and transaction costs. Transaction costs are additional costs that are directly related to the acquisition, issuance or disposal of financial assets or liabilities.

VI. INFORMATION ON FEES AND COMMISSION

Fees and commission received and paid are recognized according to either accrual basis of accounting or effective interest method depending on nature of fees and commission; incomes derived from agreements and asset purchases for third parties are recognized as income when realized.

VII. INFORMATION ON FINANCIAL ASSETS

Financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 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 group if the Parent Bank is a legal party to these instruments.

The Bank categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Financial instruments comprise financial assets and liabilities and derivative instruments. This classification is based on the contractual cash flow characteristics of the related business model used for management of the financial assets at initial recognition.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

a. Financial Assets at Fair Value through Profit or Loss

“Financial assets at fair value through profit/loss” are financial assets 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 statement of profit or loss.

Government bonds and treasury bills included in Financial Assets at Fair Value through Profit or Loss portfolios traded in BIST are carried at weighted average exchange rates of BIST as of the balance sheet date and those securities that are not traded in BIST are carried at other valuation models. All gains and losses arising from these valuations are reflected in the statement of profit or loss.

b. 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 interest 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. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to statement of profit or loss. “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 statement of profit or loss of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity. When these securities are collected or disposed of, the accumulated fair value differences reflected in the shareholders' equity are reflected to the statement of profit or loss.

Subsequent amendments to the values of investments in equity instruments are not reflected in the statement of profit or loss except for the dividend.

At initial recognition, it can be made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which TFRS 3 applies.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

b. Financial Assets at Fair Value Through Other Comprehensive Income (Continued)

The subsequent measurement of financial assets at fair value through other comprehensive income is based on fair value. However, when calculating the fair value for securities without a market price, any of the pricing models or discounted cash flow techniques are used in accordance with the type of the security.

c. Financial Assets Measured at Amortized Cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest 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 interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in statement of profit or loss.

d. Loans

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the “Effective Interest Rate Method”.

Bank loans and receivables are initially carried at cost value. Bank loans are measured at amortized cost with internal rate of return. Fees paid for the assets received as collateral against loans, such as transaction costs and other costs are part of acquisition cost and charged to the customer.

Bank’s loans measured at amortized cost account.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

e. Impairment

The Bank recognizes an impairment for financial assets measured at amortized cost and at fair value through other comprehensive income.

As of 1 January 2018, the Bank recognises 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. 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. Expected loss estimate is unbiased, weighted by probabilities and includes supportable information about estimates of past events, current conditions and future economic conditions.

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 securities) and, in addition, financial lease receivables that are not measured at fair value through profit or loss, credit commitments and financial guarantee contracts.

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.

- 1) Probability-weighted and neutral amount determined by taking into account possible outcomes,
- 2) Time value of money,
- 3) 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.

The expected 12 monthly credit loss values are part of the life expectancy loss calculation (within 12 months after the reporting date or within a shorter period if the life of a financial instrument is shorter than 12 months).

The main theme of the expected credit loss model can reflect the deterioration of the quality of financial instruments or the general view of recovery. The amount of expected credit loss, known as loss allowance or allowance, depends on the degree of credit deterioration. There are two measurements according to the general approach:

12-Month Expected Loss (1st Stage) is valid for all assets unless there is a significant deterioration in the quality of the loan.

Lifetime Expected Loss (2nd and 3rd Stage) is applied when a significant increase in credit risk occurs.

The following parameters are used in the calculation of expected credit loss;

Probability of Default: It denotes the possibility of default of the loan in the related term. The Bank's internal ratings are used in the calculation of the probability of default.

Loss in case of default refers to the expected loss rate from the loan in case of default.

Default Amount: refers to the risk balance for cash loans and the risk balance calculated by using the credit conversion rate for non-cash loans.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

e. Impairment For Expected Loss (Continued)

Individual Evaluation

A credit loss can be defined as the difference between all contractual cash flows that are outstanding under the contract and the original expected EIR (Effective Interest Rate) value and discounted cash flows. When cash flows are estimated, the following conditions are taken into account.

- a) All contractual terms of the financial intermediary during the expected lifetime of the financial instrument.
- b) Cash flows from collateral sales

Definition of Default

The debtor can be considered as the Stage 3 under conditions where the debtor fails to pay his obligations regardless of past due and the guarantees the debtor has.

These conditions have stated below:

- 1) To have a past due more than 90 days.
- 2) The decision taken for bankruptcy or concordatum registration.
- 3) To have a loan classified as standard receivable by restructuring while monitored as non-performing loan and to have a past due more than 30 days of principal and/or interest payment delayed within the 1 year monitoring period or to have a loan restructured once more during this monitoring period.
- 4) Other neutral criteria deemed appropriate by management.

Significant increase in credit risk definition

Loans are designated as the First Group (Standard loans), the Second Group (loans under close monitoring), the Third Group (loans with limited collection), the Fourth Group (loans in suspicious cases where the loss is expected) and the fifth group (Losses).

In this context, in the criteria applied for the loans classified in the first Group; the issue of future payment issues is not expected and the credit worthiness of the borrower of the loan has not weakened. In accordance with TFRS 9, loans subject to 12-month credit impairment are classified under the First Group (Stage 1).

The criteria applied for the credits classified in the Stage 2 are; unfavourable developments in debt payment or cash flows of debtors are observed or anticipated, problems arises in principal and / or interest payments in accordance with the terms of the loan agreement and the credit risk of the borrower is considerably increased. In accordance with TFRS 9, loans classified in the Stage 2 are subject to the provision of an expected lifetime loan loss provision.

The conditions for the loans classified in the stage 2 are stated below;

1. Past due more than 30 days,
- 2.The subject of in-bank restructuring,
3. Bankruptcy / concordatum registration
4. High level negative investigation
5. Restructured

Loans classified as third, fourth and fifth groups are considered as non-performing loans. In accordance with TFRS 9, these loans, which are subject to a lifetime impairment application, are classified under the Stage 3.

The relevant Staging criteria and default definitions are set out in accordance with TFRS 9 regulation and specified in the monitoring policies.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

e. Impairment For Expected Loss (Continued)

Under the contractual cash flows, the cash flows from the sale of the collateral and the cash flows from the loans are also taken into account.

In accordance with TFRS 9, probability-weighted scenarios are taken into account over the expected life of the financial instrument in order to estimate the expected losses. The assessment consists of an assessment of the possible outcomes, including the amount and timing of cash flows for certain outputs and the identification of possible scenarios that indicate the estimated likelihood of that outcome.

The Bank's loans have been evaluated and classified as of 30 September 2022 in line with the Regulation on the Classification of Loans and the Procedures and Principles Regarding Provisions to be Reserved for them; accordingly, a provision has been set aside.

The Bank uses a statistical model with credit risk parameters in accordance with the relevant legislation and accounting standards in the calculation of expected credit losses. Expected credit losses are measured using reasonable and supportable information and including macroeconomic variables, taking into account macroeconomic projections for the future as well as historical information. Within the scope of the macroeconomic model, it is used in the final estimation studies obtained by weighting three scenarios as base, optimistic and negative. The changes in Gross Domestic Product (GDP) are used as the main macroeconomic independent variable used in these estimates. Credit risk parameters used in the calculation of expected credit losses are reviewed and evaluated at least once a year within the framework of model validation processes. The macroeconomic forecasts used in risk parameter models and the historical default data of portfolios are re-evaluated in each quarter in order to reflect the changes in the economic conjuncture and updated as needed.

VIII. INFORMATION ON OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

IX. INFORMATION ON SALE AND REPURCHASE AGREEMENTS AND LENDING OF FINANCIAL ASSETS

Repurchase (“repo”) and resale (“reverse repo”) agreements of financial assets are followed at the balance sheet accounts. Financial assets which are sold to customers under repurchase agreements are categorized according to initial classification and are measured in accordance with the accounting policy of the related portfolio.

Funds obtained under repurchase agreements are accounted under funds provided under repurchase agreements in liability accounts. The interest expense accruals are calculated by means of internal rate of return method over the difference resulting from repurchase and sale prices for the relevant period.

Securities subject to repurchase (“reverse repo”) agreements are reflected under receivables from reverse repurchase agreements. The difference between the purchase and resell price which is related with the period is computed with the effective interest rate method for accrued interest income.

As of the balance sheet date, there is no security lending transactions.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

X. INFORMATION ON ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS

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

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

A discontinued operation is a part of an entity which is classified as to be disposed or held for sale. The results related to discontinuing operations are presented separately in the statement of profit or loss. The Bank does not have any discontinued operations.

XI. INFORMATION ON GOODWILL AND OTHER INTANGIBLE ASSETS

There is no goodwill in the accompanying financial statements related to the acquisition of a subsidiary.

The Bank’s intangible assets consist of software.

Intangible assets are initially recorded at their costs in compliance with the “TAS 38 - Intangible Assets”.

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. The intangible assets are amortized based on straight line amortization. The useful life of software is determined as 3-15 years.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the “TAS 36 - Impairment of Assets” and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

XII. INFORMATION ON TANGIBLE ASSETS

The costs of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. In subsequent periods no inflation adjustment is made for tangible assets, and costs which are restated as of 31 December 2004 are considered as their historical costs. Tangible assets purchased after 1 January 2005 are recorded at their historical costs after foreign exchange differences and financial expenses are deducted if any.

While the Bank is using the cost model under the TAS 16 “Property, Plant and Equipment” for the valuation of the property under tangible assets, it changed in 2017 and switched to a revaluation model in the valuation of real estates in use. The property value in the appraisal report prepared by the appraisal company and the net book value the positive difference is monitored in equity accounts.

Gains and losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price and recognized in the statement of profit or loss of the period.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XII. INFORMATION ON TANGIBLE ASSETS (Continued)

Maintenance and repair costs incurred for tangible assets are recorded as expense. Expenditures incurred that extend the useful life and service capacity of the assets are capitalized.

The depreciation rates used approximate the rates of the useful life of the tangible assets are as follows:

Tangible Assets	Estimated Useful Life (Years)	Depreciation Rate (%)
Buildings	37-44	2-3
Motor vehicles	5	20
Office equipment, furniture and fixture	3-50	2-33

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

At each reporting date, the Bank evaluates whether there is objective evidence of impairment on its assets. If there is an objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the "TAS 36 - Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

XIII. INFORMATION ON LEASING ACTIVITIES

Finance leasing activities as the lessor

Tangible assets acquired by way of finance leasing are recognized in tangible assets and the obligations under finance leases arising from the lease contracts are presented as "Finance Lease Payables" account in the financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through financial lease and in the expected future benefits, the leased assets are valued with net realizable value. Depreciation for assets obtained through financial lease is calculated in the same manner as tangible assets.

Interest and exchange rate expenses related to financial leasing are recognized in the statement of profit or loss. The Bank does not provide financial leasing services as a lessor.

Explanations on TFRS 16 Leases as-bank

The bank considers that the delivery of a contract does not carry the lease, or that the contract does not carry the lease. Checking the contract from the material process for a definite lease transaction, giving detailed information about this lease transaction. A usage area and a lease will be made to the tables of the Bank for the beneficiaries of the lease.

Right of use includes first method recognition and maintenance:

- Learned the first diagnoses received from the lease,
- from all transactions resulting from the actual payment of the lease, less all leases received
- All economic costs incurred by the bank

Right of use when applying bank transportation:

- Accumulated depreciation and accumulated impairment losses are deducted; and
- A revised review of the lease, with a view to reconsideration.

While the use of the right is subject to depreciation, the Bank applies it in accordance with TAS 16 Tangible Fixed Assets.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. INFORMATION ON LEASING ACTIVITIES (Continued)

Lease liability

At the commencement date of the lease, the Bank measures the lease liability at the present value of the lease payments not paid at that date. Lease payments are discounted using the alternative borrowing interest rate.

The lease payments included in the measurement of the lease liability at the commencement date consist of payments for the right to use the underlying asset during the lease term that are not paid at the commencement date of the lease.

After the actual commencement of the lease, the Bank measures the lease liability as follows:

- a) Increases the book value to reflect the interest on the lease liability,
- b) Decrease book value to reflect lease payments made; and
- c) Remeasure book value to reflect reassessments and restructurings, or to reflect fixed lease payments in revised substance.

The interest on the lease liability for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liability.

Operational leases

Based on TFRS 16, at the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the alternative borrowing interest rate. After the commencement date, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease. Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. After the commencement date, the lease liability is remeasured to reflect changes to the lease payments. The amount of the remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset. The lease liability is remeasured by discounting the revised lease payments using a revised discount rate, if either there is a change in the lease term or there is a change in the assessment of an option to purchase the underlying asset.

The carrying amount of the right-of-use asset is decreased to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. A corresponding adjustment to the right-of-use asset is made for all other lease modifications.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. INFORMATION ON PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions and contingent liabilities are provided for in accordance with the "TAS 37 - Provisions, Contingent Liabilities and Contingent Assets", except for the general and specific provisions set aside for the loans and other receivables.

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 obligation can be made.

A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate the amount of the obligation can be made.

As of the balance sheet date, there are no probable contingent liabilities resulting from past events whose amount can be reliably measured.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

XV. INFORMATION ON LIABILITIES REGARDING EMPLOYEE BENEFITS

Reserve for other benefits to employees

In accordance with existing Turkish Labor Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or as mentioned in related legislation. The computation of the liability is based upon the retirement pay ceiling announced. The applicable ceiling amount as at 30 September 2022 is TL 15,371.40 (full TL) (31 December 2021: TL 8,248.51 (full TL)). Reserve for employee termination benefits are calculated via net present value of estimated provision of probable liabilities will be arised in the future and reflected in the financial statements.

The Group reserved for employee severance indemnities in the accompanying consolidated financial statements using actuarial method in compliance with the updated "TAS 19 - Employee Benefits". In other comprehensive income / expense items not to be recycled to profit or loss.

The vacation pay obligation is calculated on the cumulative sum of the number of unused leave days that are deducted from the legally granted leave each year.

Other benefits to employees

The Bank has provided provision for undiscounted short-term employee benefits earned during the financial period as per services rendered in compliance with the updated TAS 19 in the accompanying unconsolidated financial statements.

SECTION THREE**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)****XVI. INFORMATION ON TAX APPLICATIONS****Corporate tax**

The Corporate Tax rate has been determined as 20% with Article 32 of the Corporate Tax Law No. 5520, which was published in the Official Gazette dated 21 June 2006 and numbered 26205. This rate is determined by the provisions of the 11th and 14th articles of the "Law on the Procedure for Collection of Public Claims and the Amendment of Certain Laws" published in the Official Gazette dated April 22, 2021 and numbered 31462. It has been rearranged as 25% for the corporate earnings for the 2021 accounting period and 23% for the 2022 accounting period earnings, starting from the declarations and being valid for the corporate earnings for the taxation period starting from January 1, 2021. With the Law No. 7394 published in the Official Gazette dated April 15, 2022 and numbered 31810, the general corporate tax rate for banks has been determined as 25% entered into force to be implemented. The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, and deducting the exemptions and deductions in the tax laws.

The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, and deducting the exemptions and deductions in the tax laws. No further tax is paid if the profit is not distributed.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. Provisional taxes paid during the year can be deducted from the corporate tax calculated on the annual corporate tax return of that year.

There is no withholding tax on profit shares (dividends) paid to institutions that generate income through a workplace or permanent representative in Turkey and to institutions residing in Turkey. While 15% withholding tax is applied on dividend payments excluding those paid to non-resident companies and institutions residing in Turkey that generate income through a workplace or their permanent representative in Turkey, this rate is 10% with the Presidential Decree published in the Official Gazette dated 22 December 2021 and numbered 31697. changed to. In the application of withholding tax rates for profit distributions to non-resident companies and real persons, the practices included in the relevant Double Taxation Agreements are also taken into consideration. Addition of profit to capital is not considered as profit distribution and withholding tax is not applied.

Within the framework of the provisions of the Corporate Tax Law No. 5520, 75% of the profits arising from the sale of the immovables, participation shares and founding certificates, usufruct shares and priority rights held by the institutions for at least two full years; It is exempted from corporate tax, provided that it is kept in a special fund account or added to the capital until the end of the fifth year following the year of sale, provided that it is collected until the end of the second calendar year. As of December 5, 2017, 50% exemption is applied for the gains arising from the sale of immovables and 75% for the gains arising from the sale of others.

The Law No. 7352, dated January 29, 2022, on the amendment of the Tax Procedure Law and the Corporate Tax Law was enacted with the Official Gazette numbered 31734 on January 29, 2022. It has been decided that the financial statements will not be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment within the scope of article 3 are met, and that the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. INFORMATION ON TAX APPLICATIONS

Corporate tax

5 December 2017 dates to be applied to the debts of the banks to the savings deposit insurance fund or owed because of legal proceedings in the case of institutions and their mortgage providers and guarantors having immovable property, shares in subsidiaries, the founder shares and dividend shares with pre-emption rights, all of the profits that hit the portion of the proceeds provided from the transfer to banks or this Fund in exchange for these debts used in the liquidation of these debts, as well as 75% of the profits arising from the sale of these assets obtained by banks in this way, are excluded from corporate tax.

With the Law No. 7394 published in the Official Gazette dated April 15, 2022 and numbered 31810, the general corporate tax rate for banks has been determined as 25%. entered into force to be implemented. This amendment will apply to the taxation of corporate earnings for periods beginning on 1 January 2022, starting with the declarations due 1 July 2022. On 30 September 2022, due to the fact that the tax rate change entered into force as of 15 April 2022, 25% was used as the tax rate in the calculations of the tax for the period in the financial statements of 30 September 2022.

For the end of the period dated 5 December 2017, 75% of the profits arising from the sale of the constituent shares, usufruct shares and pre-emptive rights of the institutions, real estate, subsidiary shares that are included in the assets for at least two full years, for the same period of time, will be applied; an exception is made from corporate tax, provided that it is kept in a special fund account in the passive until the end of the fifth year after the year of sale and is collected by the end of the second calendar year. On the other hand, No. 7061, "Some with tax laws amending some other acts" in accordance with the above mentioned institutions brought about by the arrangement of the rate of tax exempt; from the date of 5 December 2017, all profits from the sale of the immovable 50% for the others all profits from the sale of 75% is applied at.

Amending the law on tax procedure law dated 20 January 2022 and numbered 7352 corporate income tax law is enacted with the official gazette on 29 January 2022 numbered 31734, and temporary periods, including periods in 2021 and 2022, 2023 repeated within the scope of the accounting period the tax period inflation occurs regardless of whether the conditions of Article 298, adjusted for inflation, it was agreed that the financial statements could not be held.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. INFORMATION ON TAX APPLICATIONS (Continued)

Deferred taxes

The Bank calculates and accounts deferred tax assets and liabilities in accordance with the “TAS 12 - Income Taxes” and BRSA’s explanations; deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances used for taxation purposes except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the statement of profit or loss, then the related tax effects are also recognized in the statement of profit or loss. However, if transactions and events are recorded directly in the shareholders’ equity, the related tax effects are also recognized directly in the shareholders’ equity.

The net amount of deferred tax receivables and deferred tax payables is shown on the financial tables.

Transfer Pricing

In Turkey, the transfer pricing provisions has been stated under the Article 13 of Corporate Tax Law with the heading of disguised profit distribution via transfer pricing. “The General Communiqué on Disguised Profit Distribution via Transfer Pricing”, dated 18 November 2007 sets details about implementation.

If the companies enter into transactions concerning to the sale or the purchase of the goods or services with the related parties by setting the prices or amounts which are not in line with the arm’s length principle, related profits will be treated as having been wholly or partially distributed in a disguised way via transfer pricing. This kind of disguised profit distribution via transfer pricing cannot be deducted from tax base in accordance with corporate tax.

XVII. ADDITIONAL INFORMATION ON BORROWINGS

The Bank accounts for its borrowing instruments in accordance with TFRS 9 “Financial Instruments” standard and evaluates all its financial liabilities with the “effective interest rate” method in subsequent periods. There are no borrowings required to apply the hedging techniques in respect of the accounting and valuation methods of borrowing instruments and liabilities that represent borrowing.

The Bank did not issue any stocks convertible into bonds.

The Bank does not have borrowing instruments issued by itself.

XVIII. INFORMATION ON SHARE ISSUANCES

The Bank has not issued any share in the current year.

XIX. INFORMATION ON BILLS OF EXCHANGES AND ACCEPTANCES

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

There are no acceptances presented as liabilities against any assets.

XX. INFORMATION ON GOVERNMENT INCENTIVES

There are no government incentives utilized by the Bank as of 31 December 2021 and 30 September 2022.

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXI. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash on hand, demand deposits and other highly liquid short-term investments with maturities of 3 months or less following the date of acquisition, which is readily convertible to a known amount of cash and does not bear the risk of significant amount of value change. The book values of these assets represent their fair values. Cash equivalents and balances regarding banks are valued by the period end counter foreign currency buying rate of the Bank.

For the purposes of the cash flow statement, “Cash” includes cash, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and “Cash equivalents” include interbank money market placements and time deposits at banks with original maturity periods of less than six months.

XXII. INFORMATION ON SEGMENT REPORTING

Operating segment is the unit that operates in only one product or service of the Bank or the group of products or services which are related each other and differs from other units from the point of risk and profit. Operating segments are presented in the footnote VIII of Fourth Section.

XXIII. OTHER DISCLOSURES

Profit reserves and profit distribution

Retained earnings other than legal reserves are available for distribution, subject to legal reserve requirement referred to below.

The legal reserves are comprised of first and second reserves, in accordance with the Turkish Commercial Code (“TCC”). The first legal reserve is appropriated out of the profits at the rate of 5% until the total reserve reaches a maximum of 20% of the Bank’s paid in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of the 5% of the Company’s share capital; however, holding companies are not subject to this application. First and second legal reserves can only be used to compensate accumulated losses and cannot be used for profit distribution unless they exceed 50% of paid-in capital.

Related parties

In accompanying financial statements, shareholders, key management personnel and board members together with their families and companies controlled by or affiliated by them associated and jointly controlled entities are considered as Related Parties in compliance with “TAS 24 - Related Party Disclosures”.

Explanations related to high inflation accounting

On 20 January 2022, announcement made by the Public Oversight Authority stated that the companies applying TFRS do not need to make any adjustments in the scope of TAS 29 Financial Reporting in High-Inflation Economies in their financial statements for the year ended 31 December 2021. As no new announcement has been made by the Public Oversight Authority regarding the application of inflation accounting, no inflation correction has been made in accordance with TAS 29 when preparing the financial statements dated 30 September 2022.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR**INFORMATION ON THE FINANCIAL POSITION OF THE BANK****I. INFORMATION ON SHAREHOLDER'S EQUITY****Information about Total Capital (Current Period)**

	Amount	Amounts related to treatment before 1/1/2014 ⁽¹⁾
TIER II CAPITAL	1,489,779	
Paid-in capital following all debts in terms of claim in liquidation of the Bank	440,000	
Share issue premiums	-	
Reserves	51,725	
Gains recognized in equity as per TAS	101,274	
Profit	896,780	
Current Period Profit	178,126	
Prior Period Profit	718,654	
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	1,489,779	
Deductions from Common Equity Tier 1 Capital	6,993	
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	-	
Improvement costs for operating leasing	69	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	6,924	6,924
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
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	6,993	
Total Common Equity Tier 1 Capital	1,482,786	

ARAP TÜRK BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

I. INFORMATION ON SHAREHOLDER'S EQUITY (Continued)

	Amount	Amounts related to treatment before 1/1/2014 ⁽¹⁾
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank 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	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	1,482,786	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	35,991	
Tier II Capital Before Deductions	35,991	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	35,991	
Total Capital (The sum of Tier I Capital and Tier II Capital)	1,518,777	
The sum of Tier I Capital and Tier II Capital (Total Capital)		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovable Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	-	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank 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 (-)	-	

ARAP TÜRK BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

I. INFORMATION ON SHAREHOLDER'S EQUITY (Continued)

	Amount	Amounts related to treatment before 1/1/2014 ⁽¹⁾
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
TOTAL CAPITAL	1,518,777	
Total Capital	1,518,777	
Total risk weighted amounts	8,816,945	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	17.37	
Tier 1 Capital Adequacy Ratio (%)	17.37	
Capital Adequacy Ratio (%) ^(*)	17.77	
BUFFERS		
Total buffer requirement	2.683	
Capital conservation buffer requirement (%)	2.500	
Bank specific counter-cyclical buffer requirement (%)	0.351	
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	12.87	
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	-	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	35,991	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	35,991	
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	-	

^(*)Calculated taking into account the measures in the announcement dated 21 December 2021. As of 30 September 2022, based on the Banking Regulation and Supervision Agency's decision dated 21 December 2021 and numbered 9996, the net valuation differences of the securities in the portfolio of "Securities at Fair Value Reflected in Other Comprehensive Income" as of the decision date are negative. The amount subject to credit risk has been calculated by using the Central Bank's foreign exchange buying rate as of 31 December 2021.

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR
INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)
I. INFORMATION ON SHAREHOLDER'S EQUITY (Continued)
Information about Total Capital (Prior Period)

	Amount	Amounts related to treatment before 1/1/2014 ⁽¹⁾
TIER II CAPITAL	1,334,796	
Paid-in capital following all debts in terms of claim in liquidation of the Bank	440,000	
Share issue premiums	-	
Reserves	43,709	
Gains recognized in equity as per TAS	124,417	
Profit	726,670	
Current Period Profit	160,336	
Prior Period Profit	566,334	
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	1,334,796	
Deductions from Common Equity Tier 1 Capital	3,863	
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	-	
Improvement costs for operating leasing	119	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	3,744	3,744
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
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	3,863	
Total Common Equity Tier 1 Capital	1,330,933	

ARAP TÜRK BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

I. INFORMATION ON SHAREHOLDER'S EQUITY (Continued)

	Amount	Amounts related to treatment before 1/1/2014 ⁽¹⁾
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank 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	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	1,330,933	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	37,563	
Tier II Capital Before Deductions	37,563	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	37,563	
Total Capital (The sum of Tier I Capital and Tier II Capital)	1,368,496	
The sum of Tier I Capital and Tier II Capital (Total Capital)	1,368,496	
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovable Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	-	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank 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 (-)	-	

ARAP TÜRK BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

I. INFORMATION ON SHAREHOLDER'S EQUITY (Continued)

	Amount	Amounts related to treatment before 1/1/2014 ⁽¹⁾
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
TOTAL CAPITAL	1,368,496	
Total Capital	1,368,496	
Total risk weighted amounts	5,470,389	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	24.94	
Tier 1 Capital Adequacy Ratio (%)	24.94	
Capital Adequacy Ratio (%) ⁽²⁾	25.63	
BUFFERS		
Total buffer requirement	2.683	
Capital conservation buffer requirement (%)	2.500	
Bank specific counter-cyclical buffer requirement (%)	0.18	
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	20.44	
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	-	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	37,563	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	37,563	
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	-	

⁽¹⁾ The amounts of items in accordance with transition provisions.

⁽²⁾ Calculated taking into account the measures in the announcement dated December 21, 2021. As of 31 December 2021, the Bank has negative net valuation differences of the securities held in the "Securities at Fair Value Reflected in Other Comprehensive Income" portfolio, pursuant to the Banking Regulation and Supervision Agency's decision dated 21 December 2021 and numbered 9996. Calculated the amount subject to credit risk by taking into account the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days as of 31 December 2021.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR**INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)****I. INFORMATION ON SHAREHOLDER'S EQUITY (Continued)**

The Bank's internal capital requirements within the scope of the internal capital adequacy assessment process in order to evaluate the adequacy of the approach in terms of current and future activities

The Bank has procedures and reports under the name of internal capital assessment process. In order to assess the capital adequacy of the current year, the Bank analyses the legal ratios and budget expectations to qualitate them for the effect on the legal capital adequacy and economic capital of the Bank. With these procedures and reports the Bank covers all risk in capital adequacy requirements.

Information Related to the Components which Subject to Temporary Implementation in the Calculation of Equity

None.

Necessary Explanations in order to Reach an Agreement Between the Statement of Shareholders's Equity and Balance-Sheet Amounts

Current Period	Balance sheet value	Amount of adjustment	Value at capital report
Paid-in capital	440,000	-	440,000
Other Capital Reserves	-	-	-
Bonus Shares which are not accounted in the current period profit or loss of Associates, Subsidiaries and Joint-Ventures	-	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	-	-	-
Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss	135,362	-	135,362
Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss	(34,088)	-	(34,088)
Profit Reserves	51,725	-	51,725
Profit or Loss	896,780	-	896,780
Prior Periods' Profit/Loss	718,654	-	718,654
Current Period Net Profit/Loss	178,126	-	178,126
Deductions from Common Equity Tier 1 Capital (*)	-	6,993	(6,993)
Common Equity Tier 1 capital	-	-	1,482,786
Tier 1 capital	-	-	1,482,786
Provisions	-	(35,991)	35,991
Tier 2 capital (**)	-	(35,991)	35,991
Shareholders' Equity Adjustments (***)	-	-	-
Total Shareholders' Equity	1,489,779	(28,998)	1,518,777

(*) The regulations cover Common Equity Tier 1 capital adjustments within the framework of paragraphs 9-1-b and c.

(**) The regulations cover general loan provisions included in Tier 2 capital within the framework of paragraphs 8-1-a.

(***) The regulations cover Shareholders' Equity adjustments within the framework of paragraphs 9-8-ç.

SECTION FOUR**INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)****II. INFORMATION ON FOREIGN CURRENCY EXCHANGE RATE RISK**

Whether the Bank is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the Bank sets limits for positions that are monitored daily

The Bank complies with net general position-shareholder's equity limits. The Bank has the possibility to borrow a significant amount of foreign currency.

Within the context of the market risk management work of the Risk Management Department, the Bank's Exchange rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The Exchange rate risk is measured according to market risk calculated using the Standard Method and is included in the capital adequacy ratio. For testing effects of the unexpected exchange rate fluctuations on the Bank monthly basis stress test analysis are done. In addition, by classifying the changes in risk factors different scenario analysis are done based on different exchange rate expectations. The sensitivity of assets, liabilities and off-balance sheets against exchange rate are measured by an analysis on a monthly basis.

The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using hedging derivatives

The Bank does not have any financial derivatives used for hedging.

Foreign exchange risk management policy

Transactions are being hedged according to the Central Bank of Turkey's basket of currencies instantly. Manageable and measurable risks are taken in the scope of the regulatory limits.

Foreign exchange buying rates of the last five business days before the balance sheet date as publicly announced by the Bank, are as follows

Date	US Dollars	Euro
23 September 2022	18.3702	17.9431
24 September 2022	18.4266	17.7909
27 September 2022	18.4509	17.7719
28 September 2022	18.4862	17.6711
29 September 2022	18.5038	17.9232
30 September 2022	18.5187	18.1395

The basic arithmetical average of the bank's foreign exchange bid rate for the last thirty days

The basic arithmetical average of the Bank's foreign exchange bid rate for September 2022 is TL 18.2973 for USD, TL 18.1279 for EURO.

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR
INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)
II. INFORMATION ON FOREIGN CURRENCY EXCHANGE RATE RISK (Continued)
Information on Currency Risk

Current Period	Euro	US Dollars	Other	Total
Assets				
Cash (Cash in Vault, Foreign currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,013,308	1,083,973	658	2,097,939
Banks	210,155	232,711	39,464	482,330
Financial Assets Measured at Fair Value through Profit or Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	343,579	957,773	-	1,301,352
Loans	1,392,332	851,489	-	2,243,821
Investments in Subsidiaries and Associates	-	-	-	-
Financial Assets Measured at Amortised Cost	1,367,328	1,431,323	-	2,798,651
Financial Derivative held for Hedging (Assets)	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	6,465	6,982	-	13,447
Total Assets ⁽¹⁾	4,333,167	4,564,251	40,122	8,937,540
Liabilities				
Bank Deposits	1,197,487	283,001	2,843	1,483,331
Foreign Currency Deposits	1,285,866	1,486,360	34,858	2,807,084
Money Market Borrowings	-	-	-	-
Funds Borrowed from Other Financial Institutions	1,819,453	2,754,968	-	4,574,421
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	-	-	-	-
Financial Derivatives held for Hedging (Liabilities)	-	-	-	-
Other Liabilities	28,484	50,021	1,235	79,740
Total Liabilities	4,331,290	4,574,350	38,936	8,944,576
Net Balance Sheet Position	1,877	(10,099)	1,186	(7,036)
Net Off Balance Sheet Position ⁽²⁾	(18,140)	-	-	(18,140)
Financial Derivatives (Assets)	-	-	-	-
Financial Derivatives (Liabilities)	(18,140)	-	-	(18,140)
Non-Cash Loans	2,809,250	4,249,932	896,224	7,955,406
Prior Period				
Total Assets	3,869,188	4,268,229	22,703	8,160,120
Total Liabilities	3,874,918	4,285,697	22,382	8,182,997
Balance Sheet Position, net	(5,730)	(17,468)	321	(22,877)
Off Balance Sheet Position, net	-	-	-	-
Financial Derivatives (Assets)	-	-	-	-
Financial Derivatives (Liabilities)	-	-	-	-
Non-Cash Loans	2,993,431	2,678,271	697,133	6,368,835

(1) In accordance with the provisions of the "Regulation on the Calculation and Application of Foreign Currency Net General Position / Equity Standard Ratio in Banks' Consolidated and Non-Consolidated Basis"; Equity amounting to TL 49,029 has not been taken into consideration in calculating the risk of exchange rate.

(2) In the current period TL 18,140 forward asset purchase and sale commitments are included in derivative financial instruments payables.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR**INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)****II. INFORMATION ON FOREIGN CURRENCY EXCHANGE RATE RISK (Continued)****Exposed currency risk**

The possible increases or decreases in the shareholders' equity and the profit/loss as per an assumption of depreciation/appreciation by 10 percent of TL against currencies mentioned below as of 30 September 2022 and 30 September 2021 are presented in the below table. The other variables, especially the interest rates, are assumed to be fixed in this analysis.

Assuming 10 percent appreciation of TL;

	Current Period		Prior Period	
	Statement of Profit or Loss	Shareholders' Equity ⁽¹⁾	Statement of Profit or Loss	Shareholders' Equity ⁽¹⁾
Euro	(451)	1,626	(355)	(300)
US Dollar	(1,816)	1,010	(985)	(1,414)
Other Currencies	(119)	(119)	(103)	(103)
Total	(2,386)	2,517	(1,443)	(1,817)

⁽¹⁾ The effect on shareholders' equity also includes the effect on the profit/loss.

Assuming 10 percent depreciation of TL;

	Current Period		Prior Period	
	Statement of Profit or Loss	Shareholders' Equity ⁽¹⁾	Statement of Profit or Loss	Shareholders' Equity ⁽¹⁾
Euro	451	(1,626)	355	300
US Dollar	1,816	(1,010)	985	1,414
Other Currencies	119	119	103	103
Total	2,386	(2,517)	1,443	1,817

⁽¹⁾ The effect on shareholders' equity also includes the effect on the profit/loss.

SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

III. INFORMATION ON INTEREST RATE RISK

Interest rate sensitivity of the assets, liabilities and off-balance sheet items

Within the context of the market risk management of the Risk Management Department, the Bank’s interest rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The interest rate risk is measured according to market risk calculated using the standard method and is included in the capital adequacy ratio. To test the effect of the interest rate fluctuations on the Bank monthly based stress test analysis are done.

In addition, by classifying the changes in risk factors different scenario analysis are done based on different interest rate expectations. The sensitivity of assets, liabilities and off-balance sheets against interest rate are measured by an analysis on a monthly basis.

The expected effects of the fluctuations of market interest rates on the Bank’s financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates

The Board of Directors has determined limits for the amount exposed to market risk/ shareholder’s equity, to be maximum 45% for the early warning limit, 50% for limit maximum, and maximum 55% for limit exception in order to follow interest rate risk, exchange rate risk and equity price risk.

The precautions taken for the interest rate risk the Bank was exposed to during the current year and their expected effects on net income and shareholders’ equity in the future periods

Although the increase in interest rates have a limited negative effect on the Bank’s financial position the Bank’s Equity structure is able to confront the negative effects of possible fluctuations in the interest rates.

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR
INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)
III. INFORMATION ON INTEREST RATE RISK (Continued)
Information related to interest rate sensitivity of assets, liabilities and off-balance sheet items

Based on re-pricing dates

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey	-	-	-	-	-	2,171,815	2,171,815
Banks	687,496	-	-	-	-	-	687,496
Financial assets at fair value through Profit or Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	1,801	450,714	842,534	-	7,588	1,302,637
Loans	1,045,584	1,110,059	1,185,169	83,905	-	3,113	3,427,830
Financial Assets Measured at Amortized Cost	7,157	1,077	1,142,745	1,727,869	-	-	2,878,848
Other assets ⁽¹⁾	-	-	-	-	-	433,459	433,459
Total assets	1,740,237	1,112,937	2,778,628	2,654,308	-	2,615,975	10,902,085
Liabilities							
Bank Deposits	1,307,156	-	183,052	-	-	20	1,490,228
Other Deposits	74,488	253,506	54,494	-	-	2,686,248	3,068,736
Money Market Borrowings	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	1,039,249	-	3,541,329	-	-	-	4,580,578
Other Liabilities (2)	260	529	1,697	3,545	-	1,756,512	1,762,543
Total liabilities	2,421,153	254,035	3,780,572	3,545	-	4,442,780	10,902,085
Long Position in the Balance Sheet	-	858,902	-	2,650,763	-	-	3,509,665
Short Position in the Balance Sheet	(680,916)	-	(1,001,944)	-	-	(1,826,805)	(3,509,665)
Long Position in the Off-balance Sheet	-	-	-	-	-	-	-
Short Position in the Off-balance Sheet	-	-	-	-	-	-	-
Total Position	(680,916)	858,902	(1,001,944)	2,650,763	-	(1,826,805)	-

⁽¹⁾ Other Assets: The amount of TL 433,459 in the Non-Interest Bearing column is composed of Tangible Assets amounting to TL 209,104, Subsidiaries amounting to TL 140,199, Expected Credit Loss amounting to TL 15,013, Intangible Assets amounting to TL 6,924, Other Assets amounting to TL 72,570, Deferred Tax Assets amounting to 18,675 TL and Assets Held For Sale Purpose amounting to TL 1,000 of other undistributed amounts.

⁽²⁾ Other Liabilities: The amount of TL 1,756,512 in the Non-Interest Bearing Column is composed of Shareholders' Equity amounting to TL 1,489,779, Provisions amounting to TL 101,471, Current Tax Liability amounting to TL 37,141, and other Non-Interest Bearing amounts included in Other Liabilities amounting to TL 128,121.

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR
INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)
III. INFORMATION ON INTEREST RATE RISK (Continued)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey	-	-	-	-	-	1,666,336	1,666,336
Banks	1,293,306	-	-	-	-	-	1,293,306
Financial assets at fair value through Profit or Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	255,100	-	-	-	-	-	255,100
Financial Assets at Fair Value Through Other Comprehensive Income	69	99,239	213,698	868,828	-	5,571	1,187,405
Loans	1,132,849	545,132	437,840	542,719	-	3,297	2,661,837
Financial Assets Measured at Amortized Cost	11,840	253,658	495,768	1,516,597	-	-	2,277,863
Other assets ⁽¹⁾	-	-	-	-	-	364,645	364,645
Total Assets	2,693,164	898,029	1,147,306	2,928,144	-	2,039,849	9,706,492
Liabilities							
Bank deposits	1,262,331	301,854	-	-	-	-	1,564,185
Other deposits	50,617	36,563	28,501	4,168	-	2,260,624	2,380,473
Money market borrowings	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	1,167,639	-	2,820,101	266,624	-	-	4,254,364
Other liabilities ⁽²⁾	214	526	1,301	4,179	-	1,501,250	1,507,470
Total Liabilities	2,480,801	338,943	2,849,903	274,971	-	3,761,874	9,706,492
Long Position in the Balance Sheet	212,363	559,086	-	2,653,173	-	-	3,424,622
Short Position in the Balance Sheet	-	-	(1,702,597)	-	-	(1,722,025)	(3,424,622)
Long Position in the Off-balance Sheet	-	-	-	-	-	-	-
Short Position in the Off-balance Sheet	-	-	-	-	-	-	-
Total Position	212,363	559,086	(1,702,597)	2,653,173	-	(1,722,025)	-

⁽¹⁾ Other Assets: The amount of TL 364,645 in the Non-Interest Bearing column is composed of Tangible Assets amounting to TL 207,657, Subsidiary amounting to TL 126,202, Subsidiaries amounting to TL 15,552, Expected Credit Loss amounting to TL 3,744, Intangible Assets amounting to TL 32,921, Other Assets amounting to TL 8,673 and Assets Held For Sale Purpose amounting to TL 1,000 of other undistributed amounts.

⁽²⁾ Other Liabilities: The amount of TL 1,501,250 in the Non-Interest Bearing Column is composed of Shareholders' Equity amounting to TL 1,334,796, Current Tax Liability amounting to TL 81,044, Deferred Tax Liability amounting to TL 22,418 and other Non-Interest Bearing amounts included in Other Liabilities amounting to TL 62,992.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR**INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)****III. INFORMATION ON INTEREST RATE RISK (Continued)****Average interest rates applied to monetary financial instruments (%)**

Current Period	EURO	US Dollars	TL
Assets			
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey.	-	-	8.50
Banks	-	2.87	12.80
Financial Assets at Fair Value Through Profit or Loss	-	-	-
Money Market Placements	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.93	4.92	18.20
Loans	5.58	7.79	22.74
Financial Assets Measured at Amortized Cost	3.41	7.23	19.24
Liabilities			
Interbank Deposits	2.50	-	15.26
Other Deposits	0.54	1.46	15.52
Money Market Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued	-	-	-
Funds Borrowed from Other Financial Institutions	1.55	2.87	22.00
Prior Period	EURO	US Dollars	TL
Assets			
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey.	-	-	12.36
Banks	0.01	0.42	17.72
Financial Assets at Fair Value Through Profit or Loss	-	-	-
Money Market Placements	-	-	14.27
Financial Assets at Fair Value Through Other Comprehensive Income	2.90	5.98	9.86
Loans	4.29	2.77	23.54
Financial Assets Measured at Amortized Cost	3.38	6.21	17.83
Liabilities			
Interbank Deposits	1.04	0.56	-
Other Deposits	0.28	0.50	13.88
Money Market Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued	-	-	-
Funds Borrowed from Other Financial Institutions	0.78	2.33	-

SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

IV. INFORMATION ON STOCK POSITION RISK

Equity investment risk due from banking book

The Bank does not have equity investment risk due to subsidiary and securities issued capital which classified banking accounts are not traded on the stock exchange.

Information on booking value, fair value and market value of equity investments

None.

Information on equity investments realized gains or losses, revaluation increases and unrealized gains or losses and these amounts including capital contribution.

None.

Breakdown of the amount of capital requirements on investments in related stock exchange basis, depending on the Credit Risk Standard Method or the capital requirement calculation method which bank has chosen out of allowed methods stated in the Communique Regarding Calculation of Credit Risk Amount on Internal Rating Based Approach.

None.

V. INFORMATION ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO

Information on liquidity risk management regarding risk capacity of the Bank, responsibilities and structure of the liquidity risk management, reporting of the liquidity risk in the Bank, the way that sharing liquidity risk strategy, policy and implementations with the board of directors and job fields.

Evaluation of capacity of liquidity risk position of the Bank depends on current liquidity position, current and estimated asset quality, current and future income capacity, historical funding needs, estimated funding needs and decreasing funding needs or analysis of decrease in additional funding choices. One or more actions below are done to find funds in order to maintain liquidity needs.

- Disposal of the liquid assets
- Maintain increasing short-term debts and/or additional short-term time deposit and deposit like assets
- Decrease in moveable long-term assets
- Increase in long term liabilities
- Increase in equity funds

Responsibility of the management of general liquidity belongs to Top Level Management, Treasury Department or Asset/Liability Committee (“ALCO”) which is consisting of Risk Management executives. Appropriate controls and balances are maintained in every condition.

Analysis of effects of various stress scenarios on the liquidity position and establishment of limits are crucial in order to establish effective liquidity risk management. Limits are determined according to the size of the Bank, complexity of transactions and suitability of the financial conditions.

SECTION FOUR**INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)****V. INFORMATION ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)**

One of the important components of liquidity management is management information system which is created to offer information about the liquidity position of the Bank to the Board of Directors, top level management and related appropriate personnel at the right time. Strong management information system is an integral part of the reliable decision making process of the liquidity.

One of the important aspects of liquidity management is making assumptions on prospective funding needs. Although final cash inflows and outflows can be easily calculated or estimated, the Bank also makes short-term and long-term assumptions. Another important consideration is that the Bank's reputation plays an important role in reaching the funds it needs in a reasonable amount of time.

Management also has an emergency plan to be implemented in the absence of accurate projections. An effective emergency planning consists of identifying minimum and maximum liquidity needs and weighting alternatives that will be used to meet these needs.

The degree of centralization of liquidity management and funding strategy and information about the functioning between the Bank and its shareholders

The Bank is supported by well-established shareholders among most powerful financial institutions in Turkey, Middle East and the North African region. The Bank's largest shareholder is Libyan Foreign Bank which is 100% owned by the Central Bank of Libya has the Bank. Funds received from the Bank's risk group have a 29% share in liabilities.

Information on the Bank's funding strategy including the policies regarding diversification of funding sources and periods

The Bank obtains its fund sources mainly from the parent Libyan Foreign Bank and its subsidiaries. These Funds are reliable sources which are ongoing for many years with renewing terms and expected to continue thereafter.

Currencies constituting minimum five percent of the Bank's total liabilities

A large portion of the Bank's liabilities consist of funds obtained from the parent Libyan Foreign Bank and group banks. 90% of these funds are USD, 10% are EUR.

Information regarding to the liquidity risk mitigation techniques used

The Bank's liquidity risk mitigation techniques are retention of high-quality liquid assets on hand, provide maturity match between assets and liabilities and having the option to obtain funds from different banks in its risk groups.

Information regarding to the usage of Stress Tests

Stress tests are applied by changing the percentage of the parameters regarding to the liquidity ratio calculation. Subjected components, particularly high-quality liquid assets, including cash inflows and cash outflows are increased and decreased at various rates to measure the effects on the calculation. The test results provide guidance on liquidity management.

SECTION FOUR**INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)****V. INFORMATION ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)****General information on the emergency and contingency plan of Liquidity**

The Liquidity Emergency Action Plan prepared by the Bank's Assets and Liabilities Committee was presented to the Board of Directors and approved by Council Decision No. CRC / 316-A/6/18 at 5 October 2018. Decisions on the plan;

- Bank-specific crisis and general market crisis has been described,
- The decision of proportional and structural changes of assets and liabilities in the balance sheet is delegated to Assets and Liabilities Committee,
- Agreed that the Liquidity Dashboard which includes available and accessible liquidity sources of the Bank, asset sales, loan repayments and liquidity usage submitted periodically to Assets and Liabilities Committee by the Treasury Department.
- Within the framework of an effective liquidity risk management of the Treasury Department, where necessary, acting jointly with other business units to avoid concentration of funding sources, following different funding options and current trends and reporting on costs is expressed,
- If necessary, making changes in the Emergency Action Plan and update it according to market conditions and balance sheet structure is delegated to Assets and Liabilities Committee.

The Bank keeps liquidity buffer in high level by periods when the liquidity risk may increase. With this approach, the effect of volatility in the markets due to the adverse effects of Covid-19 outbreak on the Bank's liquidity need is in minimum level. Measures have been taken by the Bank for the provision and stable management of liquidity in an emergency.

Liquidity coverage ratio

In accordance with the "Regulation on calculation of Bank's liquidity coverage ratio", published in Official Gazette no. 28948, dated 21 March 2014, liquidity coverage ratio is calculated which disclosed to the public in the following format. The monthly simple arithmetic average calculated consolidated liquidity coverage ratio of the last six months average, the weekly simple arithmetic average calculated liquidity coverage ratio of the last six months average.

The weekly calculated lowest and highest values of unconsolidated foreign currency and total liquidity coverage ratio by weeks are as follows:

	Month	FC	Month	FC+TL
Lowest	30 September 2022	210	26 August 2022	269
Highest	29 July 2022	386	29 July 2022	472

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR
INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)
V. INFORMATION ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

The weekly simple arithmetic average calculated liquidity coverage ratio of the last six months average is as following

Current Period	Consideration Ratio Not Applied Total Value ⁽¹⁾		Consideration Ratio Applied Total Value ⁽¹⁾	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
1 High quality liquid assets	7,263,289	7,105,785	5,817,181	5,698,086
CASH OUTFLOWS				
2 Real person deposits and retail deposits	1,392,277	1,343,943	137,091	134,394
3 Stable deposit	42,723	-	2,136	-
4 Deposit with low stability	1,349,554	1,343,943	134,955	134,394
5 Unsecured debts except real person deposits and retail deposits	4,565,070	4,283,557	3,459,934	3,228,214
6 Operational deposit	-	-	-	-
7 Non-operating deposits	4,311,493	4,210,527	3,206,357	3,155,184
8 Other unsecured debts	253,577	73,030	253,577	73,030
9 Secured debts	-	-	-	-
10 Other cash outflows	-	-	-	-
11 Derivative liabilities and margin obligations	-	-	-	-
12 Debt from structured financial instruments	-	-	-	-
13 Other off-balance sheet liabilities and commitments for the payment owed to financial markets	-	-	-	-
14 Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	-	-	-	-
15 Other irrevocable or provisory revocable off-balance sheet liabilities	8,311,246	8,239,131	445,810	440,349
16 TOTAL CASH OUTFLOW	14,268,593	13,866,631	4,042,835	3,802,957
CASH INFLOWS				
17 Secured receivables	-	-	-	-
18 Unsecured claims	2,374,666	1,615,627	2,181,947	1,563,370
19 Other cash inflows	56,597	56,597	56,597	56,597
20 TOTAL CASH INFLOWS	2,431,263	1,672,224	2,238,544	1,619,967
Upper limit applied amounts				
21 TOTAL HQLA STOCK			5,817,181	5,698,086
22 TOTAL NET CASH OUTFLOWS			1,804,291	2,182,990
23 LIQUIDITY COVERAGE RATIO (%)			322.41	261.02

⁽¹⁾ The weekly simple arithmetic average calculated liquidity coverage ratio of the last three months average.

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR
INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)
V. INFORMATION ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

Prior Period	Consideration Ratio Not Applied Total Value ⁽¹⁾		Consideration Ratio Applied Total Value ⁽¹⁾	
	TL+FC	FC	TC+FC	FC
HIGH QUALITY LIQUID ASSETS				
1 High quality liquid assets	4,488,715	4,152,331	3,700,694	3,364,310
CASH OUTFLOWS				
2 Real person deposits and retail deposits	826,547	785,977	80,782	78,598
3 Stable deposit	37,446	-	1,872	-
4 Deposit with low stability	789,101	785,977	78,910	78,598
5 Unsecured debts except real person deposits and retail deposits	2,896,438	2,729,864	2,240,824	2,084,298
6 Operational deposit	-	-	-	-
7 Non-operating deposits	2,707,486	2,681,826	2,051,872	2,036,260
8 Other unsecured debts	188,952	48,038	188,952	48,038
9 Secured debts	-	-	-	-
10 Other cash outflows	-	-	-	-
11 Derivative liabilities and margin obligations	-	-	-	-
12 Debt from structured financial instruments	-	-	-	-
13 Other off-balance sheet liabilities and commitments for the payment owed to financial markets	-	-	-	-
14 Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	-	-	-	-
15 Other irrevocable or provisory revocable off-balance sheet liabilities	5,734,244	5,692,687	323,312	318,373
16 TOTAL CASH OUTFLOW	9,457,229	9,208,528	2,644,918	2,481,269
CASH INFLOWS				
17 Secured receivables	-	-	-	-
18 Unsecured claims	1,804,316	1,301,740	1,623,012	1,257,474
19 Other cash inflows	83,610	26,377	83,610	26,377
20 TOTAL CASH INFLOWS	1,887,926	1,328,117	1,706,622	1,283,851
21 TOTAL HQLA STOCK			3,700,694	3,364,310
22 TOTAL NET CASH OUTFLOWS			957,404	1,197,484
23 LIQUIDITY COVERAGE RATIO (%)			386.53	280.95

⁽¹⁾ The weekly simple arithmetic average calculated liquidity coverage ratio of the last three months average.

SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

V. INFORMATION ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

Sections High-quality liquid assets comprised of

High-quality liquid assets consist of cash, effectives, debt instruments issued by CBRT and treasury, debt instruments with a credit or default rating from A+ to BBB- or any equivalent Debt Instruments. CBRT accounts for 39% of high-quality liquid assets of the Bank, while 60% comprised of debt instruments issued by the Treasury, and 1% from safe and effective warehouses.

Sections Funding sources comprised of and their densities within all funds

A significant part of the funding sources are comprised of deposits received. 42% of the total liabilities are deposits received. 33% of these deposits are deposits obtained from banks.

Information on cash outflows arising from derivative transactions and transactions that are subject to collateralization

Cash outflows due to derivative contracts occur during periods when the bank's derivative liabilities exceed its derivative receivables. As of 30 September 2022, the bank has no derivative transactions. Therefore, there is no net cash outflow arising from derivative transactions.

Counterparty and product-based funding sources and concentration limits on collaterals

A significant part of the funding sources are comprised of deposits received. 42% of the liability is deposits and 33% of these deposits are from banks. All of these liabilities are warrantless.

Funding needs in terms of the Bank itself, foreign branches and consolidated subsidiaries taking into account operational and legal factors that inhibits the Bank's liquidity transfer and liquidity risk exposure

The Bank obtains funds essentially from main shareholder Libyan Foreign Bank and its subsidiaries. These reliable and ongoing funds are renewed at different maturities and expected to continue for many years.

Other cash inflows and outflows that are included in liquidity coverage calculation but not included in the public disclosure template in the second paragraph and considered to be related with the Bank's liquidity profile

None.

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR
INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)
V. INFORMATION ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)
Presentation of assets and liabilities based on their outstanding maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Unallocated	Total
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Central Bank balances	148,117	2,023,698	-	-	-	-	-	2,171,815
Banks	280,203	407,293	-	-	-	-	-	687,496
Financial Assets at Fair Value through Profit or Loss	-	-	-	-	-	-	-	-
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-	1,801	450,718	842,530	-	7,588	1,302,637
Loans	-	1,045,583	843,842	1,451,387	83,905	-	3,113	3,427,830
Financial Assets Measured at Amortized Cost	-	7,157	1,077	1,142,745	1,727,869	-	-	2,878,848
Other assets ⁽¹⁾	-	-	-	-	-	-	433,459	433,459
Total Assets	428,320	3,483,731	846,720	3,044,850	2,654,304	-	444,160	10,902,085
Liabilities								
Interbank Deposits	1,097,030	210,146	-	183,052	-	-	-	1,490,228
Other Deposits	2,686,248	74,488	253,484	54,516	-	-	-	3,068,736
Money market borrowings	-	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Funds provided from other financial institutions	-	1,039,249	-	3,541,329	-	-	-	4,580,578
Other liabilities ⁽²⁾	-	260	529	1,697	3,545	-	1,756,512	1,762,543
Total Liabilities	3,783,278	1,324,143	254,013	3,780,594	3,545	-	1,756,512	10,902,085
Net Liquidity Gap	(3,354,958)	2,159,588	592,707	(735,744)	2,650,759	-	(1,312,352)	-
Prior Period								
Total Assets	199,669	4,159,830	810,075	1,235,264	2,928,141	-	373,513	9,706,492
Total Liabilities	3,314,055	1,427,371	338,947	2,849,898	274,971	-	1,501,250	9,706,492
Net Liquidity Gap	(3,114,386)	2,732,459	471,128	(1,614,634)	2,653,170	-	(1,127,737)	-

1) Other Assets: The amount of TL 433,459 in the Non-Interest Bearing column is composed of Tangible Assets amounting to TL 209,104, Subsidiaries amounting to TL 140,199, Intangible Assets amounting to TL 6,924, Expected Credit Loss amounting to TL 15,013, Deferred Tax Asset amounting to TL 18,675, Other Assets amounting to TL 72,570 and Assets Held For Sale Purpose amounting to TL 1,000 of other undistributed amounts.

2) Other Liabilities: The amount of TL 1,756,512 in the Non-Interest Bearing Column is composed of Shareholders' Equity amounting to TL 1,489,779, Provisions amounting to TL 101,471, Current Tax Liability amounting to TL 37,141 and other Non-Interest Bearing amounts included in Other Liabilities amounting to TL 128,121.

SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

VI. INFORMATION ON LEVERAGE RATIO

Leverage Ratio

Explanations on leverage ratio is calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette numbered 28812, dated 5 November 2013.

Information on subjects that causes difference in leverage ratio between current and prior periods:

The main difference between the current and prior period are capital and total risk amount. Additionally, Bank has no significant change in portfolio.

Leverage ratio disclosure as follows

	Balance sheet assets	Current Period ⁽¹⁾	Prior Period ⁽¹⁾
1	Balance sheet assets (Except for derivative financial instruments and credit derivatives, including warranties)	11,463,800	8,596,038
2	(Assets deducted from main capital)	(6,989)	(3,840)
3	Total risk amount of the balance sheet assets (Sum of 1st and 2nd rows)	11,456,811	8,592,198
	Derivative financial instruments and credit derivatives		
4	Replacement cost of derivative financial instruments and credit derivatives	-	-
5	Potential credit risk amount of derivative financial instruments and credit derivatives	-	-
6	Total risk amount of derivative financial instruments and credit derivatives (Sum of 4th and 5th rows)	-	-
	Security or secured financing transactions		
7	Risk amount of security or secured financing transactions (Except balance sheet)	19,651	17,552
8	Risk amount due to intermediated transactions		-
9	Total risk amount of security or secured financing transactions (Sum of 7th and 8th rows)	19,651	17,552
	Off-balance sheet transactions		
10	Gross nominal amount of off-balance sheet transactions	8,242,551	5,982,597
11	(Adjustment amount resulting from multiplying by credit conversion rates)	-	-
12	Risk amount of the off-balance sheet transactions (Sum of 10th and 11th rows)	8,242,551	5,982,597
	Equity and total risk		
13	Main capital	1,454,059	1,296,393
14	Total risk amount (Sum of 3th, 6th, 9th and 12th rows)	19,719,013	14,592,347
	Leverage ratio		
15	Leverage ratio	7.38%	9.01%

⁽¹⁾ Amounts in the table are obtained on the basis of three-month weighted average.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR**INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)****VII. INFORMATION ON RISK MANAGEMENT**

		Risk Weighted Amount		Minimum capital Requirement
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	6,657,407	4,529,707	532,593
2	Standardised approach (SA)	6,657,407	4,529,707	532,593
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	-	244	-
5	Standardised approach for counterparty credit risk (SA-CCR)	-	244	-
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 - 12.50% 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	1,491,225	361,913	119,298
17	Standardised approach (SA)	1,491,225	361,913	119,298
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	668,313	578,525	53,465
20	Basic Indicator Approach	668,313	578,525	53,465
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)	8,816,945	5,470,389	705,356

RWA flow statements of CCR exposures under Internal Model Method (IMM)

None.

RWA flow statements of market risk exposures under an IMA

None.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR**INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)****VIII. INFORMATION ON OPERATING SEGMENTS**

Organizational and internal reporting structure of the Bank is determined in line with TFRS 8 "Turkish Accounting Standard about Operating Segments".

The Bank has operations in corporate and entrepreneurial banking, specialized banking, investment banking and international banking areas.

Information on operational segments on 30 September 2022, 30 September 2021 and 31 December 2021 are presented in the table below:

Prior Period (30 September 2021)	Retail Banking	Corporate and Commercial Banking	Treasury	Unallocated	Total Operations
Interest Income (Net)	(835)	280,772	82,481	-	362,418
Commission Income (Net)	-	77,518	-	-	77,518
Unallocated Income/Expenses (Net)	-	-	-	(223,255)	(223,255)
Revenues from Affiliates- Dividend Income	-	-	-	14,060	14,060
<i>Dividend Income</i>	-	-	-	13,997	13,997
<i>Other Dividend Income</i>	-	-	-	63	63
Operating Income	(835)	358,290	82,481	(209,195)	230,741
Income before tax	-	-	-	230,741	230,741
Tax Provision	-	-	-	(52,615)	(52,615)
Net Profit for the period	-	-	-	178,126	178,126

Prior Period (30 September 2021)	Retail Banking	Corporate and Commercial Banking	Treasury	Unallocated	Total Operations
Segment Assets	5,848	2,873,000	6,958,650	-	9,837,498
Associates and Subsidiaries	-	-	-	-	-
Unallocated assets	-	-	-	1,064,587	1,064,587
Total Assets	5,848	2,873,000	6,958,650	1,064,587	10,902,085
Segment Liabilities	1,396,382	1,675,747	6,067,413	-	9,139,542
Unallocated Liabilities	-	-	-	272,764	272,764
Equity	-	-	-	1,489,779	1,489,779
Total Liabilities	1,396,382	1,675,747	6,067,413	1,762,543	10,902,085

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR
INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)
VIII. INFORMATION ON OPERATING SEGMENTS (Continued)

Prior Period (30 September 2021)	Retail Banking	Corporate and Commercial Banking	Treasury	Unallocated	Total Operations
Interest Income (Net)	(579)	119,619	105,314	-	224,354
Commission Income (Net)	-	49,086	-	-	49,086
Unallocated Income/Expenses (Net)	-	-	-	(117,245)	(117,245)
Revenues from Affiliates- Dividend Income	-	-	-	10,039	10,039
Dividend Income	-	-	-	9,998	9,998
Other Dividend Income	-	-	-	41	41
Operating Income	(579)	168,705	105,314	(117,204)	156,236
Income from Subsidiaries	-	-	-	10,039	10,039
Income before tax	-	-	-	166,234	166,234
Tax Provision	-	-	-	(36,660)	(36,660)
Net Profit for the period				129,574	129,574

Prior Period (30 September 2021)	Retail Banking	Corporate and Commercial Banking	Treasury	Unallocated	Total Operations
Segment Assets	2,218	1,875,775	7,026,687	-	8,904,680
Associates and Subsidiaries	-	-	-	-	-
Unallocated assets	-	-	-	801,812	801,812
Total Assets	2,218	1,875,775	7,026,687	801,812	9,706,492
Segment Liabilities	972,106	1,407,305	5,819,611	-	8,199,022
Unallocated Liabilities	-	-	-	172,674	172,674
Equity	-	-	-	1,334,796	1,334,796
Total Liabilities	972,106	1,407,305	5,819,611	1,507,470	9,706,492

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS****I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS****1. Information on cash equivalents and Central Bank of Turkey****Information on cash equivalents**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Effective	1,867	74,241	3,381	54,381
Central Bank of Turkey	72,009	2,023,698	4,705	1,603,869
Other	-	-	-	-
Total	73,876	2,097,939	8,086	1,658,250

Information related to the account of Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits ⁽¹⁾	72,009	-	4,705	-
Unrestricted Time Deposits	-	767,874	-	633,972
Restricted Time Deposits	-	-	-	-
Reserve Deposits	-	1,255,824	-	969,897
Total	72,009	2,023,698	4,705	1,603,869

⁽¹⁾ General reserve amount requirements maintained at CBRT.**Information on Reserve Deposits**

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2005/1, the Bank is required to maintain reserves in CBT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and gold. The required reserve rates for TL liabilities vary between 3% and 8% for TL deposits and other liabilities according to their maturities as of 30 September 2022 (31 December 2021: 3% and 8% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 5% and 26% for deposit and other foreign currency liabilities according to their maturities as of 30 September 2022 (31 December 2021: 5% and 26% for all foreign currency liabilities). According to the conversion rate from real person and commercial entity foreign currency deposit to Turkish Lira time deposit account, additional reserve requirements might be established on foreign currency deposits and precious metal deposit accounts. As of April 15, 2022, the 8.5% interest rate applied by the CBT for required reserves in Turkish Lira has been terminated. No interest is paid for required reserves in foreign currency.

Within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" numbered 2021/14 and CBT correspondence dated 31.08.2022 numbered 1579, depending on the conversion rates and the share of Turkish Lira deposits in the total, commission over foreign currency reserve requirements might be applied.

Within the scope of the "Communiqué on the Establishment of Turkish Lira Securities for Foreign Currency Liabilities" numbered 2022/20; there is a practice of placing securities over foreign currency liabilities and assets (majorly based on loan allocation, loan growth and differentiation according to interest rate).

SECTION FIVE

INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS

1. Information on Reserve Deposits

Within the scope of the Communiqué Amending the Communiqué No. 2022/17 on Required Reserves (Number: 2013/15) published in the Official Gazette dated 23 April 2022 and numbered 31818; Required reserves at the rate of 20% on Turkish Lira assets began to be established.

Within the scope of the "Communiqué on the Establishment of Turkish Lira Securities for Foreign Currency Liabilities" numbered 2022/20; 24 June 2022 liability As of 29 July 2022, TL security has started to be established for foreign currency liabilities.

2. Information on financial assets at fair value through profit or loss

As of the current period, there are no financial assets given as collateral/blocked among financial assets at fair value through profit or loss. (31 December 2021: None) There are no financial assets subject to repo transactions (31 December 2021: None).

Positive differences related to derivative financial assets

None.

3. Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	191,659	208,112	20,566	1,113,706
Foreign banks	13,507	274,218	26,060	132,974
Branches and head office abroad	-	-	-	-
Total	205,166	482,330	46,626	1,246,680

Information on Expected Loss Provisions

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	1,269	-	-	1,269
Additions during the Period (+)	494	-	-	494
Disposal (-)	(1,205)	-	-	(1,205)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs (-)	-	-	-	-
Balances at End of Period	558	-	-	558

Prior period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	818	-	-	818
Additions during the Period (+)	1,242	-	-	1,242
Disposal (-)	(791)	-	-	(791)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs (-)	-	-	-	-
Balances at End of Period	1,269	-	-	1,269

SECTION FIVE

INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

4. Information on financial assets at fair value through other comprehensive income

Information on transaction of repo and collateral/blocked financial assets (Net)

As of 30 September 2022, the Bank does not have any financial assets at fair value through other comprehensive income that are subject to repo transactions. (31 December 2021: None).

As of 30 September 2022, the Bank does not have any financial assets at fair value through other comprehensive income, which are given as collateral / blocked from assets (31 December 2021: None).

Major types of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are composed of shares that are not quoted in the stock market, certificates of rent and other securities.

Information on financial assets at fair value through other comprehensive income

	Current period	Prior Period
Debt Securities	1,365,078	1,223,206
Quoted in stock exchange	1,365,078	1,223,206
Not quoted in stock exchange	-	-
Share Certificates	7,588	5,572
Quoted in stock exchange	-	-
Not quoted in stock exchange	7,588	5,572
Impairment provision (-)	70,029	41,373
Total	1,302,637	1,187,405

5. Information on Loans

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	2	31,726	-	41,328
Corporate Shareholders	2	31,726	-	41,328
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to the Bank's personnel	5,848	1,256	2,218	904
Total	5,850	32,982	2,218	42,232

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)****5. Information on Loans (Continued)****Information about the first and second group loans and other receivables including loans that have been restructured or rescheduled**

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring or Rescheduling	Restructured or Rescheduled Loans with revised contract terms	Refinancing
Non-Specialized Loans	3,424,717	-	-	-
Commercial Loans	-	-	-	-
Export Loans	403,265	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	1,460,509	-	-	-
Consumer Loans	5,848	-	-	-
Credit Cards	-	-	-	-
Other	1,555,095	-	-	-
Specialized Lending	-	-	-	-
Other Receivables	-	-	-	-
Total	3,424,717	-	-	-

	Standard Loans	Loans Under Close Monitoring
12-Month expected credit losses	8,191	-
Significant increase in credit risk	-	-

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)****5. Information on Loans (Continued)***Information on consumer loans, credit cards and loans given to employees*

	Short Term	Middle and Long Term	Total
Consumer Loans-TL	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Individual Credit Cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Personnel Loans- TL	672	5,176	5,848
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	672	5,176	5,848
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Personnel Credit Cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Deposits with Credit Limit-TL (Individual)	-	-	-
Deposits with Credit Limit-FC (Individual)	-	-	-
Total	672	5,176	5,848

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)****5. Information on Loans (Continued)*****Information on installment commercial loans and commercial credit cards***

	Short-Term	Medium and Long-Term	Total
Commercial Installment Loans-TL	-	9,875	9,875
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	9,875	9,875
Other	-	-	-
Commercial Installment Loans- Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans - FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Corporate Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Overdraft Account-TL (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	-	9,875	9,875

Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic loans	3,189,953	2,645,585
Foreign loans	237,877	16,252
Total	3,427,830	2,661,837

Loans to subsidiaries and affiliates*None.*

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)****5. Information on Loans (Continued)***Specific provisions for loans*

Specific provisions	Current Period	Prior Period
Loans and receivables with limited collectibles	-	-
Loans and receivables with doubtful collectibles	-	-
Uncollectible loans and receivables	3,113	3,297
Total	3,113	3,297

Information related to non-performing loans*Information on restructured loans of non-performing loans*

None.

Information on movement of total non-performing loans

	III. Group	IV. Group	V. Group
	Loans and	Loans and	
	receivables with	receivables with	Uncollectible
	limited	doubtful	loans and
	collectibles	collectibles	receivables
Balances at Beginning of Period	-	-	3,297
Additions (+)	-	-	1,063
Transfers from other categories of nonperforming loans (+)	-	-	-
Transfers to other categories of nonperforming loans (-)	-	-	-
Collections (-)	-	-	1,247
Write-offs (-)	-	-	-
Institutional and commercial credits	-	-	-
Individual credits	-	-	-
Credit cards	-	-	-
Others	-	-	-
Balances at End of the Period	-	-	3,113
Specific provisions (-)	-	-	3,113
Net Balance on Balance Sheet	-	-	-

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)****5. Information on Loans (Continued)*****Information on foreign currency non-performing loans***

None

Information on gross and net loans under follow-up according to the borrowers

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Non-performing Loans and receivables
Current Period (Net)	-	-	-
Loans granted to real persons and legal entities (Gross)	-	-	3,113
Specific provisions (-)	-	-	3,113
Loans granted to real persons and legal entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-
Prior Period (Net)	-	-	-
Loans granted to real persons and legal entities (Gross)	-	-	3,297
Specific provisions (-)	-	-	3,297
Loans granted to real persons and legal entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-

(1) Contains Foreign Banks.

SECTION FIVE

INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

5. Information on Loans (Continued)

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

None.

Collection policy on loans determined as loss and other receivables

Loans determined as loans and other receivables are collected via legal follow-up and conversion of guarantees to cash.

Information on write-off policy

The bank is in the effort to provide collections from loans under legal follow-up under the leadership of Corporate and Commercial Credits Monitor and Follow-up Department and Legal and Legislation Services Department and other related departments. However the absence of reasonable collection ability in any condition and manner regarding the recovery of the mentioned loans, determined as loss in which the bank monitors by allocate 100% provision under 5th group (3rd group in TFRS) in accordance with TFRS 9 and the "Regulation on Procedures and Principles Concerning Classification of Loans and Provision" are written-off by presenting to Board of Directors' approval upon gathering the opinion of Legal and Legislation Services Department and by obtaining approvals from Corporate and Commercial Credits Monitor and Follow-up Department.

The write-off of the uncollectible receivables is an accounting policy, it does not result in the right to waive.

Within the scope of TFRS 9, the Bank does not have written off loans (31 December 2021: None).

Expected credit loss for loans

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	7,862	-	3,297	11,159
Additions during the Period	6,031	-	-	6,031
Disposal	(5,702)	-	(184)	(5,886)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	8,191	-	3,113	11,304

Prior Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	9,090	-	4,733	13,823
Additions during the Period	5,189	-	-	5,189
Disposal	(6,417)	-	(1,436)	(7,853)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	7,862	-	3,297	11,159

SECTION FIVE

INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

6. Information on financial assets measured at amortised cost

Information on transaction of repo and collateral/blocked financial assets (Net)

Among the financial assets valued at amortized cost, the bank does not have financial assets subject to repo transactions in the current period (31 December 2021: None).

In the current period, the bank has securities of TL 6,246 given as collateral/blocked from financial assets valued at amortized cost (31 December 2021: TL 4,422).

Information on government financial assets measured at amortised cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	80,197	2,356,267	69,669	1,423,414
Treasury Bonds	-	-	-	-
Other Public Bonds	-	442,384	44,350	740,430
Total	80,197	2,798,651	114,019	2,163,844

	Current Period	Prior Period
Debt Instruments	2,878,848	2,277,863
Quoted at stock exchange	2,878,848	2,277,863
Not-quoted at stock exchange	-	-
Impairment loss provision (-)	-	-
Total	2,878,848	2,277,863

Movement of financial assets measured at amortised cost

	Current Period	Prior Period
Balances at the beginning of the period	2,277,863	1,198,969
Foreign currency gains / losses on monetary assets	618,554	929,378
Purchases during the period	943,128	952,398
Disposals through sales and redemptions ⁽¹⁾	(960,697)	(802,882)
Impairment loss provision	-	-
Period end balance	2,878,848	2,277,863

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)****6. Information on financial assets measured at amortised cost (Continued)****Expected credit loss for financial assets measured at amortised cost**

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	3,124	-	-	3,124
Additions during the Period	2,066	-	-	2,066
Disposal	(2,039)	-	-	(1,592)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	3,151	-	-	3,151

Prior Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	3,271	-	-	3,271
Additions during the Period	1,334	-	-	1,334
Disposal	(1,481)	-	-	(1,481)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	3,124	-	-	3,124

7. Information on associates

The Bank does not have an associate.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)****8. Information on subsidiaries (Net)*****Information on subsidiaries***

Information on Shareholder's Equity for A&T Finansal Kiralama A.Ş.		
	Current Period	Prior Period
CORE CAPITAL		
Paid in Capital	140,000	126,000
Capital Reserves	228	228
Legal Reserves	6,955	6,080
Extraordinary Reserves – Legal Reserve per General Legislation	1	1
Profit / Loss	11,370	15,543
<i>Net Profit</i>	<i>10,702</i>	<i>12,669</i>
<i>Prior Period Profit/Loss ⁽¹⁾</i>	<i>668</i>	<i>2,874</i>
Intangible Assets (-)	1,634	531
Total Core Capital	156,920	147,321
SUPPLEMENTARY CAPITAL	-	-
CAPITAL	156,920	147,321
DEDUCTION FROM CAPITAL	-	-
NET AVAILABLE CAPITAL ⁽¹⁾	156,920	147,321

⁽¹⁾ There is no restriction on shareholders' equity of subsidiary. After deduction from the capital, the total net available equity is TL 156,920.

There is no internal capital adequacy assessment approach for the subsidiary. There is no additional requirements in terms of the capital of the subsidiary.

Summary information on basic features of equity items

Paid in capital has been indicated as Turkish Lira in articles of incorporation and registered in trade registry.

Effect of inflation adjustments on paid in capital is the difference caused by the inflation adjustment on shareholders' equity items.

Extraordinary reserves are the status reserves which have been transferred with the General Assembly decision after distributable profit have been transferred to legal reserves.

Legal reserves are the status reserves which have been transferred from distributable profit in accordance with the third clause of first and second paragraph of 519 and 521 articles of Turkish Commercial Code no. 6102.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)****8. Information on subsidiaries (Net) (Continued)*****Summary information on basic features of equity items (Continued)***

Description		Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
1	A&T Finansal Kiralama A.Ş.	Istanbul	99.98	99.98

Total Assets	Shareholder s' Equity	Total Fixed Assets	Interest Income	Income from marketable securities portfolio	Current Period Profit / Loss	Prior Period Profit/Loss	Fair value ⁽¹⁾
810,722	162,525	11,664	46,863	-	10,702	668	-

⁽¹⁾ The related subsidiary has no fair value measurement as of 30 September 2022.***Movement related to subsidiaries***

	Current Period	Prior Period
Balance at the Beginning of the Period	126,202	116,204
Movements during the Period	13,997	9,998
Purchases	-	-
Bonus Shares Received	13,997	9,998
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase, Effect of Inflation and F/X Difference	-	-
Impairment Provision (+)	-	-
Balance at the End of the Period	140,199	126,202
Capital Commitments	-	-
Share Percentage at the end of Period (%)	99.98	99.98

Sectoral Information on the subsidiaries

Subsidiaries	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	140,199	126,202
Finance Companies	-	-
Other Affiliates	-	-

Quoted Subsidiaries

There are no subsidiaries quoted at stock exchange of the bank.

9. Information on joint ventures

The Bank has no joint ventures.

10. Information on Financial lease receivables (Net)

The Bank has no financial lease operation.

SECTION FIVE

INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

11. Information on financial derivatives for hedging

The Bank has no financial derivatives for hedging.

12. Information on investment property

The Bank has no investment property.

13. Information on tax assets

Information on deferred tax asset

As of 30 September 2022, the Bank calculated net deferred tax liability of TL 48,381 by netting off deferred tax asset of TL 29,706 and deferred tax liability of TL 18,675 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.

Detailed information on net deferred tax assets and liabilities are as follows:

	Current Period		Prior Period	
	Accumulated temporary differences	Deferred tax asset/liability	Accumulated temporary differences	Deferred tax asset/liability
Provisions for employee benefits	52,480	13,120	33,986	7,115
Unearned revenues	5,281	1,320	4,709	1,083
Interest rediscounts	95,797	23,950	60,031	13,807
Provisions	38,654	9,664	39,788	9,151
Other	1,311	327	1,479	330
Deferred tax asset	193,523	48,381	139,993	31,486
Tangible assets revaluation surplus	177,310	27,279	177,310	21,824
Other	9,705	2,427	4,952	989
Deferred tax liability	187,015	29,706	182,262	22,813
Deferred tax asset/(liability) (net)		18,675		8,673

Movement of deferred tax asset and liability:

	Current Period	Prior Period
Opening balance	8,673	(1,214)
Deferred tax income/(expense)(Net)	7,893	6,809
Deferred tax accounted under shareholder's equity	2,109	3,078
Net Deferred Tax Asset/(Liability)	18,675	8,673

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****14. Information about fixed assets held for sale**

	Current Period	Prior Period
Cost	1,000	1,210
Impairment (-)	-	-
Accumulated Depreciation (-)	-	-
Prior Period Net Book Value	1,000	1,210
Opening Balance	1,000	1,210
Additions	-	-
Disposals (-)	-	210
Accumulated Provision (-)	-	-
Provision Expense (-)	-	-
Accumulated Amortization (-)	-	-
Depreciation of disposals	-	-
Amortization	-	-
Depreciation Expenses (-)	-	-
Closing Net Book Value	1,000	1,000

15. Information on other assets

Other assets is amounting to TL 72,570 and does not exceed 10% of total assets of balance sheet except off balance sheet commitments (31 Aralık 2021: TL 32,921).

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FIVE
INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)
II. INFORMATION ON DISCLOSURES AND FOOTNOTES OF LIABILITIES
1. Information on maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Accumulating Deposit Accounts	Total
Saving Deposits	29,044	-	1,678	16,902	3,764	-	-	-	51,388
Foreign Currency Deposits	2,633,846	-	236	67,599	29,375	24,987	51,041	-	2,807,084
Residents in Turkey	790,903	-	236	20,104	9,931	2,548	598	-	824,320
Residents Abroad	1,842,943	-	-	47,495	19,444	22,439	50,443	-	1,982,764
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	9,866	-	-	186,906	-	-	-	-	196,772
Other Ins. Deposits	13,492	-	-	-	-	-	-	-	13,492
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	1,097,030	-	28,587	181,557	-	-	183,054	-	1,490,228
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	70,241	-	-	181,557	-	-	-	-	251,798
Foreign Banks	1,026,789	-	28,587	-	-	-	183,054	-	1,238,430
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	3,783,278	-	30,501	452,964	33,139	24,987	234,095	-	4,558,964

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Accumulating Deposit Accounts	Total
Saving Deposits	29,610	-	1,556	2,110	3,444	-	-	-	36,720
Foreign Currency Deposits	2,209,758	-	583	51,178	20,249	28,571	11,970	-	2,322,309
Residents in Turkey	712,617	-	248	13,950	5,521	1,354	1,073	-	734,763
Residents Abroad	1,497,141	-	335	37,228	14,728	27,217	10,897	-	1,587,546
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	13,838	-	-	188	-	-	-	-	14,026
Other Ins. Deposits	7,418	-	-	-	-	-	-	-	7,418
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	1,053,431	-	75,473	301,854	133,427	-	-	-	1,564,185
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	1,053,431	-	75,473	301,854	133,427	-	-	-	1,564,185
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	3,314,055	-	77,612	355,330	157,120	28,571	11,970	-	3,944,658

Currency-protected deposit product, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against exchange rate changes in foreign currency, has started to be offered to bank customers. As of 30 September 2022, the total amount of deposits includes TL 198,615 (31 December 2021: None) deposits within this scope.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. INFORMATION ON DISCLOSURES AND FOOTNOTES OF LIABILITIES (Continued)****1. Information on maturity profile of deposits***Information on saving deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit*

	Covered by Deposit Insurance Fund		Not covered by Deposit Insurance Fund	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	11,630	13,816	39,758	22,904
Foreign Currency Saving Deposits	346,285	216,779	998,709	718,607
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits	-	-	-	-
Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	357,915	230,595	1,038,467	741,511

(*)In the first paragraph of Article 1 of the Regulation on Deposits and Participation Funds Subject to Insurance and Premiums to be Collected by the Savings Deposit Insurance Fund published in the Official Gazette dated 7/11/2006 and numbered 26339, the phrase "savings deposits and belonging to real persons" have been changed to " all deposits except those belonging to official institutions, credit institutions and financial institutions and".

Saving deposits not covered by deposit insurance

The Bank does not have any branches in foreign and off-shore banking areas. Real persons who are not covered by the Savings Deposit Insurance Fund do not have special current and participation accounts.

The deposits that are covered in foreign branches of the Bank's that headquarters located in abroad

The Parent Bank's headquarter is located in Turkey.

Amounts not covered by deposit insurance

Individual deposits not covered by deposit insurance

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	-	-
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	22,132	12,960
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 December 2004	-	-
Deposits at Depositary Banks established for Off-Shore Banking Activities in Turkey	-	-
Total	22,132	12,960

2. Information on derivative financial liabilities**Negative differences on derivative financial liabilities**

None.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. INFORMATION ON DISCLOSURES AND FOOTNOTES OF LIABILITIES (Continued)****3. Information on Funds Borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	6,157	-	-	-
From Foreign Banks, Institutions and Funds	-	4,574,421	-	4,254,364
Total	6,157	4,574,421	-	4,254,364

Presentation of funds borrowed based on maturity profile

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	6,157	1,819,474	-	1,512,364
Long-Term	-	2,754,947	-	2,742,000
Total	6,157	4,574,421	-	4,254,364

Additional explanation related to the concentrations of the Bank's major liabilities on the basis of concentrations, fund providing customers, sector groups and other criteria where risk concentration is observed

42% of the Bank's liabilities consist of deposits.

4. Information on other foreign resources

Other liabilities is amounting to TL 128,121 and this amount does not exceed 10% of total the balance sheet (31 December 2021: TL 62,992).

5. Information on financial lease obligations

	Current Period		Prior period	
	Gross	Net	Gross	Net
Less than 1 Year	1,155	916	464	461
Between 1-4 Years	4,277	3,323	4,405	3,314
Longer than 4 Years	1,970	1,792	3,052	2,445
Total	7,402	6,031	7,921	6,220

6. Information on liabilities arised from financial derivative transactions for hedging purposes

None.

7. Information on provisions***Reserve for employee termination benefits***

The Bank reserved for employee severance indemnities in the accompanying unconsolidated financial statements using actuarial method in compliance with the updated "TAS 19 - Employee Benefits". Accumulated all actuarial gains and losses in equity are recognized in other capital reserves. The employee termination benefit liability of the Bank is the amount as at 30 September 2022 is TL 30,516 (31 December 2021: TL 21,171). In addition to this, the unused vacation provision and other employee benefits amount as at 30 September 2022 is TL 21,964 (31 December 2021: TL 12,815).

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. INFORMATION ON DISCLOSURES AND FOOTNOTES OF LIABILITIES (Continued)****7. Information on other provisions**

As of 30 September 2022, the free provision or possible risks for the Bank is TL 15,000 (31 December 2021: TL 15,000).

In the case of the other provisions, exceeds the 10% of the total provisions, those accounts and balances.

	Current Period	Prior Period
Free provisions for possible risks	15,000	15,000
Provisions for non-cash loans	33,907	31,790
Provisions for lawsuits	84	268
Total	48,991	47,058

8. Information on tax payables***Information on current tax liability***

As of 30 September 2022, the Bank's corporate tax payable is TL 26,310 after offsetting prepaid corporate tax. (31 December 2021 : TL 14,698).

	Current Period	Prior Period
Corporate Taxes Payable	26,310	14,698
Banking Insurance Transaction tax (BITT)	3,135	1,780
Taxation on Securities Income	179	154
Value Added Tax Payable	359	327
Value Added Tax Payable (Limited taxpayer)	-	-
Foreign exchange transaction tax	-	-
Taxation on real estate income	13	13
Other	4,246	3,816
Total	34,242	20,788

Information on premium payables

	Current Period	Prior Period
Social Security Premiums-Employee	1,041	584
Social Security Premiums-Employer	1,650	930
Bank Pension Fund Premium-Employees	-	-
Bank Pension Fund Premium-Employer	-	-
Pension Fund Membership Fee and Provisions-Employee	-	-
Pension Fund Membership Fee and Provisions-Employer	-	-
Unemployment Insurance-Employee	69	39
Unemployment Insurance-Employer	139	77
Others	-	-
Total	2,899	1,630

Information on liabilities of fixed asset held for sale and discontinued operations

The Bank has no liability related to assets held for sale and discontinued operations.

Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that loan was borrowed from, and conversation option, if any

The Banks has no subordinated loans.

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. INFORMATION ON DISCLOSURES AND FOOTNOTES OF LIABILITIES (Continued)****9. Information on Shareholders' Equity*****Presentation of Paid-in Capital***

	Current Period
Common Stock	440,000
Preferred Stock	-

Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital

Registered share capital system is not implemented in the Bank.

Information on share capital increases and their sources; other information on any increase in capital shares during the current period

None.

Information on share capital increases from capital reserves

None.

Capital commitments for current financial year and following period, general purpose of these commitments and estimated resources necessary for these commitments

No capital commitments have been made to current financial year and following period.

The impacts of the foresights, which are prospects according to Bank's prior periods income, profitability, and liquidity indicators and uncertainty, to shareholders' equity

None.

Explanations on dividend distribution

None.

Information on the privileges given to stocks representing the capital

The share capital can be increased or decreased one or more times. Such an increase may be accomplished through the transfer of monies from the reserves to the capital account and the issuance of "bonus" shares in consequence thereof.

Every shareholder shall have the preferential (pre-emptive) right to subscribe for a proportion of new shares corresponding to the number of shares held by him and such right may be exercised within a period of thirty days from the date of receipt by each shareholder of an invitation to the shareholders to that effect. Such invitation shall be made by registered mail to the address contained in the share register.

These preferential (pre-emptive) rights may only be assigned by approval of the Board of Directors upon the favorable vote of 80% of the members, present or represented.

New shares may not be issued at a price less than the nominal value of the original shares issued.

Fractional shares shall be allocated by the Board of Directors.

The Bank may not finance the acquisition of its own shares whether directly or indirectly.

Arabian shareholders are treated under the same legislation with Turkish citizens. This includes the free transfer of distributed other revenues, guarantees, shares, dividends. And in a similar manner Arabian shareholder are benefited and protected by law No.6224, Foreign Capital Incentive Law.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. INFORMATION ON DISCLOSURES AND FOOTNOTES OF LIABILITIES (Continued)****9. Information on Shareholders’ Equity (Continued)***Gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income*

	Current Period		Prior Period	
	TP	YP	TP	YP
Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)	-	-	-	-
Valuation Differences	14,941	(49,029)	9,494	(32,970)
Exchange Rate Differences	-	-	-	-
Total	14,941	(49,029)	9,494	(32,970)

Information on legal reserve

In accordance with the decision taken at the 44rd Ordinary General Assembly Meeting held on 24 March 2022 and Article 519 of the Turkish Commercial Code No. 6102, full TL 8,016,804.26 was transferred from previous years' profits to legal reserves in the current period.

SECTION FIVE

INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS

1. Information on contingent liabilities in the off-balance sheets

Type and amount of irrevocable commitments

The Bank has TL 36,612 TL as irrevocable commitments (31 December 2021: TL 386).

Type and amount of possible losses from off-balance sheet items

As of the balance sheet date, the Bank has allocated the provision amounting TL 10,848 over total Stage 3 non-cash loans (31 December 2021: TL 6,940).

Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral

The total amount of non-cash loans including guarantees, bills of exchange and acceptances and sureties on letters of credits and other guarantees is TL 2,310,792 (31 December 2021: TL 1,155,778).

Final guarantees, temporary guarantees, commitments and similar transactions

The total amount of the Bank's guarantee letters is TL 5,682,851 (31 December 2021: TL 5,236,381).

In accordance with the Council of Ministers' Decision dated 2011, the letters of guarantee given to Libya cannot be compensated. As per the BRSA's order dated 30 December 2019, The Memorandum of Understanding signed between the Government of the Republic of Turkey and the Government of National Accord of Libya has entered into force as of 24 September 2020. This agreement hereby has the force of law and the implementation and results of the provisions of this agreement are closely monitored by Turkish Banks transacting with Libya.

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Cash Loan Assurance	258,370	318,065
Less Than or Equal to One Year with Original Maturity	44,445	31,990
More Than One Year with Original Maturity	213,925	286,075
Other Non-Cash Loans	7,735,273	6,074,094
Total	7,993,643	6,392,159

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS (Continued)****3. Information on Expected Loss Provisions**

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	24,850	-	6,940	31,790
Additions during the Period	11,548	-	3,908	15,456
Disposal	(13,339)	-	-	(13,339)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	23,059	-	10,848	33,907

Prior Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	19,634	-	1,145	20,779
Additions during the Period	10,308	-	5,795	16,103
Disposal	(5,092)	-	-	(5,092)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	24,850	-	6,940	31,790

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF PROFIT OR LOSS****1. Information on interest income*****Information on interest income received from loans***

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Received from Loans ⁽¹⁾				
Short-Term Loans	194,362	40,179	74,856	10,350
Medium and Long-Term Loans	5,340	44,731	6,679	29,227
Interest Received From Non-Performing Loans	955	-	-	-
Premiums Received From Resource Utilization	-	-	-	-
Support Fund	-	-	-	-
Total	200,657	84,910	81,535	39,577

⁽¹⁾ It contains fee and commission income related to cash loans.***Information on interest income received from banks***

	Current Period		Prior Period	
	TL	FC	TL	FC
From CRBT	-	-	-	-
From Domestic Banks	2,833	8,086	13	4,272
From Foreign Banks	3,701	429	524	60
From Foreign Headquarter and Branches	-	-	-	-
Total	6,534	8,515	537	4,332

Information on interest income on marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	-	-	716	-
Financial Assets at Fair Value Through Other Comprehensive Income	2,529	50,243	1,115	23,222
Financial Assets Measured at Amortised Cost	13,228	93,921	13,827	45,925
Total	15,757	144,164	15,658	69,147

Information on interest income received from associates and subsidiaries

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense Given to Affiliates and Subsidiaries	366	-	-	-

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FIVE
INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)
IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF PROFIT OR LOSS (Continued)
2. Interest Expense
Information on interest paid for funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	157	69,107	-	25,971
Central Bank	-	-	-	-
Domestic Banks	157	8	-	554
Foreign Banks	-	69,099	-	25,417
Overseas Headquarters and Branches	-	-	-	-
Total	157	69,107	-	25,971

Information on interest expense paid to subsidiaries and associates

	Current Period	Prior Period
Interest Expense Given to Affiliates and Subsidiaries	773	805

Information on interest expense given on securities issued

None.

Maturity structure of the interest expense on deposits

Current Period Turkish Lira	Time Deposit						Cumulative Deposit	Total
	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
Interbank deposits								
Saving deposits	-	6,896	-	-	-	-	-	6,896
Public sector deposits	-	99	461	359	6	66	-	991
Commercial deposits	-	-	-	-	-	-	-	-
Other deposits	-	155	1,669	6	-	-	-	1,830
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Total	-	7,150	2,130	365	6	66	-	9,717
Foreign Currency								
Foreign currency deposits	-	3	149	93	169	289	-	703
Interbank deposits	17	800	-	-	-	5,121	-	5,938
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal	-	-	-	-	-	-	-	-
Total	17	803	149	93	169	5,410	-	6,641
Grand Total	17	7,953	2,279	458	175	5,476	-	16,358

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF PROFIT OR LOSS (Continued)****3. Information on trading gain/loss**

	Current Period	Prior Period
Gain	44,040,226	26,765,311
Gain from money market transactions	-	-
Gain from financial derivative transactions	-	-
Gain from exchange transactions	44,040,226	26,765,311
Loss (-)	(44,024,490)	(26,761,390)
Loss from money market transactions	-	-
Loss from financial derivative transactions	-	-
Loss from exchange transactions	(44,024,490)	(26,761,390)
Net Trading Gain/Loss	15,736	3,921

4. Information on income from other operations

	Current Period	Prior Period
From reversal of provisions of prior year	1,501	9,148
Provision for communication expenses	2,834	2,366
Gain on sales of assets	328	246
Other income	283	81
Total	4,946	11,841

5. Information on expected credit loss expenses

	Current Period	Prior Period
Expected Credit Loss Provisions	1,063	203
<i>12 month expected credit loss (stage 1)</i>	-	-
<i>Significant increase in credit risk (stage 2)</i>	-	-
<i>Non-performing loans (stage 3)</i>	1,063	203
Marketable Securities Impairment Expenses	-	-
<i>Financial Assets at Fair Value through Profit or Loss</i>	-	-
<i>Financial Assets at Fair Value Through Other Comprehensive Income</i>	-	-
Subsidiaries, Associates and Entities under Common Control	-	-
Provision Expenses for Impairment	-	-
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint Ventures</i>	-	-
Other	-	-
Total	1,063	203

6. Information on Other Provision Expenses

	Current Period	Prior Period
Securities Depreciation Expenses	12,671	1,774
Free Provision	-	-
Provisions Lawsuits	-	-
Total	12,671	1,774

SECTION FIVE

INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF PROFIT OR LOSS (Continued)

7. Information on other operating expense

	Current Period	Prior Period
Employee Termination Benefits Expense	2,764	1,529
Tangible Asset Impairment Expense	-	-
Amortization Expenses of Tangible Assets	2,562	1,996
Intangible Asset Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	2,199	2,022
Shareholders Equity Procedure Applied Equity Interest Impairment Expense	-	-
Disposable Tangible Asset Impairment Expense	-	-
Amortization Expense of Assets Held for Resale	-	-
Impairment Expense related to Tangible Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	30,161	18,165
<i>Operating Lease Expenses out of the scope of TFRS 16</i>	131	36
<i>Maintenance Expenses</i>	10,940	6,815
<i>Advertisement Expenses</i>	256	72
<i>Other Expenses</i>	18,834	11,242
Losses from sales of Assets	-	-
Other	31,816	15,979
Total	69,502	39,691

8. Information on profit/loss before taxes including profit/loss from discontinued operations

The pre-tax income amount from continued operations is TL 230,741 (30 September 2021: 166,234 TL).

9. Information on tax provision related to continued operations and discontinued operations

Current period taxation benefit or charge and deferred tax benefit or charge

For the nine month period ended, current taxation expense is TL 60,508 (30 September 2021: TL 38,741 current tax expense) and the net impact of deferred tax income is TL 7,893 (30 September 2021: TL 2,081 deferred tax income).

Deferred tax charge arising from origination or reversal of temporary differences

The Bank has TL 7,893 as deferred tax income arising from origination of temporary differences (30 September 2021: TL 2,081 deferred tax income).

Deferred tax charge/income represented in the statement of profit or loss within the context of temporary difference, financial loss and tax reduction.

The Bank has TL 7,893 as deferred tax income reflected in the statement of profit or loss computed over temporary difference and tax deductions and exemptions (30 September 2021: TL 2,081 deferred tax income).

10. Information on net profit or loss of the period including profit/loss from continued and discontinued operations

Current period profit from continued operations is TL 178,126 (30 September 2021: TL 129,574).

SECTION FIVE

INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF PROFIT OR LOSS (Continued)

11. Information on net profit or loss of the period

Information on nature, dimension and frequency rate of income and expense accounts resulting from ordinary banking transactions if they are necessary for explaining the Bank's current period performance

None.

Information on the profit or loss effect of a change in an estimation related to financial statements and future period effect of the change in this estimation

There is no change in accounting estimation related to consolidated financial statements.

12. Information on 20% of other accounts in statement of profit or loss, if other accounts exceed 10% of total statement of profit or loss.

Apart from other operating income and other operating expenses explained above, the details of other commission income items exceeding 10% of the total statement of profit or loss are as follows.

	Current Period	Prior Period
Letter of Credit Commissions	45,161	29,475
Transfer Commissions	13,802	7,238
Other	1566	422
Total	60,529	37,135

ARAP TÜRK BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FIVE

INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. INFORMATION ON THE BANK'S RISK GROUP

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period

Information on the loans of the Bank's risk group

Current Period						
Bank's Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the beginning of the period	-	295	-	41,328	401,095	233,601
Balance at the end of the period	-	309	2	31,726	34,507	430,361
Interest and Commission Income received ⁽²⁾	366	-	-	-	2,666	-

⁽¹⁾ Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank's Act.

⁽²⁾ Loans given to the Bank's direct and indirect shareholders are composed of forfeiting and letter of credit transactions which the interest and commission income are obtained not from the risk group but from the exporting firms.

Prior Period						
Bank's Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the beginning of the period	-	295	-	202,385	-	20,150
Balance at the end of the period	-	295	-	41,328	401,095	233,601
Interest and Commission Income received ⁽²⁾	-	-	-	-	17	-

⁽¹⁾ Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank's Act.

⁽²⁾ Loans given to the Bank's direct and indirect shareholders are composed of forfeiting and letter of credit transactions which the interest and commission income are obtained not from the risk group but from the exporting firms.

The Bank has a loan amounting to TL 2,703,730 (31 December 2021: TL 2,711,060) from the risk group. There was an interest expense of TL 55,720 in the current period related to the loans used (30 September 2021: TL 29,316).

Information on deposits of the Bank's risk group

Bank's Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the period	319	198	48,551	19,697	677,846	1,026,132
Balance at the end of the period	857	319	138,243	48,551	298,671	677,846
Interest expense on deposits	-	-	1,764	669	3,165	18,620

⁽¹⁾ Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank's Act.

Information on forward transactions, options and other contracts related to Bank's risk group

None.

Information on benefits provided for top level management:

For the nine month period ended, TL 26,045 has been paid to the top-level management of the Bank as salaries and fringe benefit (30 September 2021: TL 14,869).

ARAP TÜRK BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION FIVE

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

SECTION SIX

INDEPENDENT AUDITOR’S REVIEW REPORT

I. INFORMATION ON INDEPENDENT AUDITOR’S REVIEW REPORT

As of 30 September 2022, unconsolidated financial statements and explanatory notes of the Bank disclosed herein were reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi and Independent Auditor’s Review Report is presented preceding the financial statements. The independent audit report dated 4 November 2022 is presented before the unconsolidated financial statements.

II. INFORMATION AND FOOTNOTES PREPARED BY THE INDEPENDENT AUDITOR

None.

SECTION SEVEN**EXPLANATIONS ON INTERIM ACTIVITY REPORT****I. Evaluation of the Chairman and the General Manager for the Period**

The tightening steps of the Central Banks on the back of the concerns of high inflation and economic recession, developments regarding the war between Russia and Ukraine and rising energy prices continue to be the main agenda of the global markets in the third quarter of 2022.

According to the latest World Economic Outlook Report of the IMF; while global growth forecast for 2022 was kept as 3.2%, in parallel with the continuing deterioration in inflation indicators and the negative effects of geopolitical risks on economic activity, forecast for 2023 was lowered from 2.9% to 2.7%.

Macroeconomic data announced in the USA shows that the economy grew by 2.6% in the third quarter and annual inflation rose to 8.3% as of September. While the Euro Area economy grew by 4% in the second quarter of 2022, the inflation reached 9.9% in the same period. Moreover, both the US Federal Reserve and the European Central Bank increased interest rates by 75 basis points in the third quarter of the year. For the upcoming period, it is evaluated that the tightening monetary policies of the central banks of develop countries will continue to affect economic activity and growth rates on a global scale.

Following 7.5% growth in the first quarter, economic activity in Türkiye displayed a growth performance of 7.6% in the second quarter of the year with the contribution of both domestic demand and foreign trade. On the other hand, a significant increase in inflation was observed in the third quarter of the year due to the rapid rise in energy and food prices, as well as the global inflationary pressures. In this framework, the annual rate of increase in the consumer price index stood at 83.5% at the end of September 2022. In the upcoming period, in addition to the efforts to establish price stability, developments in the current account balance within the framework of the geopolitical developments and the steps to be taken by the central banks of developed countries are expected to be the main agenda items regarding the Türkiye's economy.

The banking sector has continued to produce robust financial results and has supported Türkiye's economy in the period we left in 2022. At end-August 2022, while the asset size of the sector grew by 37.8% compared to the previous year-end and reached TL 12.699 billion, loans and deposits climbed to the levels of TL 6.661 billion and TL 7.739 billion, respectively at end-August 2022. On profitability side, depending especially on a substantial increase in net interest income, term profit of the sector climbed seriously to the level of TL 252.2 billion, indicating a remarkable increase by 420% compared to the same period of the previous year. As a result, the return on equity ratio has also went up to 39% on annual basis.

In such a conjuncture, A&T Bank's total assets increased by 12.3% compared to the end of the previous year and reached TL 10.9 billion at end-September 2022. In the first nine-month period of the year, while the Bank's shareholders' equity went up to TL 1.490 million, net term profit increased by 37.5% year on year basis to TL 178.1 million. In addition, capital adequacy standard ratio stood at 17.77%.

ARAP TÜRK BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

In the coming period, A&T Bank plans to shape its business activities around maintaining a strong position in its traditional market North Africa, while moving its expertise in foreign trade transactions to alternative markets. Our core operating principles will continue to be pursuit of “sustainable healthy growth in corporate banking” while remaining steadfast to effective risk and liquidity management and adding value to the country's economy. In addition, we will continue improving our information technology systems and automation processes, boosting our service quality and increasing operational efficiency by ensuring full compliance to corporate governance principles.

Best regards,

Wail J. A. BELGASEM
Member of Board of Directors and
General Manager

Dr. Ertan ALTIKULAÇ
Chairman of Board of Directors

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

II.**Unconsolidated Financial Highlights**

Assets (Thousand TL) (1)	30.09.2022	31.12.2021
Financial Assets (Net) (2)	4.161.390	4.400.878
Financial Assets Measured at Amortized Cost (Net) (3)	6.292.223	4.925.417
Property and Equipment Held for Sale Purpose and Related to Discontinued Opr. (Net)	1.000	1.000
Equity Investments	140.199	126.202
Property and Equipment (Net)	209.104	207.657
Intangible Assets (Net)	6.924	3.744
Deferred Tax Assets	18.675	8.673
Other Assets (Net)	72.570	32.921
Total Assets	10.902.085	9.706.492

Liabilities (Thousand TL) (1)	30.09.2022	31.12.2021
Deposits	4.558.964	3.944.658
Funds Borrowed	4.580.578	4.254.364
Lease Liabilities (Net)	6.031	6.220
Provisions	101.471	81.044
Current Tax Liability	37.141	22.418
Shareholders' Equity	1.489.779	1.334.796
Other Liabilities	128.121	62.992
Total Liabilities	10.902.085	9.706.492

Off Balance Sheet Commitments (Thousand TL)	30.09.2022	31.12.2021
Guarantees and Warranties	7.993.643	6.392.159
Commitments	36.612	386
Total Off Balance Sheet Commitments	8.030.255	6.392.545

Statement of Profit / Loss (Thousand TL)	30.09.2022	30.09.2021
Interest Income	466.940	265.837
Interest Expense (-)	104.522	41.483
Net Interest Income	362.418	224.354
Net Fees & Commission Income	77.518	49.086
Dividend Income	14.060	10.039
Trading Income / Loss (Net) (+/-)	15.736	3.921
Other Operating Income	4.946	11.841
Gross Operating Income	474.678	299.241
Expected Credit Loss (-)	1.063	203
Other Provisions Expenses (-)	12.671	1.774
Personnel Expense (-)	160.701	91.339
Other Operating Expenses (-)	69.502	39.691
Net Operating Income / Loss	230.741	166.234
Tax Provision (-)	52.615	36.660
Net Term Profit	178.126	129.574

(1) Rate sensitive assets and liabilities include rediscounts.

(2) Cash and Cash Equivalents, Financial Assets Measured at Fair Value through Profit or Loss, Financial Assets Measured at Fair Value through other Comprehensive Income and Derivative Financial Assets.

(3) Loans, Lease Receivables, Factoring Receivables, Financial Assets Measured at Amortized Cost and Allowance for Expected Credit Losses.

(4) The ratios are annualized.

III. Evaluation of the Bank's Financial Position and Performance

- Compared to the end of the previous year, total assets of the Bank increased by 12.3% to TL 10.9 billion at end-September 2022. In the period examined, the most significant investment instruments of the Bank included financial assets (net) by 38.2% share totaling TL 4.161 million and financial assets measured at amortized cost (net) by 57.7% share totaling TL 6.292 million.
- External sources constituted 86.3% of the Bank's total liabilities. Deposits by TL 4.559 million and funds borrowed by TL 4.581 million constituted the majority of the external sources. Shareholders' equity stood at TL 1.490 million and has 13.7% share in total liabilities at the end of September 2022.
- Guarantees and warrantees, which include letters of guarantee, letters of credit and other guarantees, went up by 25.1% compared to the previous year-end and stood at TL 7.994 million at end-September 2022.
- In the first nine-month period of 2022, net term profit of A&T Bank realized as TL 178.1 million, indicating 37.5% increase compared to the same period of the previous year.
- Net interest income and net fees & commissions income of the Bank went up by 61.5% and 57.9%, respectively, in the period examined.
- Annualized return on assets and return on equity ratios stood at 2.01% and 16.32%, respectively, at end-September 2022.

IV. Ratings of the Bank

Fitch Ratings, the international credit rating agency, reported in its rating report dated July 26, 2022 that the Bank's credit ratings are updated as follows:

	Rating Note
Long Term FC	B -
Short Term FC	B
Long Term TL	B -
Short Term TL	B
Viability Rating	b -
Support Note	ns
Long Term National Note	A - (tur)
Long Term National Note Outlook	Stable

V. Changes in the Membership Structure of the Board of Directors

In the third quarter of 2022, no change has realized in the membership structure of the Board of Directors.

- As of 30.09.2022, the memberships of the Board of Directors are as follows:
- Mr. Dr. Ertan ALTIKULAÇ Chairman
- Mr. Aflah Omar MAGSI Deputy Chairman
- Mr. Wail J. A. BELGASEM Member (General Manager)
- Mr. Abdulkhalek Hussein ERGEI Member
- Mr. Nouri Ali Mohamed ABOFLEGA Member
- Mr. Mohamed Milad HASSADI Member
- Mr. Dr. Sinan ŞAHİN Member
- Mr. Hüseyin Serdar YÜCEL Member
- Mr. Hüseyin Emre YILMAZ Member

Note: In the Board of Directors meeting dated October 26, 2022, Mr. Yasin ÖZTÜRK was appointed as Member and Chairman of the Board of Directors, replacing Mr. Dr. Ertan ALTIKULAÇ.

VI. Changes in the Membership Structure of the Audit Committee and Managers of the Units responsible for the Internal Systems

In the third quarter of 2022, no change has realized in the membership structure of the Audit Committee.

- As of 30.09.2022 the memberships of the Audit Committee are as follows:
- Mr. Aflah Omar MAGSI Chairman
- Mr. Dr. Sinan ŞAHİN Member
- Mr. Mohamed Milad HASSADI Member
- During the period, there has been no change in the Managers of the Units responsible for the Internal Systems.

VII. Changes in the Membership Structure of Other Governance Committees

In the third quarter of 2022, no change has realized in the membership structure of Other Governance Committees.

VIII. Other Issues

There is no significant changes apart from the above-mentioned explanations compared to the 2021 Annual Activity Report of the Bank, which has been prepared according to "the Regulations on the Principles and Procedures relating to the Preparation and Publication of the Annual Activity Report prepared by the Banks".