

# ANNUAL REPORT 2023

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## INDEPENDENT AUDITOR'S REPORT

31 ARALIK 2023 TARİHİNDE SONA EREN HESAP DÖNEMİNE AİT KONSOLİDE OLMAYAN FİNANSAL TABLOLAR VE BAĞIMSIZ DENETİM RAPORU	72
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Scan the QR code to access Emlak Katılım website.

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E-mail	bilgi@emlakkatilim.com.tr
MERSİS (Central Registration System) Number	0879 0015 2770 0040
Trade Registry Number	241701-0
Reporting Period	1 January - 31 December 2023

## WE ARE LEADING THE WAY WITH PRODUCTS AND SERVICES THAT BEAR THE DISTINCTION OF BEING THE FIRST IN TÜRKİYE.



As Emlak Katılım, since the day we started our activities, we have been expanding our services by creating a difference with our “firsts” and brand new products in the sector.

We strive for the development and deepening of participation-based sustainable products in the capital markets of our country. We maintain our leading position in the sector and continue to contribute to its development of the sector with sustainable, green sukuk and acting as intermediaries for sukuk transactions in accordance with participation finance principles.

Aligned with our mission, we use our digital channels more effectively, diversify our innovative products and services, expand our service network with our customer base and continually aim to contribute to the economy and employment.

## CORPORATE VALUES

### Trust

We establish responsive business relationship based on trust with our clients, stakeholders and employees.

### Accountability

We try to do our best and hold ourselves responsible to fulfil our commitments.

### Respect

We consider the respect to our clients, employees, stakeholders and to environment as our base and unchanging priority.

### Innovativeness

With our innovative products and services, we become a solution partner to satisfy today's and future financial needs of the real sector.

## VISION-MISSION

### Our Vision

To become Türkiye's leading and innovative finance institution.

### Our Mission

With the strength we derive from our deep-rooted history, to contribute to Türkiye's economy by providing financial solutions in line with the principles of participation finance to support the real sector, real estate sector being one of the major focus areas.





As a participation bank, with our identity, we continue to introduce pioneering solutions to the sector with new sukuk (lease certificates) models that have no examples in Türkiye and the world, such as "Sukuk Issuance Referenced to the Return Participation Pool," "Sukuk Issuance Based on Partnership and Risk Sharing," "Green Sukuk Issuance," "Green Sukuk Issuance Based on Construction Contracts," and "Green Sukuk Issuance in the Recycling Sector." As the first participation bank to launch the "Participation-Based Portfolio Custody" service, we aim to establish an environment of trust in the healthy development of the sector by ensuring transparency and accountability in the compliance and supervision of funds with the principles of participation finance.

**WITH OUR "FIRSTS," WE  
STRENGTHEN THE VISION OF  
PARTICIPATION FINANCE.**



## MESSAGE FROM THE CHAIRMAN



### We create added value.

As the Emlak Katılım family, we will continue to create added value for our country with our mission and brand strength.

## Focused on exports and growth

While we will continue to serve all our stakeholders with export and growth-focused products that inherently embody participation finance features, we will continue to achieve lasting successes with new and different products and services developed by focusing on sustainable and environmentally friendly approaches. We will continue to expand our product and service network nationwide, contributing value to branching, economy, and employment.

Dear Stakeholder,

We are experiencing the excitement and rightful pride of celebrating the 100<sup>th</sup> anniversary of our Republic. In line with the 'Strong Türkiye' goal and the 'domestic and national' initiative led by President Recep Tayyip Erdoğan, I would like to emphasize that we will work for the 'Century of Türkiye'.

As we leave behind the year 2023, marked by different events and challenges worldwide, the devastating earthquake that occurred in our country will remain in our minds with profound sadness. On this occasion, I extend my condolences to those who lost their lives and wish patience and ease to our fellow citizens who remain.

The past year has witnessed numerous political and economic events on a global scale. In addition to the ongoing Russia-Ukraine war that has been going on for approximately 2 years, recent developments in our region have deeply affected global markets. Fluctuations in the energy sector have put upward pressure on production costs and created a negative impact on global inflation and growth. Many developed and developing countries' central banks have tightened monetary policies during this period. Concerns persisted globally throughout the year, with supply constraints and uncertainties particularly affecting advanced economies.

Looking at the world's leading markets in light of the mentioned economic developments, it is expected that the US economy will grow by 2.4% in 2023. With the Federal Reserve (FED) raising interest rates to 5.5%, it has managed to bring inflation somewhat under control. Both the fact that 2024 is an election year and the positive course of leading indicators can be interpreted as no further inflation increase this year. When we look at the European region, it closed the

## MESSAGE FROM THE CHAIRMAN

last quarter of the year with a growth of 0.1% and continued its sideways trend. China, the world's second-largest economy, exceeded its annual growth target of 5.2% in 2023 following low growth in 2022. However, it has shown signs of continued vulnerability in the post-COVID-19 recovery.

In an environment where inflation has been intensely felt worldwide, Türkiye recorded a growth of 5.9% in the third quarter of 2023 compared to the same period of the previous year, ranked first among OECD countries with the highest growth rate and once again demonstrated its potential. In direct proportion to the growth figures realized, positive developments also occurred in foreign trade. In 2023, export figures reached USD 256 billion, surpassing the USD 250 billion trade volume threshold once again after the previous year.

Despite regional turmoil and high inflation, the Turkish banking sector has made significant development in 2023. Accordingly the sector's asset size, which was TL 14.3 trillion in 2022, has grown by approximately 63%, exceeding TL 23 trillion and has achieved notable growth in the challenging year of 2023. In parallel with asset size, significant growth has also been recorded in both funds collected and loans granted, reflecting a performance close to the sector's overall momentum. While the sector's net profit at the end of the year was around TL 4.31 billion in 2022, it experienced limited growth of around 28% in 2023, reaching TL 5.50 billion due to various increased costs.

Sustainable development emerges as an effective development model that focuses on green transformation in our world. In 2023, the Ministry of Environment, Urbanization and Climate Change, along with Banking Sector Regulatory Authorities, organized important meetings and workshops

to outline the framework of sustainability-related activities. Looking from the perspective of banking and finance, it is evident that green energy, electric vehicles, smart cities and climate-environmentally friendly practices will continue to come to the forefront in financing sectors aimed at achieving net zero carbon emissions by 2053.

As the Emlak Katılım family, we will continue to create added value to our country with our mission and brand strength. While we will continue to serve all our stakeholders with export and growth-focused products that inherently embody participation finance features, we will continue to achieve lasting successes with new and different products and services developed by focusing on sustainable and environmentally friendly approaches. We will continue to expand our product and service network nationwide, contributing value to branching, economy, and employment.

I would like to express my gratitude to President Recep Tayyip Erdoğan, who has been the foremost supporter of our efforts, as well as to Mr. Mehmet Şimşek, Minister of Treasury and Finance and Mr. Mehmet Özhaseki, Minister of Environment, Urbanization and Climate Change and to the Emlak Katılım family and all our stakeholders for their unwavering support in reaching the current level of Emlak Katılım. I wish that the future process will be auspicious for our country and our Bank.

Respectfully,

Chairman of the Board of Directors  
Prof. Dr. Mehmet Emin BİRPINAR

**Sustainable development emerges as an effective development model focusing on green transformation in our world.**

## MESSAGE FROM THE CEO



**We support sustainable development.**

## We are leading the way

Continuing our efforts to develop and deepen participation-based and sustainable capital markets in our country without slowing down, our institution has pioneered many initiatives and been awarded numerous rewards for its achievements.

Dear Stakeholder,

First of all, I congratulate the 100<sup>th</sup> Anniversary of our Republic. Together, we are experiencing the pride and joy of witnessing this period of our Republic that has passed a century. I pay tribute and gratitude to all our heroes who bestowed upon us this homeland and our freedom, especially the founder of our Republic, Mustafa Kemal Atatürk.

The year 2023, which opened the door to the vision of the Century of Türkiye, which we celebrated with great enthusiasm and will carry our country towards a stronger future, was a year of both pride and profound sorrow for our country. After the great earthquake we experienced, while continuing to rapidly heal our wounds with the resilience and solidarity shown by our nation, I wish for such a disaster not to happen again, and I commemorate with mercy those who lost their lives in the earthquake and extend my condolences to our people once again. From the very first moments of the disaster, Emlak Katılım made every effort to provide the necessary support to the maximum extent. In the future, we will continue to provide the necessary support as Emlak Katılım for the region's redevelopment.

While the ongoing Russia-Ukraine war, though losing its intensity, continues to pose a threat especially in the energy markets, the escalation of geopolitical risks in our region in the last quarter of the year and concerns about disruptions in global trade indicate that inflation will continue to remain high globally for a while longer.

The challenging period that began with the pandemic on a global scale continued to prevail worldwide in 2023, with effects such as monetary tightening, economic fragility, and deepening inflationary environment. While the weakening of the global economy was felt across all areas, central banks worldwide took tightening measures in monetary policy to combat high inflation, making decisions to raise interest rates.



## MESSAGE FROM THE CEO

Starting the year with a policy rate of 4%, the FED increased interest rates throughout the year, reaching 5.5%, the highest level in the past 22 years.

In this period of rapidly changes economic policies and financial difficulties worldwide, the Turkish economy continued its growth performance through macro-prudential policies. Compared to the global banking sector, our country's banking sector, which diverged positively, has shown significant development in 2023, as in previous years, despite global economic difficulties. Accordingly, the sector's asset size, which was TL 14.3 trillion in 2022, has grown by approximately 63%, exceeding TL 23 trillion and achieved significant development in the challenging year of 2023. In parallel to the growth in asset size, similar growth has been recorded in both funds collected and loans granted, reflecting a performance close to the sector's overall momentum. While the sector's total profit was TL 431 billion in 2022, despite various increased costs, there was still a growth of around 28% in 2023, reaching TL 550 billion.

The sustainability of growth is as important as the realization of economic growth targets. In this direction, the participation finance system, which directly finances the real sector and is based on the principle of profit-loss partnership, is less affected by global crises compared to the traditional banking sector. This situation increasingly attracts interest in the participation finance sector, making it more feasible to achieve sustainable development goals. With the strides made in recent years within our economy, the participation finance sector has gained a significant place, surpassing the banking sector's growth trend. In 2023, for the first time in history, the asset size of participation finance institutions exceeded TL 2

trillion, recording a growth of 70% compared to the previous year. While TL 891 billion funds were collected in 2022, there was a significant increase close to the asset size, reaching TL 1.5 trillion in 2023, resulting in even greater growth than the sector as a whole.

In line with the growth experienced in the Participation Banks sector, our institution continued its expansion in 2023. We increased our branch count from 80 in 2022 to 101 in 2023, including e-branches, while maintaining our physical growth. Our total assets grew by 88%, from TL 100.3 billion to TL 188.4 billion. Funds collected increased by 91.5%, reaching TL 151.5 billion from TL 79.1 billion and the volume of funds disbursed increased by 50%, from TL 43.8 billion in 2022 to TL 66 billion in 2023. Net profit also increased by 183% compared to the previous year, rising from TL 2.8 billion to TL 5.1 billion. When examining the net profit growth rates across the entire banking sector, we are ranked first with a growth rate of 189%. Additionally, we also lead in terms of return on equity, with a growth rate of 69%.

At Emlak Katılım, we shape our efforts with the awareness of contributing not only to the economy but also to our world, environment and sustainability. We are committed to integrating sustainable finance practices into our operations, aligning our financial activities with environmental, social, and ethical issues in line with participation finance principles, and making maximum contributions to the green transformation. In this context, we have published our first sustainability report, providing tangible evidence of our achievements in the sustainability field.

**When we look at the net profit growth rates of the entire banking sector, we are in the first place with a growth rate of 189%. Additionally, we are at the top with a growth rate of 69% in return on equity.**

## MESSAGE FROM THE CEO

Continuing our efforts to develop and deepen participation-based and sustainable capital markets in our country without slowing down, our institution has pioneered many initiatives and been awarded numerous rewards for its achievements. As a leader in the domestic sukuk issuance market with a 25% market share, Emlak Katılım also holds a leading position in corporate sukuk issuance with a 34% market share. Moreover, we are both pioneers and leaders in green/sustainable sukuk issuance (thematic sukuk market), contributing to the financing of projects aimed at combating climate change and promoting social development, with an 87% market share.

While continuing to finance sustainable projects that contribute positively to climate change and the environment, we have also introduced many pioneering products and services to the sector. With our differentiated customer needs, we continue to provide the best responses with products and services such as the "Project-Focused Private Fund Pool," where customers can invest in selected sectors, "Earn with Producer," offering monthly rental income advantages, and "Supplier Financing," enabling suppliers to manage their production and cash flows and spread costs for buyer firms over time.

We offer our diversified products and services to our customers through our branches, while our investments in digital banking and technological infrastructure enable us to provide our customers with a seamless digital experience.

Our customer base gained through digital channels increased by 88% compared to the previous year. By supporting our mobile application with user-friendly screens and processes and introducing new functions, we aim to make our mobile application the first point of contact for our customers and bring new solutions to them every day. As a result, in 2023, the share of our customers actively using our mobile application among the total number of digital active customers reached the 90% level, and the number of interactions with Emlak Katılım Mobile doubled compared to the previous year.

As we leave behind another year of significant progress in sustainability and continue to meet our customers with innovative products and services through both our branches and digital channels, we will continue to work harder to create valuable outputs in the coming years, driven by our organizational values and the strength we derive from our country.

Respectfully,

Onur GÖK  
Member of the Board of Directors and CEO

**We provide our diversified products and services to our customers through our branches, while also ensuring an uninterrupted digital experience for our customers thanks to our investments in digital banking and technological infrastructure.**

## CORPORATE PROFILE



# 1926

The Bank, established in 1926 with the signature of Mustafa Kemal Atatürk, resumed services as a participation bank in 2018.

EMLAK KATILIM CONTINUES TO SERVE WITH ITS 101 BRANCHES IN 39 CITIES, INCLUDING ITS E-BRANCH, WITH ITS DEEP-ROOTED HISTORY AND TEAM OF EXPERT BANKERS IN THE FIELD.

### *Emlak Katılım in Brief*

After the years of the War of Independence, Emlak ve Eytam Bankası was founded by Mustafa Kemal Atatürk in 1926 with the aim of undertaking the reconstruction of the young Republic of Türkiye, supporting construction ventures and protecting the rights of orphans. In its early years, the Bank undertook projects such as the New Parliament building, Central Bank building, which were among the most distinguished examples of the First National Architecture Period. The Bank, which realized the construction of Türkiye's first housing project, Bahçelievler Housing, also pioneered the housing finance model with the system it used in this project. Later, with projects implemented throughout the country such as Saracoğlu Neighborhood, Levent Residences, Koşuyolu Neighborhood and other iconic structures, it made significant contributions to the country's reconstruction and development.

Due to changing national needs over the years, the Bank underwent several name changes, starting its journey as Emlak ve Eytam Bankası and then continuing as Türkiye Emlak Kredi Bankası and Türkiye Emlak Bankası, respectively.

In 2018, it was decided to resume its services as a participation bank and Türkiye Emlak Katılım Bankası (Emlak Katılım) obtained its operating license in 2019. Today, with its deep-rooted history and a team of expert bankers, it continues to serve with 101 branches in 39 cities, including its e-branch.

### *Shareholding Structure*

Emlak Katılım's principal shareholder is the Ministry of Treasury and Finance 99.99% of the Bank's TL 1,026,915 (TL thousand) in capital is owned by the Treasury. A minority stake (worth TL 80.57) in the Bank is held by its predecessor Bank's employee pension fund (T. Emlak Bankası Emekli ve Yardım Sandığı Vakfı), which was renamed "T.C. Ziraat Bankası ve T. Halk Bankası Emekli ve Yardım Sandığı Vakfı" after that the Bank's liquidation. Other minority shares (worth a total of TL 3.38) belong to 33 private individuals.

TL 1,026,915 (TL thousand) of the Bank's capital of TL 1,026,915 (TL thousand) has been fully paid; TL 2.82 owed by 33 private individuals has not been paid. The Bank's TL 1,026,915 (TL thousand) paid-in capital is divided into 102,691,549,916 shares, each with a nominal value of TL 0.01. The share of the Ministry of Treasury and Finance is represented by the Ministry of Environment, Urbanization and Climate Change. Neither the Bank's chairman of the board nor its board members, member of audit committee, chief executive officer or executive vice presidents are shareholders in Türkiye Emlak Katılım Bankası A.Ş.



We are elevating the customer experience with our innovative products that reflect our innovation capability and leadership. With our product "Quarter Account," we enable our customers to deposit their physical gold to our bank and withdraw it physically whenever they wish. With "Project Preferred Special Current Account," we provide our saving-oriented customers with the opportunity to choose the sector they want to provide financing to, while also providing exchange rate protection support by allowing the account to be opened in Turkish lira, US dollar, Euro, British Pound and gram of gold.

**WITH OUR "FIRSTS," WE  
ARE TAKING THE CUSTOMER  
EXPERIENCE TO NEW  
DIMENSIONS.**

## BRANCHES



### İstanbul Branches

Altunizade, Avcılar, Bağcılar, Beşyüzevler, Beykent, Çekmeköy, Erenköy, Esenyurt, Esenler, Fatih, Güneşli, Hasanpaşa, İkitelli, İkitelli Metro, İmes, İmsan, İstoc, Kağıthane, Kartal, Kavacık, Kaynarca, Küçükbakkalköy, Laleli, Levent Sanayi, Maltepe, Maslak, Mecidiyeköy, Merkez, Merter, Metrokent, Osmanbey, Pendik, Sefaköy, Şirinevler, Sultanbeyli, Sultançiftliği, Sultanhamam, Topçular, Topkapı, Ümraniye, Üsküdar, Zeytinburnu

### Ankara Branches,

Ankara, Kızılay, Ostim, Sincan, Sitelер, Yıldız

### İzmir Branches

Gazimir, İzmir, Karşıyaka

### Bursa Branches

Bursa, İnegöl, Nilüfer, Yıldırım

### Adana Branches

Adana, Küçüksaat, Çukurova

### Gaziantep Branches

Gaziantep, Gaziantep OSB

### Kocaeli Branches

Gebze, İzmit

### Konya Branches

Büsan, Konya, Konya Kobisan

### Kayseri Branches

Kayseri, Kayseri OSB

### Antalya Branches

Antalya, Manavgat

### Mersin Branches

Mersin, Mezitli

### Hatay Branches

Antakya, İskenderun

### Branches in Other Provinces

Adapazarı, Afyonkarahisar, Aksaray, Aydın, Balıkesir, Batman, Çorlu, Çorum, Denizli, Diyarbakır, Düzce, Eskişehir, Erzurum, Isparta, Karabük, Kahramanmaraş, Karaman, Malatya, Manisa, Nevşehir, Osmaniye, Rize, Samsun, Şanlıurfa, Sivas, Trabzon, Değirmendere, Yalova



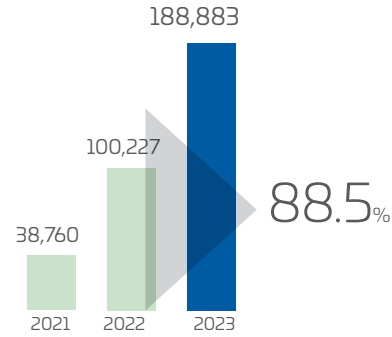
## KEY FINANCIAL INDICATORS\*

### Strong Fund Structure, Sustainable Profitability

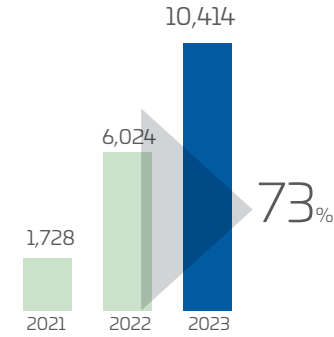
(TL million)	2023	2022	2021
Total Assets	188,883	100,227	38,760
Cash and Banks	84,046	30,927	7,768
Equity	10,414	6,024	1,728
Profit Share Income	16,659	8,298	2,329
Profit Share Expenses	10,373	4,380	1,797
Profit Before Taxation	7,582	3,724	188
Net Period Profit/Loss	5,130	2,810	143

\* Unconsolidated figures

**TOTAL ASSETS**  
(TL million)



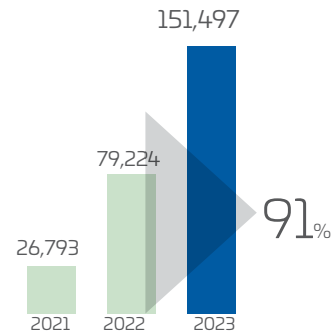
**EQUITY**  
(TL million)



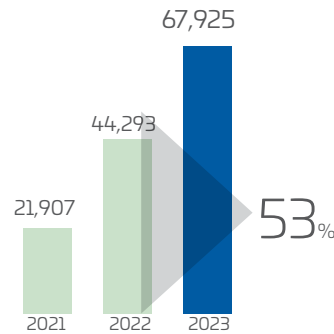
# 88.5%

Emlak Katılım's total asset size increased from TL 100.2 billion to TL 188.9 billion, up by 88.5%.

**FUNDS COLLECTED**  
(TL million)



**FUNDS ALLOCATED**  
(TL million)



# 91%

Funds collected increased by 91% from TL 79.2 billion to TL 151.5 billion.

While achieving a 53% growth in funds extended, the cash fund extended amount, which was TL 44.3 billion, increased to TL 67.9 billion in 2023.



We finance our future with thematic sukuk issuances and environmentally friendly financial solutions. The funds obtained from green sukuk issuances are allocated to projects that positively impact climate change and the environment, managed within Private Fund Pools. Financing is provided for investments in the collection, sorting and reuse of waste materials through Türkiye's first real sector green sukuk. Through mediation in the issuance of Green Sukuk Al Istisna'a, the proceeds generated from here is ensured to be used in the construction of environmentally themed green concept buildings.

While aiming to contribute to reducing carbon emissions with our environmentally friendly vehicle financing product, we offer 100% leasing opportunities in rooftop RES projects through partnerships to companies interested in investing in renewable energy.

**WITH OUR "FIRSTS," WE  
CONTRIBUTE TO SUSTAINABLE  
FUTURES.**

## BANKING DEVELOPMENTS IN 2023



IN 2022, THE SECTOR'S TOTAL ASSETS, WHICH WERE APPROXIMATELY TL 14.3 TRILLION, EXCEEDED TL 23 TRILLION WITH A GROWTH OF AROUND 63%. **DESPITE THE CHALLENGING YEAR OF 2023, OUR BANK ACHIEVED SIGNIFICANT PROGRESS.**

## Trust in Participation Finance

**Emlak Katılım continues to provide full support to our country's leading sectors such as real estate, industrial production, construction, logistics, trade and services.**

### Banking Developments in 2023

Despite all economic fluctuations both globally and domestically, our Bank has continued its growth. Our Bank continued its growth by increasing the number of branches from 80 in 2022 to 101 in 2023, including e-branches. Additionally, Emlak Katılım family continued to expand in 2023 year 2022 was completed with 1,297 employees. In 2023, the number of employees reached 1,494, with 721 (48%) in general management and 774 (52%) in branches.

Emlak Katılım continues to provide full support to our country's leading sectors such as real sector, industrial production, construction, logistics, trade, and services. In 2023, while the wholesale and retail trade sector ranked first with 24% of cash loans extended, followed by manufacturing with 23% and construction with 16%.

In 2023, Emlak Katılım significantly increased its financial transactions, raising its total assets from TL 100.2 billion to TL 188.9 billion, achieving an 88.5% growth. Funds collected increased by 91%, rising from TL 79.2 billion to TL 151.5 billion. Meanwhile, funds extended also saw a 53% growth, as the cash fund extended amount increased from TL 44.3 billion in 2022 to TL 67.9 billion in 2023.

In 2023, despite high inflation and the Russia-Ukraine war, the Turkish banking sector made significant progress. Accordingly, the sector's total assets, which were TL 14.3 trillion in 2022, exceeded TL 23 trillion with approximately 63% growth. Despite the challenging 2023, our Bank achieved significant development. Parallel to the growth in total assets, similar growth rates were recorded in

## BANKING DEVELOPMENTS IN 2023

both funds collected and loans extended, reflecting a performance close to the sector's overall momentum. At the end of the year, while the sector's net profit was TL 431 billion in 2022, due to increased costs, there was a limited growth of around 28% in 2023, reaching the level of TL 550 billion.

When the sector is examined specifically in terms of participation banking, it is better performance was observed compared to the banking sector. In 2023, the total assets of participation banks exceeded TL 2 trillion for the first time in history, registering a growth of 70% compared to the previous year, once again demonstrating the public's trust in participation banks. In funds collected, while TL 891 billion was collected in 2022, a growth close to total assets was recorded in 2023, reaching TL 1.5 trillion. Thus, Participation Banks achieved a higher growth than the overall sector.

### 2023 Macroeconomic Developments

2023 was a particularly challenging year for the Turkish economy. Factors such as uncertainties in the global economy, high inflation and currency fluctuations negatively affected the Turkish economy from the beginning of the year. According to the OECD report, the global economy, which was expected to grow by 2.9% in 2023, is anticipated to decline to 2.7% in 2024 due to ongoing conflicts such as the Russia-Ukraine war, geopolitical tensions in the Middle East and trade wars between the United States and China. The slowdown in growth is primarily attributed to the weakening of overall demand.

**While TL 891 billion funds were collected in 2022, there was a significant increase close to the asset size, reaching TL 1.5 trillion in 2023, resulting in even greater growth than the sector as a whole.**

## BANKING DEVELOPMENTS IN 2023

### Legal Consultancy and Follow-up Directorate

Legal Consultancy Unit operating under the Legal Consultancy and Follow-up Directorate is in charge of scrutinizing and expressing opinions on legal issues submitted by Head Office Units, Branches and other units, drafting the legal texts of the Bank, examining non-standard letters of guarantee given at home abroad and contracts to which the Bank is a party and carrying out the general assembly processes of the Bank. The Legal Consultancy Unit meticulously provided the necessary support to the Bank's units in all legal matters submitted to it in 2023.

The Legal Proceedings Unit, operating under the Directorate of Legal Consultancy and Proceedings, undertakes the collection of our Bank's receivables, the follow-up of all kinds of lawsuits and enforcement proceedings and the defense of our Bank in legal and criminal conflicts.

In this context, 528 lawsuits and 522 enforcement files were tracked in 2023, with 158 lawsuits and 65 enforcement files being resolved.

### Information Security Department

Our Bank has made investments in information security in order to maintain secure operations in 2023. The following activities were carried out in this context:

- Improving infrastructures for data classification and data leakage prevention,
- Assessment of information systems service procurement,
- Product renewal,
- Secure base configuration scanning,
- SWIFT CSP compatibility,

- Whitelisting applications,
- Creating awareness regarding information security.
- Conducting the 2023 BRSA Penetration Test and Reporting to the Board of Directors,
- Conducting the 2023 Cyber Incident Drill 2023,
- Improvement of Centralized Log Management Infrastructure,
- Conducting Internal and External Security Vulnerability Scans.

## DEPUTY DIRECTORATE GENERAL OF INFORMATION TECHNOLOGIES AND DIGITAL BANKING

### Information Technologies

Our Bank has carried out investments related to infrastructure, corporate architecture, digital and banking services to ensure the continuity of operations in 2023. In this context, the following activities were realized:

- The completion and deployment of the Tunnel Microservices Transformation project was launched.
- The infrastructure for Interactive SMS-in has been established.
- Responsive design for the Internet Branch has been completed.
- Integration of the Corporate Web System CMS panel.
- Opening of Investment Accounts on Mobile and Internet Channels.
- Integration of Open Banking Service Infrastructure and

**Our Bank has carried out investments related to infrastructure, corporate architecture, digital and banking services to ensure the continuity of operations in 2023.**

BKM Integration developments.

- Open Banking Portal.
- Improvements in Mobile Sukuk Auction transactions.
- Infrastructure Work for Daily Transaction of Debit Cards.
- Developments in New Design Language for Mobile Branch.
- Activation of the Collaboration between Emlak Katılım and PTT.
- User Experience Improvements for Remote Customer Acquisition.
- Works on the HR Agenda Portal.



## BANKING DEVELOPMENTS IN 2023

- Infrastructure Development for EmlakAPP's New Interface.
  - Infrastructure Developments and Improvements for BKM Key Block Transition.
  - Infrastructure developments and improvements for Supplier Finance System.
  - Infrastructure developments and improvements for DBS (Direct Borrowing System).
  - Purchase/Sale of Funds via Mobile and Internet Channels.
  - Improvements for Limit Increase with NFC OCR and Password Removal via Mobile.
  - Operations for Project Preferred Current Account Transactions via Mobile.
  - Arabic Mobile Branch and IVR Developments
  - Integration of Ahlatçı Gold Refinery
  - Infrastructure improvements for Mobile Notification (push)
  - QR Code Check System Developments
  - Swift Integration from Mobile and Internet Channels
  - Completion of E-signature isometric client integration
  - Maturation of Bridge Request Management process and integration with TFS application, along with the creation of TFS Dashboard reports.
  - Improvement of the Registered Electronic Mail Sending process through the use of the new e-signature infrastructure.
  - Progression of our Bank's staff promotion processes through the system created on BOA.
  - Integration of Fraud detection for the following transaction types performed by our Bank's customers has been provided to identify risky transactions:
    - TAM ATM - Fraud Integration
    - IVR - Fraud Integration
    - Remote Customer Acquisition Application Process - Fraud Integration
    - Payment with QR Code (Contactless Banking) - Fraud Integration
  - Completion of the purchase of Test Automation product.
  - Installation of Device Farm for testing.
  - Completion of hourly and daily automated test runs. Initiation of data warehouse infrastructure establishment for our bank's units to create their own reports.
- Additionally, the following activities were carried out:
- Preparing the infrastructure to ensure Active-Active architecture compatibility in order to increase accessibility in critical banking applications
  - Transition from physical telephones to virtual telephone applications in General Directorate Units to support carbon emission reduction efforts
  - Evaluation of information systems service procurement
  - Establishment of IT processes
  - Monitoring of business continuity
  - Evaluation of IT risk
- Within the year 2023, the total effort expended by all UG teams within Bridge, Lens and Other scopes is 30,100 man/day.

**Our service model and customer experience presentation are continuously refreshed and innovative projects suitable for the era are being implemented.**

### Digital Banking and Payment Systems Department

#### Digital Banking

As Emlak Katılım, since our establishment phase until today, we have been following a "Digital Transformation Strategy" consistent with our Bank's main strategy and constantly updating a roadmap. Our service model and customer experience presentation are continuously refreshed and innovative projects suitable for the era are being implemented.

## BANKING DEVELOPMENTS IN 2023

Our customers, through end-to-end digital processes and secure identity verification methods on Emlak Katılım Mobile, easily fill in their information and within minutes connect to our experienced customer representatives via video call to become customers of our Bank and start conducting banking transactions for free.

As a result of all these advantages, the number of customers gained through digital channels increased by 88% compared to the previous year in 2023 and the total deposits of digital customers tripled. In the upcoming period, we aim to further increase the number of customers we acquire through new investments in the digital field.

Within 2023, in order to provide an excellent user experience through customer-centric activities and increase customer loyalty, new digital applications and services have been made available. With the innovative services implemented, the number of customers through digital channels increased by 58% compared to the previous year and we continue to rapidly provide uninterrupted services through integrated channels.

By supporting our new functions in Emlak Katılım mobile with user-friendly screens and processes, we aim to make our mobile application the first point of contact for our customers and introduce new solutions to them every day. Thus, in 2023, the share of customers actively using our mobile application among the total digital active customer base increased to the 90% level and the number of interactions with Emlak Katılım Mobile doubled compared to the previous year.

Aligned with our sustainability and environmental goals for a greener Türkiye, we have put an end to the practice of wet

signatures by implementing “Paperless Banking” services, thereby preventing pages of paper waste. All contracts and forms used in individual account openings at our branches have been digitalized and moved to mobile platforms, encouraging our customers to use the “Digital Approval” application. Through mobile approval and online video calls for account openings, a total paper saving of 1.6 million pages has been achieved, reducing our carbon footprint.

Investment account openings have been transitioned to Mobile and Internet Banking channels, adding another dimension to our digital transformation efforts and increasing the variety of products and transactions offered through digital channels.

Our Internet Branch has been revamped with a modern design and user-friendly interfaces, catering to the needs of our customers. For customers using devices without our mobile application installed, a new design that is compatible with the device screen size has been introduced for accessing our Internet Branch.

To enable our customers to conveniently set new passwords from their mobile devices and instantly fulfill any additional limit requirements for financial transactions, next-generation identity verification technologies such as OCR, NFC and Livelihood Test have been expanded, and innovative applications improving the customer experience have been launched.

The Mobile Branch now offers multilingual support with the addition of Arabic, further enhancing our digital solutions to meet the needs of foreign customers who prefer to receive services in their own language.

**Our Bank became the first public bank to complete the transition of all its ATMs to the TAM System (Public Common ATM).**

With all these innovative services and applications, a significant majority of our customers have utilized our digital channels to conduct banking services, benefiting from the advantages of cost-free banking. The number of customers using our digital channels has increased by 60% compared to the previous year.

### Payment Systems

In 2023, we concluded a year of widespread adoption and growth for our bank’s digital payment tool, Emlak Katılım Mobile POS (CepPOS). The customer base of CepPOS increased by 27%, while the transaction volume surged by 133% compared to the previous year, resulting in a 238% increase in commission revenue.

## BANKING DEVELOPMENTS IN 2023

In 2023, our Bank introduced a new payment tool, the Physical POS product, to serve our customers.

Following the introduction of the Physical POS product with Mobile EFT POS capabilities, our Bank initiated the development of physical POS systems compliant with the VUK 507 Regulation to meet the needs of our customers in 2023. The next-generation physical POS, which will integrate with e-invoicing, is targeted to be available for our customers in the first quarter of 2024.

Our Bank became the first public bank to complete the transition of all its ATMs to the TAM System (Public Common ATM). The number of ATMs migrated to the TAM System nationwide has reached 5,000.

The Central Bank of the Republic of Türkiye (TCMB) has introduced the function of cardless cash withdrawal using the TR QR Code standard at our Bank's ATMs and all ATMs across the country. The number of financial transactions processed through our ATMs has increased by 50%, while the transaction amount increased by 67%.

### Bank Card and Credit Card Services

The necessary feasibility studies have been conducted for the implementation of our Bank's credit card project, and technical and system developments for Phase 1 have been completed.

Total number of our bank cards has increased by 72% compared to the previous year, with transaction volume growing by 205%.

### Customer Communication Center

The Customer Communication Center continued to deliver outstanding, prompt assistance to our customers 24 hours a day, 7 days a week, with an emphasis on customer satisfaction. In 2023, the number of customer contacts increased by 70% over the previous year, while service levels exceeded 90%. Our customers can quickly and easily

obtain passwords using the self-service facilities provided by Interactive Voice Response (IVR).

The customer satisfaction rate was 93% in the quality assessments and post-call surveys conducted to measure service quality and provide better service to our customers.

The number of outbound calls made through the Customer Communication Center regarding various products and services increased by 25% compared to the previous year.

70% of the people who connect to our Customer Communication Center via video calls and remote authentication have succeeded in becoming our Bank's customers. In 2023, 13% of our Bank's individual customer acquisition was achieved through remote video calls.

Along with the increase in the number of customers and products and services of our Bank, the communication of complaints, requests, satisfaction and suggestions has increased by 74% compared to the previous year. Customer satisfaction was ensured by responding to incoming applications within 2 days on average.

E-Branch customers continued to be served via live correspondence (chat) over the private internet and mobile branch.

### Product and Customer Security

The necessary measures have been taken on behalf of our Bank by monitoring the fraud trends in the sector.

Within the scope of product and customer security, efforts were made to inform Bank employees and customers and to raise awareness about fraud prevention. Efforts have been made to anticipate the impact of high-volume projects that will be implemented on behalf of our Bank in the near future on our processes. Processes have been initiated for the acquisition of next-generation risk monitoring tools to minimize the financial risk of our Bank.

**The customer satisfaction rate was 93% in the quality assessments and post-call surveys conducted to measure service quality and provide better service to our customers.**

## BANKING DEVELOPMENTS IN 2023



### DEPUTY DIRECTORATE GENERAL OF HUMAN RESOURCES AND STRATEGY

#### Strategic Planning Department

Strategic Planning, Corporate Performance, Organizational Development and Process Development sections are all part of the Department of Strategic Planning and Organizational Development, which reports to the Deputy Directorate General of Strategy and Human Resources. The Department's primary duties and responsibilities are to determine the Bank's medium and long-term strategies in accordance with the macroeconomic outlook and current banking trends, global and local developments, and competitive circumstances, all within the framework of Emlak Katılım's mission and vision; to execute the strategic management process, to create strategic targets at the unit level in coordination with the relevant business

units, to monitor and report on the implementation of the Bank's strategies. Also, it contributes to the institution's organizational development through studies such as in-house authorization, SLA measurements and norm staff analyzes.

In 2023, the following studies were carried out: dissemination of strategic awareness, planning and promoting strategic priorities, activating the Corporate Performance System and ensuring its internal adoption, analyzing internal/external factors on matters concerning the institution, conducting analysis/research that will affect the level of product, service and profitability and informing the Senior Management. For the year 2024, analyses were made for the branches and locations to be opened and they were presented. Monitoring and reporting of the essential steps for the implementation of strategic priorities throughout the organization was ensured. Required updates

## Strategic Plan

In the 2024 Strategic Plan, 4 main themes, namely Efficient and Widespread Service, Digitalization and Operational Excellence, Innovative and Responsible Finance, Strong Communication, were determined.

were made regarding the segmentation structure and segment criteria of the institution within the framework of market conditions. A norm staff study has been conducted to determine the number of employees in branch and head office units based on their workload.

#### Goals for 2024

In line with our 4 main themes in the 2023 Strategic Plan, namely Efficient and Widespread Service, Digitalization and Operational Excellence, Innovative and Responsible Finance, Strong Communication, global trends and developments will be followed throughout the year and projects to bring good practices to our Bank will be prepared in order to increase profitability with basic banking practices. In order to ensure corporate sustainability by using resources effectively and efficiently, the execution of processes for capital and human resources, technological developments

## BANKING DEVELOPMENTS IN 2023

and digitalization will be geared up and development studies to ensure financial and environmental sustainability will be organized. Advertising and promotion activities will be carried out to strengthen the corporate brand image. In line with the aim of increasing the market share with the digital innovative financial solutions developed, the best examples of digital banking will be analyzed and examined taking into account legislative regulations and the relevant structures will be coordinated to implement them in accordance with our Bank's concept. Efforts will be made on customized financing products for the high-tech and environmentalist sub-industries that produce goods and services for the sector, in order to support the development of the sector by providing financial solutions for the real estate sector. Efforts on improvement areas aimed at increasing employee and internal customer satisfaction will be followed.

### Corporate Communications Department

**Advertising Campaigns:** Within the scope of the communication efforts for our Project-Preferred Special Fund Pool product, which is a first in Türkiye, the shootings of two versions of advertisements named "Gold Day" and "Cafe Day" were completed in 2023. A 360-degree communication was conducted on TV, Out of Home, Magazines, Newspapers and Digital platforms. The broadcasts reached approximately 12 million people on TV and nearly 13 million people on digital platforms.

**Press Communication:** Throughout the year, we shared 22 press releases and conducted written interviews on product services and our Bank's agenda, resulting in coverage in over 6,000 news pieces, reaching 85 million people.

**Social Media Communication:** Creative works prepared for our products and services, desktop advertising films and posts on current topics reached approximately 2 million people, receiving 118,000 interactions and 15,000 mentions.

**Creative Works:** In addition to creative works prepared for advertising campaigns and social media accounts, nearly 1,000 different creatives were prepared for internal and external mailings, branch facades, website, agenda, calendar, fairs, events and organizations throughout the year.

**Website:** A total of 181 requests for adding/updating content on our website were fulfilled and website interface adjustments were coordinated with relevant departments.

**Trademark Registration and Domain Processes:** Trademark registration and domain rights were obtained for our institution's new products and services and processes for the protection of these rights were monitored throughout the year.

### Sponsorship and Corporate Social Responsibility Projects:

As part of our corporate social responsibility activities, our Bank's Nature Club members participated in a coastal and underwater cleaning event organized by the Türkiye Environmental Protection Foundation under the Ministry of Environment, Urbanization and Climate Change, collecting 800 kg of waste from the bays near Fethiye.

Financial support was provided for the construction of the Children's Homes Site in Adıyaman, which will be built in collaboration with the Ministry of Environment, Urbanization and Climate Change and the Ministry of Family and Social Services and for the construction of a Mosque and Religious Education and Culture Facility in Adıyaman by the Sahaba Safvan Bin Muattal Mosque and Religious Education and Culture Facility Association.

**Events & Organizational Activities:** Processes related to meetings, events, and organizations planned to be held in 2023 were conducted.



## BANKING DEVELOPMENTS IN 2023



### DEPUTY DIRECTORATE GENERAL OF FINANCE

#### Purchasing Department

The Purchasing Department carried out an integrated Purchasing process in 2023 that included both cost-cutting measures and effective management of operations in the contract processes, while also contributing to the elimination of legal risks and the business development efforts.

Within the scope of the operations carried out, our Bank seeks to establish not only the processes of today, but also those of tomorrow, in accordance with the requirements of our institution and our age, by establishing essential purchasing and contracting systems while catching up with the era.

While all of these project development studies and reports are being conducted, we work diligently to meet the needs of our Bank's units precisely, on time, and at the best possible price, without disrupting our current tasks. In this context, based on 1,021 product/service requests received from the units over the BOA system, 574 tender processes were held, and 246 contract processes were carried out within this scope, and the preparation, analysis, approval, paperwork and contract processes of the tenders, as well as the classification procedures, were completed.

In 2024, The Department of Purchasing will continue to operate in line with the digitalization goal of our Bank and to meet the needs of our institution.

## Zero waste

Emlak Katılım, the first participation financial institution to start its operations in this area by acquiring a Zero Waste Certificate in its second year of operation, continues to conduct its environmental responsibilities with precision.

#### Administrative Affairs Department

The Administrative Affairs Department provides services in various areas at our Bank, including security, fleet management, cleaning and catering, zero waste project, correspondence and archives, general administrative services, warehouse management and personnel shuttle services.

#### Zero Waste Project Services

The Zero Waste Project was implemented in September 2020 by complying with all of the criteria outlined in the Zero Waste Regulation of the Ministry of Environment, Urbanization and Climate Change, at Emlak Katılım's Head Office, additional service building and all branches. Within the scope of the Basic Level Certification application, certification procedures for 19 branches have been finalized.

## BANKING DEVELOPMENTS IN 2023

and total number of branches having certification reached 98. Emlak Katılım, the first participation financial institution to start its operations in this area by acquiring a Zero Waste Certificate in its second year of operation, continues to conduct its environmental responsibilities with precision as of the end of 2023, Emlak Katılım has provided around 37 thousand kilograms of waste from its branches and Head Office building for recycling, thus making a contribution to the economy.

### Construction-Real Estate Department

The Construction-Real Estate Department continues its activities through two different services: real estate and construction.

Real Estate Department carries out the selection, rental and contracting processes of the Head Office building, Additional Service Buildings and Bank branches to be opened throughout Türkiye according to the required expertise reports.

Construction Service completes the general construction works of the Head Office building, Additional Service Buildings and Bank branches to be opened throughout Türkiye and ensures that they are ready for operation.

The total number of branches established in 2019-2020, 50

The total number of branches established in 2021, 21

The total number of branches established in 2022, 17

The total number of branches established in 2023, 16 and Ankara Headquarters Annex Building Construction Works

Our goal for 2024 is to continue leasing and construction projects in accordance with our bank's strategy.

### Budget & Financial Reporting Department

The 2023 budget approved by the Board of Directors was followed, the budget for 2024 was prepared through simultaneous work with the units and the financial status updates of the monthly profit-loss status of the branches were carried out. These processes were systematized and thus contributed to increasing efficiency and effectiveness.

Report sets have been prepared for the Asset Liability Committee (ALCO) meeting where the financial situation of our Bank is discussed weekly. Administrative reports required by the executive management were made available to those concerned via the screens designed in the business intelligence tool. Reports were prepared in the periods needed by the units, and analyzes and comments were made on these reports.

### Official Reporting Department

The forms to be sent periodically to official institutions and organizations, especially to the Ministry of Treasury and Finance, Banking Regulation and Supervision Agency, Central Bank of the Republic of Türkiye, Savings Deposit Insurance Fund, Revenue Administration, Participation Banks Association of Türkiye, and the information and documents requested by said institutions and organizations were sent to their addressees within the expected time limits.

Within the scope of the Communiqué on the Financial Statements to Be Disclosed to the Public by Banks and the Explanations and Footnotes Related to Them, the consolidated and unconsolidated financial statements and the audit reports containing the explanations and footnotes related to these were presented to the relevant institutions and the public.

**As of the end of 2023, Emlak Katılım has provided around 37 thousand kilograms of waste from its branches and Head Office building for recycling, thus making a contribution to the economy.**

## BANKING DEVELOPMENTS IN 2023

### Financial Affairs and Control Department

Financial Affairs and Control Department carries out its functions through the Profit Distribution and Financial Transactions Service, the Financial Control Service and the Treasury Control Service. Each unit contributes significantly to the corporate development of Emlak Katılım by constantly improving its own processes and control points.

Profit Distribution and Financial Transactions service continues to direct the funds collected under the Participation Funds by the idle fund status of the pools, to establish a pool system in accordance with the legislation to distribute profits accurately, reliably and quickly, to manage the participation pools, and to track and report their income and expenses, as well as to make their systematic developments.

New screens have been developed and put into use for the systematic calculation and recording of rediscounts and profit distributions related to Project-Preferred Private Fund Pools. The infrastructure for calculating and distributing profits of our Bank's strategic product, "Üretenle Kazan" (Win with Production), is being established. Cross-checks with RPA, reporting of financial information from other participation banks, has commenced. Additionally, exchange rate difference payments have been made to currency-protected participation accounts, and the necessary system improvements have been completed.

Financial Control Service supported the establishment and development of a solid accounting infrastructure in order to prepare our Bank's internal and external reports on time, with accurate and reliable data, and also carried out effective financial and accounting controls.

Support has been provided for the implementation of the entire accounting infrastructure for our Bank's credit card, which will be launched at the beginning of 2024. A control point is being established for all clearing transactions related

to the credit card. The infrastructure for financial reports compliant with inflation accounting, according to our bank's TMS standards, is being developed.

In the Treasury Control Service control approvals were given to ensure that all transactions made by the Treasury were carried out within the framework of the Bank's policies, procedures and limits.

Effective monitoring of the Bank's foreign currency and precious metals status, and controls for the market compliance of Sukuk, foreign exchange, derivative and precious metal profits and exchange rates are carried out.

In 2024, it is planned to create new control points and ensure systemic improvements.

### Accounting and Tax Department

Accounting and Tax Department consists of Tax and Legal Obligations, Accounting, Expenses and Payments Services.

An accounting recording system was established within the framework of legal regulations in line with the policies and strategies determined by our Bank and with this recording system, a successful performance was shown in preparing audit and examination, reporting and analysis studies.

Tax declarations and notifications as well as the attestation and approval procedures for legal books are carried out. General provisions for credit, free reserves, current tax provisions and deferred taxes are determined taking into account the corporate tax rate and recorded in the closing entries at the end of the period.

Transfer pricing, hidden gains, actuarial gains and losses, expenses issued on behalf of our bank, leases and prepaid expenses are recorded accurately and timely, with payments made on time. Additionally, leases are depreciated according to the useful life determined under the provisions of TAS16 and tax laws using the straight-line depreciation method.

**Improvements have been made in our processes by means of systematic developments, and these developments will continue in the new period in line with our growth objective.**

Assets acquired due to receivables held by the Bank and non-current assets held for sale are accounted in accordance with the "IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations" standard. Within the framework of TAS 36 "Impairment of Assets", as a result of the valuations (appraisal valuations) held in the relevant period for the assets acquired due to the receivables under the responsibility of the Bank, a provision for impairment is reserved for the related assets.

Tax legislation amendments are tracked on a daily basis, and actions are taken by providing required information about the revisions.

Improvements have been made in our processes by means of systematic developments, and these developments will continue in the new period in line with our growth objective under the same roof.

## BANKING DEVELOPMENTS IN 2023



### DEPUTY DIRECTORATE GENERAL OF TREASURY AND INTERNATIONAL BANKING

#### Treasury Department

##### Foreign Exchange and Precious Metals Service

The Foreign Exchange and Precious Metals Unit provides Emlak Katılım customers with foreign exchange and precious metal buying and selling services via a variety of channels, executes spot forward foreign exchange and precious metal buying/selling transactions in international markets, engages in marketing and sales activities related to treasury products and services, and participates in the development of treasury products.

Increasing the volume and profitability of foreign exchange buying/selling and precious metal buying/selling transactions constitutes the main strategy.

The Foreign Exchange and Precious Metals Unit operates through two services: Treasury Marketing Service and the Trading Service.

The Trading Service contributes to the profitability of the Bank by performing foreign exchange and precious metal purchases and sales transactions in domestic and international markets.

The Treasury Marketing Service provides communication and coordination on behalf of the Treasury with branches and customers regarding customers' foreign exchange and precious metal buying/selling transactions and carries out sales and marketing efforts.

For 2024, we have several goals in terms of customer transactions and interbank market transactions. It is aimed that our customers carry out foreign exchange and precious metal trading transactions in the relevant channels at competitive rates, 24 hours a day, 5 days a week.

On the interbank markets, the goal is to become a market maker rather than a price taker for spot foreign currency and precious metals. In line with this goal, it is intended to provide exchange rate flow to banks on domestic and international markets through various channels as a pricing market maker.

It is critical to boost our transactions in the Borsa Istanbul Precious Metals Markets and gain more market power.

## BANKING DEVELOPMENTS IN 2023

It is aimed at reaching higher volumes in meeting the TL banknote (effective) demands of foreign markets, which we have been performing since the establishment of our Bank.

In terms of sales and marketing, the goal is to build a technological basis for CRM and customer behavior models based on our customers' transactions.

### Treasury - Assets, Liabilities, and Capital Markets

Our Bank's Asset-Liability Management is carried out in accordance with the "Liquidity Management Guide" published by the Banking Regulation and Supervision Agency (BRSA), taking into account generally accepted methods applied both domestically and internationally. In 2023, all assets and liabilities of our Bank were managed parallel to the ratios related to similar assets and liabilities of other Participation, Deposit and Public Banks. It is intended for 2024 to ensure the development of our Bank's liquidity management in accordance with current conditions, to diversify the types of transactions in the CBRT-Interbank Money Markets and relevant markets in Borsa Istanbul, and to enhance transaction efficiency and volume.

Efforts on sukuk, stocks, and investment fund transactions in Capital Markets have been expanded. The Bank's profitability from capital market transactions increased significantly by 195% in 2023 compared to the prior year. Although our Bank's activity, particularly in securities, is remarkable, the risk-return balance has been differentiated with the increase in the securities monitored in its assets. In this context, portfolio diversification was made in Turkish Lira-denominated sukuk, and an increase was achieved in our Bank's variable income (CPI indexed) and fixed income securities portfolios. Similarly, foreign currency sukuk

were included within our Bank's portfolio upon an analysis of global market expectations and risks. In 2023, with an expansion in branch network and customer activities, a 69% increase and high efficiency in sukuk transaction profitability in all currencies were achieved compared to the previous year. In 2023, second-hand sukuk and securities mutual funds continued to be available for buying in mobile and internet branch environments, and the required systematic development studies for additional participation finance capital market products were initiated. In order to promote current participation-based investment instruments and monitor weekly performance, the weekly participation financial capital markets bulletin has been shared with investors and sector stakeholders and its content has been expanded and sharing continued.

The process for opening investment accounts through digital channels, which is expected to make a significant contribution to transaction volume, was launched at the beginning of 2023. The purchase and sale of the Participation Hedge Fund, established to meet the demands of investors who do not find traditional deposit/fund investments attractive and focus on alternative investment products, continued through all channels. Efforts are underway in 2024 to introduce new investment funds into our Bank's portfolio.

In 2024, our Bank will continue to support our market share and engage in product and service initiatives that will add value to our country and the participation finance markets.

**The Bank's profitability from capital market transactions increased significantly by 195% in 2023 compared to the prior year.**

### Financial Institutions Department

Financial Institutions established correspondent relationships with 316 banks by the end of 2023 as part of its attempts to grow its global correspondent bank network. Transactions such as letter of credit transactions, external guarantee transactions, foreign trade transactions against documents and foreign currency payments, which increased in line with the growing number of branches, were directed to correspondent banks with which relations were established, and efforts to improve the support and solutions offered to our customers in terms of foreign trade, both in imports and exports, have continued.



## BANKING DEVELOPMENTS IN 2023

In addition to the customer-oriented correspondent bank relations, the number of nostro accounts with correspondent banks increased. Additionally, the products available in the banking market were brought to our Bank. In order to meet our Bank's own needs, credit relations were established with correspondent banks and non-bank financial institutions in order to carry out asset-liability management, funding, foreign exchange, and precious metals trading within the scope of the treasury business area, and the opportunities provided by correspondent banks in this area were expanded. In 2024, efforts will be sustained to expand the correspondent bank network in order to contribute both to the solutions to be offered to customers in the field of foreign trade and to our Bank's own funding and transaction diversity.

### Investment Banking and Investor Relations Directorate

The year 2023 marked a successful period for the Investment Banking and Investor Relations Directorate, alongside increased business volume, productivity and the establishment of new services. Under the directorate's umbrella, three different services are operational: Sukuk and Investor Relations Service, Sustainability Service and Portfolio Custody Service.

### 2023 Activities

- The issuance volume of sukuk domestically by our Bank in 2023 showed an increase of approximately 58% compared to the previous year, reaching approximately TL 24 billion. In sukuk issuances conducted without arranger, significant cost savings were achieved, and our Bank, sharing its knowledge and experience in participation-based capital markets, facilitated sukuk

issuances adhering to Islamic finance principles for corporate firms operating in various sectors such as agriculture, recycling, real estate, automotive, and food. As of the end of 2023, our Bank maintained its sector leadership with a outstanding sukuk balance of approximately TL 6.7 billion in the sukuk issuances it facilitated, contributing significantly to the growth and development of participation-based capital markets with innovative sukuk models. With these sukuk issuances, our Bank was honored as the "Best Sukuk Arranger" in the sector category at the International Finance Awards 2023 organized by International Finance magazine, one of the leading financial publications in the UK.

- Our Bank facilitated two separate green sukuk issuances for a corporate firm operating in the recycling sector in March-April 2023, totaling TL 100 million. For the green sukuk issuance with a total nominal amount of TL 50,000,000 facilitated by our Bank in April 2023, the Fund Allocation and Impact Report prepared indicated a reduction of approximately 24,000 tons of carbon emissions through recycling scrap materials, contributing to three of the United Nations Sustainable Development Goals.

- In December 2023, our Bank facilitated the issuance of two Sukuk Al-Istisna'a totaling TL 1.3 billion for TWF IFC Inc., a wholly-owned subsidiary of the Türkiye Wealth Fund, which is responsible for the Istanbul Finance Center Project aimed at contributing to the transformation of Istanbul into a global financial hub. Additionally, in December 2023, our Bank facilitated a sukuk issuance totaling TL 800 million, which was awarded the title of "Türkiye's Most Successful Sukuk Issuance of the Year" at the IFN Deals of The Year 2023 organized by Islamic Finance News.

As of the end of 2023, our Bank maintained its sector leadership with a circulating sukuk balance of approximately TL 6.7 billion in the sukuk issuances it facilitated, contributing significantly to the growth and development of participation-based capital markets with innovative sukuk models.



- Our Bank conducted sustainable sukuk issuances in May and June 2023, totaling TL 100 million and TL 200 million, respectively, with a maturity of 1 year. The funds raised from these sukuk issuances were utilized to finance projects contributing to climate change mitigation and social development.

## BANKING DEVELOPMENTS IN 2023

- Within the scope of Investor Relations activities, all legal notifications and reporting of our Bank and its 100% subsidiary asset leasing companies have been carried out seamlessly through platforms such as the Public Disclosure Platform, e-Company, TCMA, etc. Additionally, meetings with credit rating agencies, the preparation of annual reports, and the general assembly processes of asset leasing companies were successfully conducted.
- In 2023, to ensure the rapid and effective implementation of our Bank's sustainability initiatives, the Sustainability Service was established under the Investment Banking and Investor Relations Directorate.
- Our Bank published its first GRI Sustainability Report for the year 2022, covering its performance and goals in economic, social, environmental and governance areas. The report was prepared in compliance with the Global Reporting Initiative (GRI) standards.
- In April 2023, our Bank began providing collective portfolio custody services for participation-based investment funds with the portfolio custody license obtained from the Capital Markets Board, which will significantly contribute to the development of the sector.
- The Participation Finance Strategy Document, prepared under the coordination of the Presidency Finance Office with the effective participation of sector stakeholders and being Türkiye's first national strategy document in the field of participation finance, identified audit as one of the gaps to be addressed in participation capital markets. Taking the lead in the sector, our Bank embarked on providing this service to enhance transparency and accountability in the audit of participation-based funds, aiming to establish a trusted environment for the healthy development of the sector.

### Goals for 2024

- To continue to support the development of participation finance capital markets by developing innovative and sustainable sukuk models in participation-based capital markets,
- To continue the intermediation of corporate sukuk transactions by corporate companies,
- To accelerate sustainability efforts at our Bank and to conduct sustainability reporting,
- To obtain long-term funds from international financial institutions in order to support our Bank's sustainable growth,
- To start providing individual custody services to participation-based (Islamic) investment institutions

**Our Bank published its first GRI Sustainability Report for the year 2022, covering its performance and goals in economic, social, environmental, and governance areas. The report was prepared in compliance with the Global Reporting Initiative (GRI) standards.**



## BANKING DEVELOPMENTS IN 2023



**42,820** tons  
decrease in carbon emissions

40 MWh capacity energy plants were commissioned, generating over 66 million kWh of electricity and preventing 42,820 tons of carbon emissions.

### DEPUTY DIRECTORATE GENERAL OF SALES AND MARKETING

#### Project Finance and Monitoring Department

Within the Sales and Marketing business family, the Directorate of Project Finance and Monitoring comprises three services, namely Project Finance, Sectoral Business Development and Projects, Partnerships and Asset Management Service.

In 2023, our department evaluated 33 different investment proposals in the field of renewable energy sources to meet the energy needs of future generations, reduce environmental damage, and contribute to sustainability. Within these projects, which we provided consultancy for under our Department, 40 MWh capacity energy plants

were commissioned, generating over 66 million kWh of electricity and preventing 42,820 tons of carbon emissions.

The business model called “Diminishing Musharakah”, in which individual investors will invest alongside our Bank in investment projects (energy, real estate, infrastructure and superstructure etc.) that conform to the technical and financial qualification criteria of our Bank and in which they will share the profit/loss generated by the project, has been rolled out.

#### Product Development Department

Product Development Department consists of 3 services: Commercial Finance and Cash Products Service, Fund Collection, Fund Extended Products and Services, and Insurance Management Service.

Product Development Department aims to develop new products and services to contribute to our Bank’s profitability. It undertakes the processes of conducting market share research and competitive analysis for new products and services considered to be developed, deciding and starting the products/ services design, determining whether there is a need for systemic (screen operation, guarantee structure, etc.) updates for the new products/ services, preparing the administrative text showing the features and operations of the products/services, sending the prepared text to relevant departments for their opinion, making the necessary revisions in line with the received opinions, announcing the products/ services in our Bank with the approval of the upper authority and providing support to branches.

## BANKING DEVELOPMENTS IN 2023

### Products Developed in 2023

- The Supplier Financing System (TFS)
- E-Invoice Secured Financing
- Earn with Producer Account
- Ahlatçı (ATOM) System
- Dowry Account
- Katılım Finans Kefalet A.Ş. (KFK) Integration
- Bulk Money Transfer Service via FTP
- Limit Protection Insurance
- Cyber Security Workplace Fire Insurance
- Check Guarantee Insurance
- Special Service Traffic Insurance

### About Our Products In Progress and Planned To Be Developed In 2024

In 2024, as the Fund Collection, Fund Extension Products and Services Unit, we intend to develop our digital transformation, business excellence, and innovative product strategies, in addition to our fund collection and fund extension products, by concentrating upon our customers. Through our digital channels, we will provide our customers with instant and easy access to customized products and services tailored for their needs, anytime and anywhere. Along with our digital financing products, digital participation and savings products are also among our strategic priorities in 2024.

We continue to work on new products within the scope of the Commercial Finance and Cash Products Service in accordance with our Bank's objective of reaching

commercial companies and inclusion. With innovative end-to-end financing products, we intend to participate in the financial cycle between the supplier and the buyer in particular.

New product developments are actively monitored by the Insurance Management Service, particularly for the needs of customers in the insurance business. In 2024, we aim to address customer demands with new items while also carrying out innovations that will enhance the role of the digital channel in our sales.

### The Corporate and Commercial Banking Directorate

In the Corporate and Commercial Banking Directorate, we provided services to our customers through 99 branches and 87 corporate and commercial portfolios.

Thanks to our customer-focused approach and robust financial infrastructure, we successfully completed the 2023 fiscal year with a total of 12,010 valued customers. Our Corporate and Commercial Banking portfolio reached TL 58.02 billion, while the funds we disbursed amounted to TL 50.7 billion. Additionally, our non-cash fund disbursement reached TL 15.02 billion, demonstrating our capacity to support our customers in various financial needs. Particularly noteworthy is the increase in our non-dividend income, generating TL 2.7 billion in revenue in this area.

As we leave 2023 behind, the Emlak Katılım Corporate and Commercial Banking Directorate is determined to further strengthen our position in the sector and continue to add value to our customers and stakeholders. With our future-oriented strategies and innovative approaches, we aim to best meet the needs of Türkiye and our customers.

**Along with our digital financing products, digital participation and savings products are also among our strategic priorities in 2024.**

## BANKING DEVELOPMENTS IN 2023

### Retail and SME Banking Directorate

The Retail and SME Banking Directorate successfully completed the year 2023 with a total of 305 portfolio representatives, including 160 retail and 145 SME representatives, serving a total of 158,200 customers across 101 branches, with a focus on product and service quality in retail, private and SME banking.

In 2023, within the scope of the “New Home Housing Finance Campaign,” implemented as a result of the joint efforts of the Ministry of Environment, Urbanization, and Climate Change and the Ministry of Treasury and Finance, financing support totaling TL 1.8 billion was provided with maturities of up to 15 years, contributing to the housing needs of citizens and adding value to the country’s economy.

With the mission of “Producing Türkiye,” support was provided to industrialists, traders, SMEs and artisans in their production and investment activities by facilitating access to finance through digital and innovative products. Financial support was provided to exporting SMEs with advantageous profit rates to ensure export financing. As of the end of 2023, a total of TL 22.9 billion in cash financing was provided to artisans and SMEs.

The Retail and SME Banking Directorate completed the 2023 fiscal year with a deposit volume of TL 87.3 billion, cash and non-cash financing risks of TL 23.9 billion and non-dividend income of TL 4.8 billion.

### Goals for 2024

- Making the project price system work in an authorized manner, with a price algorithm created specifically for the customer on the basis of efficiency,
- Making needs analyzes at the branches and supporting the field sales units with trainings,
- Making the products and services developed by the Sales Departments understandable and healthy operational for the field staff,
- Increasing sales opportunities by using remote sales channels effectively in reaching budget targets,
- Increasing the field activities of sales teams with applicable and understandable campaign designs and
- Making accurate distributions and following up targets by making field analyzes in branch targeting processes.

**As of the end of 2023, a total of TL 22.9 billion in cash financing was provided to artisans and SMEs.**



## BANKING DEVELOPMENTS IN 2023



### DEPUTY DIRECTORATE GENERAL OF CREDIT ALLOCATION

The organizational structure of The Deputy Directorate General of Credit Allocation consists of Corporate-Commercial Loans, SME Loans and Retail Loans Departments.

Credits department ensures that the lending process is carried out in accordance with the legal framework, internal legislation and lending policy of our Bank. Credit allocation process is managed by the departments. Evaluation of loan offers is carried out according to the segmentation type.

Within the context of real persons and segmentation, the Directorate of Retail Loans is engaged in the micro-credit evaluation process of customers with a turnover/asset size of TL 0-40 million.

The Directorate of SME Loans evaluates loan offers of customers with a turnover/asset size of TL 40-500 million, and the Directorate of Corporate and Commercial Loans evaluates loan offers of customers with a turnover/asset size of above TL 500 million.

**66%**  
increase in loan amount

In 2023, the number of consumers to whom we extended loans grew by 22% compared to the previous year, and the total loan amount grew by 66%.

In 2023, the number of consumers to whom we extended loans grew by 22% compared to the previous year and the total loan amount grew by 66%, reaching TL 84.2 billion (TL 64 billion in cash and TL 20 billion in non-cash).

## BANKING DEVELOPMENTS IN 2023



### DEPUTY DIRECTORATE GENERAL OF CREDIT RISK MANAGEMENT

Under the Deputy General Management of Credit Risk Management, there are three departments: Financial Analysis and Intelligence, Credit Policies and Risk Analytics and Credit Risk Monitoring and Collections.

**Financial Analysis and Intelligence Department:** This department, established in 2023, operates with two separate services: The Financial Analysis Service and the Intelligence Service.

**The Financial Analysis Service** examines the history, activities, locations, partnerships, and moralities of companies applying for credit limits allocation and renewal. After obtaining the current financials of companies and performing necessary adjustments and consolidations, it prepares financial analysis reports by analyzing cash flow statements and ratios.

**The Intelligence Service** prepares intelligence reports during both individual and corporate lending processes to measure

the creditworthiness of customers. Generally, intelligence information is sourced from the BAT(The Banks Association of Türkiye)-Risk Center and CRB(Credit Registry Bureau) data, official letters from institutions, written and visual media outlets and public websites. Additionally, it conducts checks on customer checks to be taken as collateral for the credit to be provided.

**Credit Policies and Risk Analytics Department:** Established in January 2024 under the Deputy Directorate General Management of Credit Risk Management, this department will be responsible for determining our Bank's credit policies, creating, updating and periodically reviewing processes and models related to customer credit rating, in compliance with legal regulations and best practice guides. It operates with two services: Credit Policies Service and Risk Analytics Service.

**The Credit Risk Monitoring and Collections Department:** operates with three separate services: Credit Risk Monitoring, Collections, and Risk Center and CRB Relations.

## Non-performing Loan Ratio 0.35%

As of the end of 2023, our Bank achieved a close monitoring and non-performing loan ratio of 0.78% and 0.35%, respectively, successfully completing the previous year in terms of problematic receivables management.

The Credit Risk Monitoring and Collections Services aim to monitor credit risk or assist in credit risk management by classifying loans into relevant groups in compliance with regulations, closely monitoring and reporting on the credit portfolio, conducting early warning activities, managing problematic receivables through discussions with branches, customers and other financial institutions, and taking necessary collection actions deemed necessary for the liquidation of our Bank's risk.

The Risk Center and CRB Relations Service is responsible for coordinating Risk Center Coordination and CRB Member Representation duties, coordinating all communication between our Bank and Risk Center and CRB, and addressing issues such as daily, weekly and monthly notifications and meeting the system development needs.

As of the end of 2023, our Bank achieved a close monitoring and non-performing loan ratio of 0.78% and 0.35%, respectively, successfully completing the previous year in terms of problematic receivables management.

## BANKING DEVELOPMENTS IN 2023



### OPERATIONS DEPUTY DIRECTORATE

#### Foreign Trade and Treasury Operations Directorate

The Foreign Trade and Treasury Operations Directorate primarily handles foreign trade transactions, as well as operations related to currency transfers, treasury, capital market transactions, PTT cash deposit tracking, and vault management.

In 2023, within the Vostro account services provided to banks operating abroad, 24 new accounts were opened and a total of USD 11 billion worth of transactions were conducted.

The number of foreign currency transfer transactions increased by 251% in 2023 compared to the previous year, exceeding 350,000 transactions, with transaction volumes

surpassing USD 90 billion, showing a 209% increase.

Applications have been made for the implementation of SWIFT GPI and SWIFT Go applications, which offer a better user experience in transfer transactions. The project transition is planned to be completed by mid-2024.

Regarding foreign trade products, there was a 380% increase in the total number of transactions, reaching 18,088 transactions compared to 2022.

In physical gold transactions through the KADSIS system launched in July 2022, over 100 kg of physical gold was collected by the end of 2022, which increased to 294 kg in 2023. Additionally, in the last quarter of 2023, 688 kg of gold transactions were conducted through the newly launched Ahlatçı ATOM system.

The volume of Investment(Hedge) Fund transactions mediated in 2022 amounted to a total of TL 76 billion, which increased to TL 272 billion in 2023. In addition to TL transactions, EUR and USD fund transactions were initiated, reaching volumes of EUR 3.9 million and USD 108 million.

In sukuk issuance transactions, the transaction volume reached TL 29.3 billion in 2023, showing a 50% increase compared to the previous year. The volume of Sukuk buying and selling transactions amounted to TL 14 billion in 2023 and USD 102 million in foreign currency.

The diversification of investment products has led to an increase in customers' tendency to open investment accounts. The number of investment accounts increased by 678% from 522 in 2022 to 3,539 in 2023.

## BANKING DEVELOPMENTS IN 2023

There was also an increase in the FAST transaction limits, with 1.7 million transactions amounting to TL 7.6 billion conducted in 2023. MoneyGram transactions through our branches increased by 70% in 2023, reaching 12,297 transactions.

In the last quarter of 2023, through the collaboration between PTT and Emlak Katılım, customers were provided with the opportunity to deposit money into their Emlak Katılım accounts from all PTT branches, especially in provinces/districts where our branches are not present.

Through PTT integration, a portion of the surplus cash in our branches was redirected through PTT at more cost-effective rates. This resulted in approximately TL 1 million in savings over a 1.5-month period, with TL 240,000 saved from overseas expenses, TL 740,000 from treasury costs and TL 20,000 from group expenses.

The number of CIT Cash Center vaults increased from 17 at the end of 2022 to 20 in 2023, providing cash services to more branches. The risk of cash insurance for branches serviced by these vaults has been minimized. The opening of new vaults has enabled faster response to many branch requests, positively contributing to customer satisfaction.

To achieve more savings in branch, group, and treasury costs and to bring high-volume cash transactions that branches could not handle due to personnel shortages and insurance risks to our Bank, a Main Vault under the control of Ankes Management was established at the İkitelli branch location. The physical installation of the main vault, procurement of machinery and consumables, staffing and process planning have been completed, with operations scheduled to commence in January 2024.

### Credit Operations Management

Credit Operations Directorate consists of five services: Retail Credit Operations Service, Corporate Credit Operations Service, Insurance and Collateral Operations Service, Real Estate Valuation Services and Collateral Tracking Service.

Retail and Corporate Credit Operations Services conduct funding transactions in accordance with participation banking principles and regulations. Activities of 2023 include the followings:

- In the current version of KBFKS (Participation Banks Invoice Recording System) used by all participation banks under the TKBB, successful document notifications related to funding transactions have been made in integration with institutions such as GIB (Revenue Administration Presidency), MFKS (Central Invoice Registration System), FKB (Financial Institutions Association), KGF (Credit Guarantee Fund), etc.
- Funding transactions carried out under the Credit Guarantee Fund (KGF) protocol continued with the participation finance guarantee institution established for participation banks through the protocol and successful integration with KFK (Participation Finance Guarantee) in the second half of the year, and disbursements began.
- Applications, disbursements, closures and commitment closures of loans from Eximbank, for which we are an intermediary, were successfully completed in 2023.

**In the Credit Operations Directorate's fund allocation projects, 15,180 project operation processes were successfully carried out in 2022, and 21,155 in 2023, up 39%.**

- Technical support and assistance were provided for the system development of leasing transactions, which serve as the source of the Win with the Producer Monthly Rental Yielding Participation Account, the first of its kind in Participation Banking. The operational processes for funding were successfully concluded.

Insurance and Collateral Operations Service, within the scope of its directorate, ensures error-free entry and revision of insurance and collateral transactions in accordance with regulations, our Bank's operational instructions, policies and principles. The service is responsible for the development of operational strategies, job organizations, and assignments, the creation of policies, the improvement of operational

## BANKING DEVELOPMENTS IN 2023

processes and systems, as well as the adaptation of innovations, new products, and collateral to our Bank in the field of insurance and collateral operations.

The Real Estate Valuation Services carry out various tasks including:

1. Preparation of expert reports for real estate subject to funding and/or collateral to authorized real estate valuation firms by the Capital Markets Board (CMB) & Banking Regulation and Supervision Agency (BRSA), and ensuring the control of these reports according to our Bank's criteria.
2. Providing technical opinions regarding consent requests from official institutions related to properties under our mortgage.
3. Conducting and verifying value determination studies for real estates owned by our bank and conducting lease determination studies for branches to be opened.
4. Transmitting the Housing Price Index (KFE) and Commercial Real Estate Price Index (TGFE) data requested by the Central Bank to the relevant unit (Official Reporting Service).
5. Improvements have been made in the index system within the scope of the Real Estate Valuation Minimum Fee Tariffs published by the SPK on December 30, 2022, and August 29, 2023.
6. Detailed work has been done regarding the Selection Criteria for 1<sup>st</sup> Hand (Zero) Housing and 2<sup>nd</sup> Hand Housing in real estate valuation reports under the "Presidential Decree on the New Housing Finance Program," and documents have been prepared accordingly. Announcements have been made to the relevant general directorate units, branches, and contracted valuation institutions in this regard.

The Collateral Tracking Service is responsible for monitoring collateral deficiencies in customers with live credit risk, tracking matters related to collateral specified in other conditions at the credit allocation stage, tracking collateral that needs to be completed later under advances and exemptions, ensuring that collateral deficiencies are completed by the relevant branch as soon as possible, and reporting to senior management on a monthly basis.

### Core Banking and Branches Operations Department

The Core Banking and Branches Operations Department performs Checks and Bonds Operations, Corporate Collections, Official Correspondence (Seizure and Court letters) operations, approval operations for foreign account and foundation/association account openings, and Branch operations coordination.

Within the frame of 2023 operations;

- Considering the collection of Checks and Bonds, the number of our checks reached 91,891 with an increase of 22% compared to the previous year, and the volume reached approximately TL 22 billion 402 million with an increase of 125%. The collection of Other Bank's checks, on the other hand, amounted to 44,788, and approximately TL 16 billion 361 million with an increase of 64% on a volume basis.
- In corporate collections, the number of corporations collected in 2023 reached 113 with an increase of 74%.

**In corporate collections, the number of corporations collected in 2023 reached 113 with an increase of 74%.**



## **INFORMATION ON THE EXTRAORDINARY GENERAL ASSEMBLY, INCLUDING THE EXTRAORDINARY GENERAL ASSEMBLY MEETING HELD DURING THE YEAR, THE DATE OF THE MEETING, THE DECISIONS TAKEN AT THE MEETING AND THE RELATED PROCESSES.**

No Extraordinary General Assembly Meeting was held in 2023.

## **AMENDMENTS MADE IN THE ARTICLES OF ASSOCIATION DURING THE ACCOUNTING PERIOD AND THE RATIONALE**

No amendments were made in the articles of association in 2023.

## BOARD OF DIRECTORS



**Prof. Dr. Mehmet Emin BİRPINAR**  
Chairman of the Board of Directors

Mr. Birpınar graduated from İstanbul Yıldız Technical University Faculty of Engineering in 1988 and received his masters and doctoral degree at the same faculty. He further completed master's degree from Italian University in 1991 and Netherlands Delft Technology University in 1994 in Civil Engineering. He assumed the title of Professor in 2009 and he is currently a faculty member of Yıldız Technical University. Birpınar started to work as Istanbul Provincial Environment and Forestry Manager in 2003, as Istanbul Provincial Environment and Urbanization Manager in 2011 and was appointed as Deputy Secretary of Ministry of Environment and Urbanization in 2013. Prof. Birpınar was elected as the Office Director of Convention for the Protection of the Mediterranean Sea against Pollution, known as Barcelona Convention, for 2014-2015 period at the 18<sup>th</sup> Meeting of the Contracting Parties which took place in Istanbul in December 2013. He was appointed as Chief Negotiator on 9 April 2015 to represent Türkiye at international climate change negotiations realized in accordance with the United Nations Framework Convention on Climate Change. Prof. Birpınar is a member of Water Engineering Research and Development Center (WERDEC), Association for International Water Engineering and Research (AR), The American Society of Civil Engineers (ASCE) and serves as a member of the Board of Directors of various nonprofit organizations. He has over a hundred articles and papers published in scientific journals, national or international congresses and he is a columnist in various newspapers. He is the Chairman and a member of the Board of Directors of Emlak Katılım since 3 September 2018.



**Mahmut KAÇAR**  
Deputy Chairman of the Board of Directors

He was born in Şanlıurfa in 1975. Having started his official duty in 1993, Mr. Kaçar was graduated from Harran University, Faculty of Engineering, Department of Environmental Engineering in 1999. He served Member of Parliament from Şanlıurfa for the 24<sup>th</sup> and 26<sup>th</sup> Parliamentary Terms between years 2011 and 2018. Mr. Kaçar, who was serving as the member of the Board of Directors of Ziraat Bank from 2018 to 2023, also served as the member of the Board of Directors of Ziraat Hayat ve Emeklilik A.Ş. and Ziraat Sigorta A.Ş. between 2018 and 2019 and as the member of the Board of Directors of Ziraat Katılım Bankası A.Ş. between 2019 and 2020. Mr. Kaçar, who is the President of the Turkish Environment Agency, is fluent in Arabic and speaks English at the intermediate level. He is married with 3 children.

He has been serving as the Member of the Board of Directors of Türkiye Emlak Katılım Bankası since 4<sup>th</sup> of August 2023.



**Onur GÖK**  
Member of the Board of Directors and CEO

He started his professional career as an Assistant Tax Inspector in 2011 and was appointed as Tax Inspector with the joint (triple) Decree published in the Official Gazette dated 01.07.2015 and numbered 29403. He worked as the rapporteur of the Central Report Evaluation Commission of the Tax Inspection Board between September 2017 and April 2018 and also worked in the "Legislation Department" of the Board Presidency. In April 2018, he was appointed as the Deputy Secretary General of the Tax Council of the Ministry of Treasury and Finance with the approval of the Ministry and served in this position until March 2019. Within the structure of the Tax Council, he participated in the Istanbul Finance Centre studies and Tax Reform studies, especially the Income and Corporate Tax Reform studies as a working group member. Between April 2019 and June 2021, he served as the Deputy Chairman of the Board of Tax Inspection Board. During this period, he served as the Chairman of the Central Report Evaluation Commission and Deputy Chairman of the Central Disciplinary Board. Along with the position of Deputy Chairman, he served as the Secretary General and Deputy Chief Executive Officer at the Tax Council of the Ministry of Treasury and Finance between January 2020 and July 2021. He served as Advisor to the Minister of Treasury and Finance between December 2021 and June 2023. From June 2022 to July 2023, he served as the General Manager of Financial Markets and Foreign Exchange at the Ministry of Treasury and Finance. He served as the member of the Board of Auditors of İller Bankası A.Ş. (Bank of Provinces), the Board of Directors of the Development and Investment Bank, the Board of Directors of the Credit Guarantee Fund and the Board of Directors of the Turkish Growth and Innovation Fund of the European Investment Fund. He succeeded in the Certified Public Accountant Examination held by TÜRMOB and was entitled to become a Certified Public Accountant. He has written 2 books titled "Corporate Tax Revision" and "Determination and Declaration of Income Tax Base: With Explanations and Examples". He also has several studies published in national and international congresses. He has also articles published in refereed journals publishing in the fields of financial law and economics and several articles published in websites in the fields of economics, finance and law.

Onur GÖK has been serving as the General Manager and the Member of the Board of Directors of Türkiye Emlak Katılım Bankası as of 14 July 2023.

## BOARD OF DIRECTORS



**Prof. Dr. Murat BALCI**  
Member of the Board of Directors

Graduated from Marmara University Faculty of Law in 2002, Mr. Balci received his master's degree on Public Law from Marmara University Institute of Social Sciences in 2004 and doctoral degree from the same institute in 2009. He was a faculty member of Doğuş University Faculty of Law between 2009 and 2013. He became an Associate Professor in 2014 and he is a faculty member of Fatih Sultan Mehmet Foundation University Faculty of Law since 2014. He is an independent attorney-at-law at his own practice, Batu Hukuk Avukatlık- Danışmanlık since 2004. In 2021, he completed his thesis on "A Comparative Analysis of Istanbul Finance Center with London and Frankfurt Financial Centers" and received his master's degree from Istanbul Commerce University International Banking and Finance Master's Program. His publications in the field of banking law include "Banking Law and Related Legislation with Reasons and Case Laws," "Commentary on the Capital Market Law," and "Fundamentals and Theories of Banking" in the field of Banking Law. He received the title of Professor in 2019. He serves as a member of the Board of Directors of Emlak Katılım since 3 September 2018.



**Mehmet Nuri YAZICI**  
Member of the Board of Directors

Mr. Yazıcı, who has graduated from Economics and Commercial Sciences Academy at Istanbul University in 1974, started his Professional career at D.B. Deniz Nakliyat T.A.Ş. in 1978. Mr. Yazıcı served as a manager in Atlas General Partnership between 1986- 1990, and worked in Turkish Republic Ministry of Foreign Affairs Consulate General of Brussels between 1990- 1991. He acted as Managing Partner in Denizatı Turizm İşletmeciliği Ltd. Şti. during 1991-1994 period, after which he joined Istanbul Metropolitan Municipality and worked as Member of the Municipal Council and Advisor to the Chairman between 1994-2009. He took up responsibilities of Member of the Board of Directors at Yazıcılar A.Ş. between 2009-2013 and Member of the Board of Directors at Türk Havayolları A.O. between 2013-2015. Mr. Yazıcı is a Member of the Board of Directors of Emlak Katılım since 19 June 2019.



**Hasan SUVER**  
Member of the Board of Directors

He was born in Sürmene in 1961. He received his primary and secondary education in Trabzon, and his high school education in Samsun He graduated from Marmara University, Faculty of Political Sciences, Department of International Relations. He completed his master's degree in the Social Structure and Social Change Department of the Social Sciences Institute of Istanbul University and prepared a thesis on "Intellectuals and Social Change" at the same University. In the company he founded, he conducted business on food, hygiene, and construction lines. He has been involved in politics since his high school, university, and graduate school years, as well as throughout his business life. Suver speaks English and has written the following four books:

- Fatihin Kültürel Mirası (Cultural History),
- Tarihin Tebessümü (Interesting Historical Events),
- Denemeler (Articles on City, Culture, Art, Civilization, Politics and Philosophy),
- Duyguların İzinde (Poems)

He became a candidate for parliament in 2002. Between the years 2004 and 2018, he had served as a member of the Istanbul Fatih district Municipal Council and Deputy Mayor, and between the years 2018 and 2019, he held the office of Mayor of the Fatih district. Additionally, he served as a Board member in NGO's such as Marmara University Alumni and Member Association, Adnan Kahveci Culture and Assistance Association, Fatih Red Crescent Association and Association of Language and Literature. As of 26 December 2019, he has been serving as the Deputy Minister in the Ministry of Environment and Urbanization.

Since 21 March 2022, he has been serving as the Board Member in Türkiye Emlak Katılım Bankası.

## BOARD OF DIRECTORS



### Ramazan GÜNGÖR

Member of the Board of Directors

He was born in 1989 in Ankara. He graduated from Eskişehir Osmangazi University, Faculty of Economics and Administrative Sciences, Department of Finance in 2009 as the top student of the school. He started his professional career as Assistant Tax Inspector in 2011 and he was appointed as Tax Inspector in 2015. Afterwards, he was appointed as the Head of Department to the General Directorate of Risk Analysis within the Ministry of Treasury and Finance and finally he was appointed as the Vice President to the Privatization Administration with the Presidential Decision No. 2022/31906. Having also served as the Member of the Board of Directors and Supervisory Board in different institutions and organizations, Ramazan GÜNGÖR has served as Advisor and Executive Assistant at the Ministry of Treasury and Finance between 2018 and 2023. In July 2023, he was appointed as the Executive Assistant to the Ministry of Environment, Urbanization and Climate Change, a position he still holds.

He has been serving as the Member of the Board of Directors of Türkiye Emlak Katılım Bankası since 4 August 2023.



### Mahmut GÜRCAN

Member of the Board of Directors

He was born in 1966 in Istanbul. After completing his education at Zeytinburnu Imam Hatip Secondary School in 1980 and at Şehremini High School in 1983, he graduated from Marmara University, Faculty of Economics and Administrative Units, Department of Economics in 1988. Between 1989 and 1990, he studied English at the "Anglo School of English". Mahmut GÜRCAN, who started his business life in 1988 with the production of eyeglasses in his family company, trades the eyeglasses he manufactures in the domestic market, as well as trades in Singapore, Hong Kong, Romania, Russia, Czechoslovakia, Hungary, Ukraine, etc. exported to other countries. The family company, which is engaged in the textile sector and which he is the founder of, has been continuing its activities since 2002. This company, of which Mahmut GÜRCAN is also the chairman of the board of directors, operates in its field by exporting to countries such as Germany, Italy, England, Greece, Spain, Poland, Croatia and Russia. Mahmut GÜRCAN, whose political life was very active, entered political life in 1992 as the Chairman of the Welfare Party Bakırköy District Yeşilköy District. Afterwards, Welfare Party Bakırköy District Vice President, Virtue Party Bakırköy District Vice President and Member of the Board, Founding Member of AK Party Bakırköy District Presidency, Member of the Board of Directors of AK Party Bakırköy District Presidency, 3 terms AK Party Bakırköy District Presidency, 2<sup>nd</sup> and 3<sup>rd</sup> Extraordinary. AK Party Headquarters MKYK Membership with the elections held at the congresses, consultancy in the AK Party Headquarters Organization Presidency, AK Party Headquarters Istanbul 3<sup>rd</sup> Region Coordinator, AK Party Headquarters East Anatolia Regional Coordinator, AK Party Istanbul Provincial Vice Presidency in charge of financial and administrative affairs. In addition to his duties, he also chaired the election coordination centers in Ağrı, Şanlıurfa and Denmark. In addition, he is a Member of the Istanbul Chamber of Commerce, a Member of the Istanbul Chamber of Industry, a Member of MUSIAD, a Member of the Science Dissemination Society, and a Member of the Ensar Foundation. He was appointed as Deputy Minister of Treasury and Finance on 16 December 2021. Mahmut GÜRCAN, who is married and has 3 children, has a good command of English.

## SENIOR MANAGEMENT



**Onur GÖK**  
CEO and Member of the Board of Directors

He started his professional career as an Assistant Tax Inspector in 2011 and was appointed as Tax Inspector with the joint (triple) Decree published in the Official Gazette dated 01.07.2015 and numbered 29403. He worked as the rapporteur of the Central Report Evaluation Commission of the Tax Inspection Board between September 2017 and April 2018 and also worked in the "Legislation Department" of the Board Presidency. In April 2018, he was appointed as the Deputy Secretary General of the Tax Council of the Ministry of Treasury and Finance with the approval of the Ministry and served in this position until March 2019. Within the structure of the Tax Council, he participated in the Istanbul Finance Centre studies and Tax Reform studies, especially the Income and Corporate Tax Reform studies as a working group member. Between April 2019 and June 2021, he served as the Deputy Chairman of the Board of Tax Inspection Board. During this period, he served as the Chairman of the Central Report Evaluation Commission and Deputy Chairman of the Central Disciplinary Board. Along with the position of Deputy Chairman, he served as the Secretary General and Deputy Chief Executive Officer at the Tax Council of the Ministry of Treasury and Finance between January 2020 and July 2021. He served as Advisor to the Minister of Treasury and Finance between December 2021 and June 2023. From June 2022 to July 2023, he served as the General Manager of Financial Markets and Foreign Exchange at the Ministry of Treasury and Finance. He served as the member of the Board of Auditors of İller Bankası A.Ş. (Bank of Provinces), the Board of Directors of the Development and Investment Bank, the Board of Directors of the Credit Guarantee Fund and the Board of Directors of the Turkish Growth and Innovation Fund of the European Investment Fund. He succeeded in the Certified Public Accountant Examination held by TÜRMOB and was entitled to become a Certified Public Accountant. He has written 2 books titled "Corporate Tax Revision" and "Determination and Declaration of Income Tax Base: With Explanations and Examples". He also has several studies published in national and international congresses. He has also articles published in refereed journals publishing in the fields of financial law and economics and several articles published in websites in the fields of economics, finance and law.

Onur GÖK has been serving as the General Manager and the Member of the Board of Directors of Türkiye Emlak Katılım Bankası as of 14 July 2023.



**Ali Kemal KÜÇÜKCAN**  
Executive Vice President

Born in 1975, Mr. Küçükcan graduated from Ankara Science High School in 1992 and completed his bachelor's degree at Middle East Technical University, Faculty of Engineering, with a major in Environmental Engineering, 1998. He got his MBA degree from Yeditepe University, 2003. Küçükcan started his career in 2000, in the field of International Banking at Ottoman Bank, which later merged into Türkiye Garanti Bankası A.Ş., in 2000. He then served as the Head of International Banking (Financial Institutions) at Şekerbank T.A.Ş., from 2013 to 2019. In March 2019, he has joined Türkiye Emlak Katılım Bankası A.Ş. (EKB) during the establishment process of EKB to serve as the Head of International Banking. As of October 2022, he was appointed as the Executive Vice President in charge of Treasury, International Banking & Investment Banking at Türkiye Emlak Katılım Bankası.



**Bülent KARACALAR**  
Executive Vice President

Bülent Karacalar was born in Ankara in 1978. After graduating from Karadeniz Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 2000, he started his career at Anadolu Finans Kurumu in 2002. After the merger of Anadolu Finans and Family Finans institutions under the umbrella of Türkiye Finans Katılım Bankası, he continued his duty at this bank and took on the position of Branch Manager as of 2011. Karacalar, who joined Ziraat Katılım Bank in 2015, served as Branch Manager, Loans and Foreign Trade Operations Department Head, Branch Banking and Sales Management Department Head and Corporate Branch Banking Department Head, respectively. As of 28 November 2023, he has been serving as the Executive Vice President of Credit Allocation at Emlak Katılım.



## SENIOR MANAGEMENT



**Nihat BULUT**  
Executive Vice President

Nihat Bulut graduated from Faculty of Economics and Administrative Sciences (English) at Marmara University in 1996. He started to work as Assistant Specialist in Projects and Marketing Department at Albaraka Türk Katılım Bank in 1998, served as Assistant Manager in Corporate Banking and Commercial Loans Department between 2006-2013, took over manager positions in different operational units in the same company between 2013 and 2017, and finally acted as Manager of the Corporate Credits Department starting February 2017. Mr. Bulut has been serving as the Executive Vice President of Credits at Emlak Katılım since 2 March 2020.



**Serkan UMAN**  
Executive Vice President

He was born in Kayseri in 1976. He graduated from Middle East Technical University, Faculty of Arts and Sciences, Department of Mathematics in 1999. He completed his MBA at Maltepe University Social Sciences Institute in 2006. Uman, who started his career in 1999 at Türkiye İş Bankası Information Technologies Software Development Unit, worked as System Analyst, Team Leader and Project Manager respectively. As of 2011, he worked as Software System Architect, Manager, Director, Group Manager and Deputy General Manager at Sofstech. Mr. Uman, who worked as Assistant General Manager of IT and Operations at Hedef Investment Bank in 2022, became Assistant General Manager of Information Technologies at İfo Yatırım Menkul Değerler A.Ş. and Technology Group President at Hedef Holding as of June 2023. He has been serving as the Executive Vice President of Information Technologies and Digital Banking at Emlak Katılım since 28 November 2023.



**Şenol ALTUNDAŞ**  
Executive Vice President

Şenol Altundaş was born in Istanbul in 1972. Altundaş, who started working at Pamukbank after graduating from Marmara University English International Relations Department in 1996, continued his working life at Akbank in 2003 and served as Branch Manager between 2005 and 2015. After serving as General Manager at Ak Finansal Kiralama A.Ş. between 2015 and 2019, he served as Maslak and Central Branch Manager at Emlak Katılım, respectively. Mr. Sabancı University English MBA graduate. Altundaş speaks English well. As of November 28, 2023, he has been serving as Deputy General Manager of Sales and Marketing at Türkiye Emlak Katılım Bankası.

## SENIOR MANAGEMENT



**Tuğba GEDİKLİ**  
Executive Vice President

After earning her Bachelor of Economics from the Istanbul University Faculty of Economics, Tuğba Gedikli started her career at HSBC Bank. She continued her career as a senior team leader at PwC, an independent audit company where she engaged in the independent audits of companies from a variety of sectors, particularly real estate, energy, production, and financial services, as well as corporate public offering projects. She joined Unilever in 2014 and assumed managerial roles in the Financial Reporting and Budget departments. Starting in 2017, she has served as Management Consultant, Investor Relations and Finance Manager at Emlak Konut GYO, respectively. Tuğba Gedikli, who assumed the position as Budget and Financial Reporting Director at Emlak Katılım, was involved in the processes related to the relaunch and establishment of the Bank. She has been serving as Deputy General Manager of Finance since 19 October 2022.



**Uğur KARA**  
Executive Vice President

Graduated from Business Administration Department of Faculty of Economics and Administrative Sciences at Pamukkale University, Uğur Kara completed his master's degree in Department of Labor Economics and Industrial Relations at Marmara University. Mr. Kara started his Professional career at İSTAÇ A.Ş. in 2003, and acted as Human Resources Manager at the same company between 2012 and 2018. After serving as the General Manager of İSPARK A.Ş. starting 2018, he currently acts as the Executive Vice President in charge of Human Resources and Strategy at Emlak Katılım since 14 October 2019.



**Yusuf OKUR**  
Executive Vice President

Mr. Okur graduated from Boğaziçi University Faculty of Economics and Administrative Sciences in 1997 and started his professional career at Assistant Specialist position in Albaraka Türk Katılım Bank at the same year. As of 2000, Mr. Okur worked in Kadıköy Branch at positions of Chief, Second Manager and Assistant Manager. He continued to serve as the Branch Manager of the Merter, Kavacık and Sultanbeyli branches as of 2005, after which he transferred to the General Directorate of the same bank as Department Manager starting at January 2017. Yusuf Okur continued his career as Retail and Private Banking Sales Manager until 29 February 2020. Mr. Okur has been serving as the Executive Vice President in charge of Operations at Emlak Katılım since 2 March 2020.

## EXECUTIVES OF THE INTERNAL SYSTEMS



**Abdulkadir CEBECİ**  
Head of Internal Audit Department

Mr. Cebeci graduated from Marmara University Department of Business Administration Management at Faculty of Economics and Administrative Sciences in 2004, Mr. Cebeci completed his master's degree in Financial Economics Department at Istanbul Bilgi University. Owing International Internal Auditor and SMMM Certificates, Mr. Cebeci embarked upon his banking career at Kuveyt Türk Katılım Bank as an assistant internal auditor in 2005, from 2006 until 2018 took over several responsibilities at Türkiye Finans Katılım Bank Department of Inspection Board, respectively as assistant inspector, inspector, senior inspector and audit supervisor. In 2018, Abdulkadir Cebeci assumed responsibility as the Vice President of Inspection Board at Emlak Katılım and acts as the President of the Inspection Board since 11 November 2019.



**Erhan ŞANLI**  
Head of Risk Management

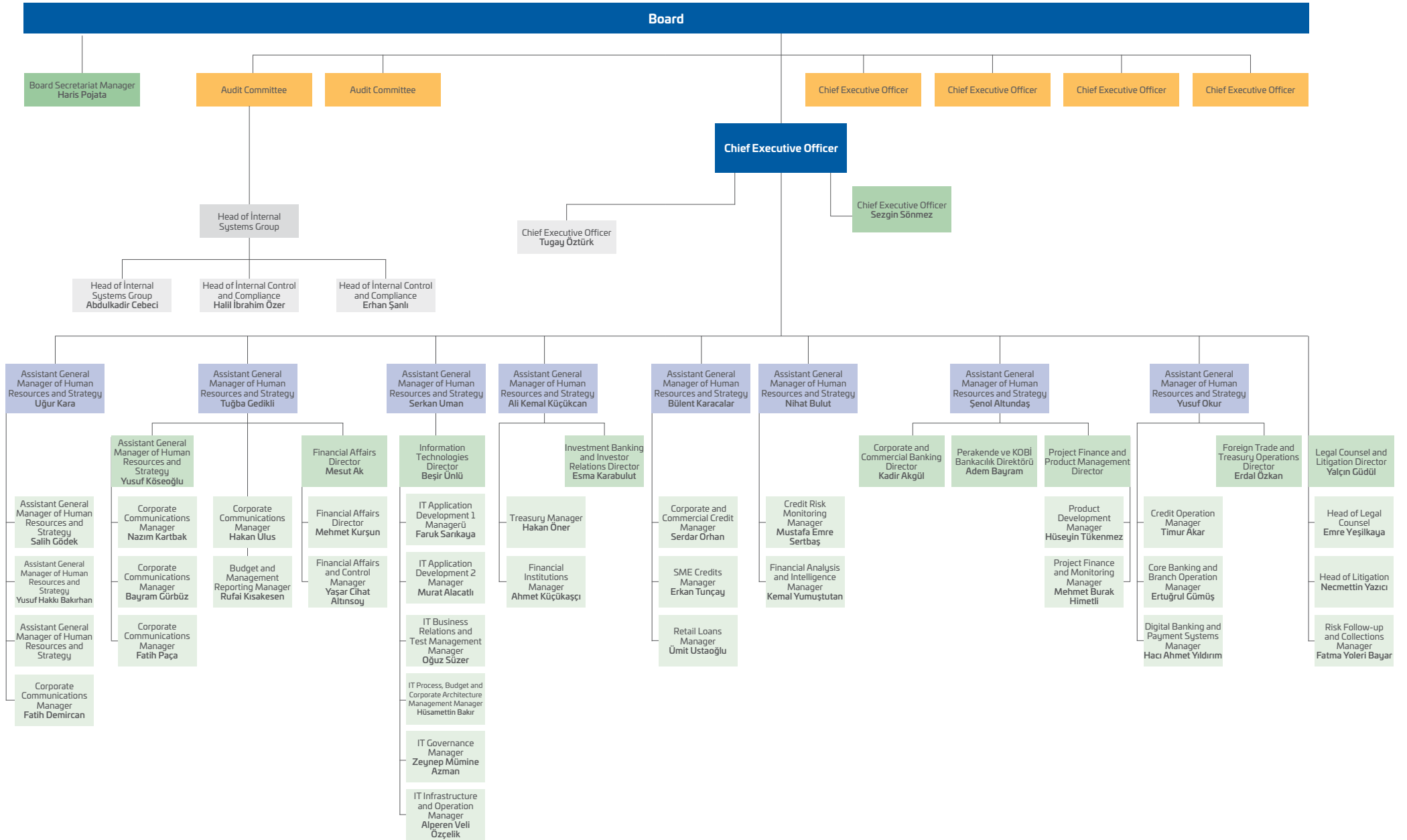
Having graduated from Boğaziçi University Mathematics Department in 2005, he completed his master's degree in Data Engineering at Marmara University in 2021. Mr. Şanlı started working at Albaraka Türk Katılım Bankası in 2006 and served as Credit Allocation Manager during 2006-2018 and Credit Risk Monitoring Manager during 2018-2021. At Albaraka Türk, he took part in the Main Banking Transformation Project between 2013-2015 and in the Digital Albaraka Projects between 2017-2018. He also took part in many independent projects, including TÜBİTAK projects. Mr. Şanlı has been serving as the Head of Risk Management in Emlak Katılım as of January 2021.



**Halil İbrahim ÖZER**  
Head of Internal Control and Compliance

Mr. Özer has a Bachelor's degree from Istanbul University Faculty of Business Administration (English) and Anadolu University Faculty of Economics Department of Finance, and a Master's degree from Maltepe University. He started his banking career in 2006 at T. Garanti Bankası A.Ş. as MT. Between 2008-2016, he served as the Chairman of the Board of Inspectors at Şekerbank T.A.Ş., Bank Pozitif Kredi ve Kalkınma Bankası A.Ş., Albaraka Türk Katılım Bankası A.Ş. Mr. Özer worked in various branches of Albaraka Türk Katılım Bankası A.Ş. between 2016-2021, and became Branch Manager in 2019. He holds Certified Public Accountant (SMMM), SPL 3, Interest-Free Banking Principles and Standards Compliance and Audit, Private Pension System, SPL Derivative Instruments, SPL Corporate Governance Rating, SPL-Credit Rating and SEGEM certificates. Mr. Özer has been serving as the Head of Internal Control and Compliance at Türkiye Emlak Katılım Bankası A.Ş. as of 4 March 2021.

# ORGANIZATION CHART



## INFORMATION ON ACTIVITIES OF COMMITTEES

### Credit Committee

Member	Position	Committee Position
Prof. Dr. Murat Balcı	Member of the Board of Directors	Committee Chairman
Mahmut Gürcan	Member of the Board of Directors	Committee Member
Onur Gök	Member of the Board of Directors/CEO	Committee Member
Prof. Dr. Mehmet Emin Birpınar	Chairman of the Board of Directors	Committee Member (Alternate)
Hasan Suver	Member of the Board of Directors	Committee Member (Alternate)
Mahmut Gürcan*	Member of the Board of Directors	Committee Member
Mustafa Erdem**	Member of the Board of Directors	Committee Member

\*Mr. Mahmut Gürcan has been serving on the Credit Committee as of 27 December 2023.

\*\*Mr. Mustafa Erdem is not serving on the Credit Committee as of 15 November 2023.

The committee is responsible for finalizing the credit decisions using the authority of the Board of Directors on extending credits within the framework of methods and principles specified by the Banking Regulation and Supervision Agency and limitations delegated to them.

The Credit Committee convened 37 times in 2023.

### Audit Committee

Member	Position	Committee Position
Mehmet Nuri Yazıcı	Member of the Board of Directors	Committee Chairman
Ramazan Güngör	Member of the Board of Directors	Committee Member
Abdullah Erdem Cantimur*	Deputy Chairman of the Board of Directors	Committee Chairman

\* Mr. Abdullah Erdem Cantimur resigned from his position on the Audit Committee as of 04 August 2023.

Audit Committee, on behalf of the Board of Directors, is commissioned and responsible for overseeing the effectiveness and adequacy of the Bank's internal systems, operation of those systems along with accounting and reporting systems in line with the regulations specified by the Banking Law and integrity of the information generated; regularly monitoring the activities of companies selected by the Board of Directors which provide independent audit, rating, valuation and support services; and coordinating consolidated internal audit services for subsidiaries subject to consolidation based on regulations specified by the Banking Law.

The Audit Committee convened 15 times in 2023.

### Remuneration Committee

Member	Position	Committee Position
Hasan Suver	Member of the Board of Directors	Committee Chairman
Mehmet Nuri Yazıcı	Member of the Board of Directors	Committee Member
Ramazan Güngör	Member of the Board of Directors	Committee Member



## INFORMATION ON ACTIVITIES OF COMMITTEES

Responsible for establishing a remuneration policy to prevent extensive risk taking, supporting an effective risk management in line with the scope of the Bank's operations, structure, strategy, long term goals and risk management structure; reporting on these to the Board of Directors; determining its advices considering long term targets; providing a balanced allocation and ensuring a reward system.

The Remuneration Committee convened once in 2023.

### Executive Committee

Member	Position	Committee Position
Prof. Dr. Mehmet Emin Birpınar	Chairman of the Board of Directors	Committee Chairman
Onur Gök	Member of the Board of Directors/CEO	Committee Member
Hasan Suver	Member of the Board of Directors	Committee Member
Prof. Dr. Murat Balcı*	Member of the Board of Directors	Committee Member

\* Mr. Prof. Dr. Murat Balcı resigned from the Executive Committee as of 04 August 2023.

The Executive Committee is responsible for providing suggestions for general topics such as the Bank's strategy, business plans, policies and practice directions, preparing reports, making announcements and supporting other units of the Bank on specified areas.

The Executive Committee convened 11 times in 2023.

### Corporate Governance Committee

Member	Position	Committee Position
Mahmut Kaçar	Deputy Chairman of the Board of Directors	Committee Chairman
Prof. Dr. Murat Balcı	Member of the Board of Directors	Committee Member
Mahmut Gürcan*	Member of the Board of Directors	Committee Member
Mustafa Erdem* *	Member of the Board of Directors	Committee Member
Abdullah Erdem Cantimur***	Deputy Chairman of the Board of Directors	Committee Chairman

\* Mr. Mahmut Gürcan has been serving on the Corporate Governance Committee as of 27 December 2023.

\*\* Mr. Mustafa Erdem left his position on the Corporate Governance Committee as of 15 November 2023.

\*\*\* Mr. Abdullah Erdem Cantimur resigned from his position in the Corporate Governance Committee as of 04 August 2023.

In accordance with the "Communique on Corporate Governance Principles for Banks" issued by Banking Regulation and Supervision Agency, the Committee's responsibilities include monitoring the Bank's compliance with the corporate governance principles, making improvements in this area and providing suggestions to the Board of Directors.

The Corporate Governance Committee convened once in 2023.

## ADVISORY BOARD AND RESUMES

### Prof. Dr. Hamdi DÖNDÜREN

Hamdi Döndüren is a graduate of Balıkesir İmam Hatip High School and Muharrem Hasbi High School. He graduated from Istanbul Higher Islamic Institute in 1970 and the Faculty of Law at Istanbul University in 1971. He worked as a self-employed lawyer for a while under the Balıkesir Bar Association. He held the positions of Preacher of Central Balıkesir and as Mufti of Çanakkale, Bozcaada. He became a lecturer in Islamic Law, the Fiqh Method and the Turkish Civil Law at the Konya Higher Islamic Institute in 1975. In 1978, he started the Bursa Higher Islamic Institute. He earned his doctorate at the Faculty of Theology at Ankara University in 1983 with his thesis "Profit Margins in Purchase and Sale in Islamic law". He became Assistant Professor in 1983, Associate Professor in 1988 and Professor in 1995 at Bursa Uludağ University Faculty of Theology, Department of Islamic Law. In 1986, he had been to Riyadh Imam Muhammad University for research and attended the courses of "Ma'hed Tā'lĀmī'l-Luga al-Arabiyye (Arabic Language Teaching Institute)" and succeeded in the exams he attended at the end of the semester. He served as the member of Advisory Board at Türkiye Finans Katılım Bankası A.Ş. between years 2014-2020, at Vakıf Katılım Bankası A.Ş. between years 2016-2019 and at Ziraat Katılım Bankası A.Ş. between years 2015-2020. He currently serves as lecturer at the Department of Islamic Economics and Finance in Konya Karatay University. He has various articles, papers and on Islamic law and Islamic economics. His last works "İslâm Hukukuna Göre Son Dönem Osmanlı Kanunlar Külliyyatı" (Last Period Ottoman Laws Collection According to Islamic Law), which is published with 10 volumes of Ahkamü'l-Kur'an Tafsirs, Volume 1 "Osmanlı'da Anayasa ve İnsan Hakları" (Constitution and Human Rights in the Ottoman Empire), Volume 2 "Osmanlı'da Borçlar, Ticaret, Finans ve Medeni Hukuk Kanunları" (Debts, Trade, Finance and Civil Laws in the Ottoman Empire) were published by Karatay Ü. KARYAY.

### Prof. Dr. Mehmet SARAÇ

Mehmet Saraç graduated from Istanbul University, Faculty of Business Administration in 1990. He completed his master's program at the same Faculty at the Accounting Department in 1992 and received a master's degree in Accounting and Taxation from The George Washington University in 1997. He acquired his PhD in Finance from Boğaziçi University in 2004. He served as research assistant at the same university between 1998-2006. Between 2007- 2014, he served as lecturer first at Sakarya University and then received the Associate Professor title and served as Founder and Chairman of the Department of Islamic Economics and Finance. He continued his studies as visiting professor at Istanbul Commerce University between 2010-2012 and at Istanbul Şehir University between 2014-2015. He moved to Istanbul University in 2014, and was among the founders of the Islamic Economics and Finance department and research center at this university. Between 2016-2019, he served as the Director of the Center for Islamic Economics and Finance at Istanbul University. He also served as member of advisory board at Independent Industrialists' and Businessmen's Association (MÜSİAD) between 2015-2018. Since 2017, he has been a full-time Professor at Istanbul University. He has been working as a member of the Presidential Finance Office working group as of 2024.

### Prof. Dr. Şevket TOPAL

Şevket Topal was born on 20 June 1967 in Giresun/Görelle. He graduated from Eynesil İmam Hatip High School in 1987, Marmara University Faculty of Theology in 1992, and Atatürk University Vocational School of Justice in 2016. He started his academic life in 1993 as a research assistant at Van Yüzüncü Yıl University, Faculty of Theology, Department of Islamic Law. He completed his master's degree in 1995 and his doctorate in 2000 at Ondokuz Mayıs University Social Sciences Institute. He became an assistant professor in 2007, an associate professor in 2009, and a professor in 2014. Throughout his career, he held various positions at Recep Tayyip Erdoğan University, such as the Founding Director of the Vocational School of Justice (2012-2014), the Director of the Institute of Social Sciences (2014-2016), the Founding Dean of the Faculty of Law (2016-2020) and the Dean of the Faculty of Theology (2020-2023). He held administrative positions. He published many books, articles, translations and newspaper articles related to his field. He speaks good English and Arabic. Şevket Topal, who is married with two children, currently serves as a faculty member at Recep Tayyip Erdoğan University, Faculty of Theology.

## ASSESSMENT OF THE EMLAK KATILIM ADVISORY COMMITTEE

Pursuant to Article 4 of the Communiqué on Compliance with the Principles and Standards of Islamic Banking published on 14 September 2019 (hereinafter referred to as the Communiqué), the Advisory Committee, which was established under the Board of Directors and continues its activities, acts by considering the principle of independence when making decisions. The Secretariat function of the Advisory Committee, which is also determined in the 5<sup>th</sup> paragraph of the same article of the Communiqué, is carried out with an independent structure under the Chairmanship of Internal Control and Compliance.

The Advisory Committee has prepared this assessment within the scope of its mandate.

The principles and contracts regarding the transactions and practices of the bank during the relevant period were continued to be reviewed. The reviewing process was carried out to form an opinion on whether the bank complies with the principles and standards of interest-free banking and the decisions of the Committee.

The Senior Management of the Bank is responsible for the execution of the bank's activities in compliance with the principles and standards of interest-free banking and the decisions of the Committee. It is the responsibility of the Committee to form and report an independent opinion within the framework of the review of the Bank's activities.

The review was planned and conducted to obtain the information and disclosures necessary to obtain sufficient evidence to provide reasonable assurance that the bank have not violate the principles and standards of interest-free banking and the decisions of the Committee.

In the review, the products, contracts and practices used in the Bank were discussed. Considering the 2023 operating period, our remarks, opinions and assessments for the relevant period are provided below.

In the 2023 operating period, 29 Advisory Committee meetings were held and 32 decisions were taken at these meetings. These decisions were announced by the Secretariat of the Advisory Committee, considering the relevant stakeholders throughout the Bank.

The Advisory Committee and the Audit Committee held their meetings in 2023, as stated in the Communiqué, to discuss the reports prepared regarding interest-free banking compliance and audit activities and the actions taken/to be taken regarding the findings included in the reports.

Considering the reports on the implementation of the Advisory Committee's decisions, internal negotiations and other issues;

a) Contracts, transactions and relations to which the Bank is a party in the period until 31.12.2023 comply with the Communiqué on Compliance with Islamic/Participation Banking Principles and Standards and the decisions of our Committee.

b) Dividend allocation and loss reflection practices on participation accounts comply with the principles approved by our Committee in line with the Communiqué on Compliance with Islamic/Participation Banking Principles and Standards.

c) In the meeting held between the Advisory Committee and the Audit Committee, an agreement was reached on the relevant issues regarding the reports prepared on Islamic/Participation banking activities and the actions taken for the determinations included in the reports.

d) It was observed that the revenues obtained from inappropriate ways and/or sources according to the Communiqué on Compliance with Islamic/Participation Banking Principles and Standards, were saved/spent in accordance with the decisions of our Committee.

e) It was observed that Compliance and Internal Audit activities were carried out at the point of implementation of the decisions made.

f) It has been observed that the internal legislation documents such as the polices, implementation instructions and processes regulating the Bank's compliance with the principles and standards of participation banking have been created and the issues set forth in the relevant communiqués have been designed.

g) It has been observed that the required attention was paid in terms of compliance with the decisions of the Advisory Board and the Advisory Committee.

h) It was seen that educational and training trainings/ seminars were organized for the personnel in order to establish and develop the Islamic/Participation banking culture within the Corporation.

## INFORMATION ON HUMAN RESOURCES PRACTICES

### Human Resources Practices

In line with the strategic goals of our Bank, it is aimed to improve human resources processes and to mainstream them within the institution. Our primary goal has been the continuous development of innovative human resources processes, systems and approaches built in this context, within the framework of our Bank's requirements.

During our Bank's growth process in 2023, efforts and developments in terms of Recruitment, Career Management, Employer Branding, Training and Development, Performance - Talent Management, Wages and HR Systems, Personnel Benefits and Employee Relations continued extensively.

### Recruitment and Career Management Practices

Our career site, [www.aynicatiltinda.com.tr](http://www.aynicatiltinda.com.tr), has been redesigned in accordance with our employer branding strategy.

Within the scope of our My Career Talks project, online and physical one-on-one meetings are held with each employee of our Bank about the steps of our professional journey, such as promotion, performance, career path, talent management, training and development processes, or any other issues that the employee would like to discuss. Their expectations are noted, their concerns are resolved and career advice is provided. In 2023, 600 of our employees were involved in My Career Talks. Furthermore, a total of 44 unit and branch visits were undertaken, which included sharing and informative presentations on common ground with employees and managers.

Comprehensive work has been done in the Assignment and Temporary Duty practices in order to meet the career expectations of employees and to ensure diversity in career mobility. It is planned to be implemented in early 2024 in its new form.

The HR Agenda page, which was made accessible to all employees in 2022, continues to announce the increasing volume of human resources practices and activities within the organization with its comprehensive content and new design, day by day.

Our promotion policies have been revised as Promotion Management Application Instruction, considering the socio-economic conditions of today and global new trends. In addition, the entire promotion process has been integrated into the BOA main banking program with a 360-degree approach, making all sub-processes sustainable within the system from the employee's request for promotion to sending congratulatory cards at the end of the process.

Detailed work has been done for manager appointments or promotion processes to managerial positions throughout the year, and with the publication of the relevant application instruction in 2024, it is planned to integrate the model that will be formed with end-to-end BOA main banking program.

290 new positions were created across the organization. Of these, 149 employees were employed in the Branches, 93 in the Head Office, and 48 in Information Technologies.

60 people were hired within the framework of our "New Graduates" program, which we launched to boost youth employment and train young, dynamic staff members having embraced the corporate culture of Emlak Katılım and will carry our Bank forward. Within the scope of our "Strong

Career" program, which is based on part-time employment that we carry out exclusively for university students, 8 students were employed.

The Real Estate Participation Management Trainee Program, targeting new graduates and young professionals, has been launched for the first time. Final evaluations are being conducted in a process involving 1350 candidates, with their employment planned to commence in early 2024.

90 students fulfilled their internships at our institution as part of the National Internship Program, which is coordinated by the Human Resources Office of the Presidency of the Republic of Türkiye.

We engage in employer branding efforts "Under the Same Roof" and plan every step of the recruitment process for the candidates with the perspective of enhancing our employer brand. In this regard, communication with the career centers of 26 universities was established, and a total of 30 different events, including fairs, lectures, seminars, and simulations, were organized for university students.

Our 'Mobile HR' application, which allows us to track human resources practices and integrated employee data into our banking system, continues to serve with its new design and features.

Other human resources applications and employee data that can be integrated with Mobile HR will also be moved within this scope in 2024.

The required studies are being conducted at a rapid pace in order to fully deploy the human resources modules on BOA core banking program.

## INFORMATION ON HUMAN RESOURCES PRACTICES

### Organizational Development

Within the scope of the goals and new requirements, arrangements were made on the organizational charts, and necessary revisions were made by analyzing the process flows/ segregation of duties.

The infrastructure of the Document Management System was improved, and paper consumption was reduced by carrying out internal legislative documents through systematic approval. The bank's policies, implementation instructions, processes, and forms were reviewed.

In 2023, the Suggestion Board reviewed 686 ideas, and 5 awards were granted via the "Idea Bank" technology platform, which was developed to review and implement all ideas from our employees.

### Performance and Talent Management

Our Emlak Katılım Performance Assessment System has been designed on the basis of Competence and Goal, and our employees are assessed annually in terms of both behavioral and tangible work outputs. In this framework, Performance Assessments of a total of 1,498 employees, including 724 Head Office and 774 Branch employees, were carried out in three stages (Self-assessment, 1<sup>st</sup> assessment, 2<sup>nd</sup> assessment) in 2023.

To ensure the healthy functioning of our Real Estate Participation Instant Feedback System, which we have developed specifically for our Bank and have been implementing since 2021 and to transform the feedback phenomenon into a culture within our Bank, awareness and informative activities have been conducted for both managers and employees.

In 2023, our managers provided positive/negative feedback intensively through our Instant Feedback system to their

employees in order to appreciate their successes and contributions, thereby strengthening or drawing attention to areas where improvement is needed to support their development. In this context, in the previous year (2022), a total of 1708 written instant feedback were provided to our employees throughout our Bank via our system, and these feedback nourished 2910 competencies. This number increased slightly in 2023 with the strengthening of the feedback culture, and 2234 feedback records resulted in 4100 competencies being nourished. In this context, our feedback increased by 40% from 2022 to 2023.

Additionally, considering the strategic objectives of our Bank, common goals have been established to support both corporate and individual development among our employees. These goals, centered around themes such as digitalization, vocational training, personal development, quality management and communication-interaction, have been assigned to employees in appropriate positions.

As part of our Performance and Talent Management activities, the "Discover Your Strength" project was designed and completed for implementation in 2023 within the scope of Talent Management. Within this framework, assessment center exercises were conducted for the 230 employees included in the project, and their potentials were measured across six competencies through multiple scenarios, exercises and applications.

In recognition of our performance evaluation and feedback system implemented within our Bank, we were awarded the "Making a Difference" prize in the "Commitment, Cultural Transformation Management" category at the 15<sup>th</sup> Human Value Awards organized by PERYÖN-Türkiye Human Management Association, for our "Feedback-Driven Development and Feedback-Based Performance Evaluation" practices.

### Training and Development

For the training and development of employees, in line with the strategies of our Bank and sectoral developments, Organizational Analysis, Job Analysis and Individual Analyses, performance appraisal activities, Internal Systems audits/controls, as well as training sessions, are planned according to new products, new processes, and legal regulations.

Training sessions are planned and implemented in eight main categories, taking into account factors such as content, methodology, and scheduling:

**1. Operations School:** These are training sessions attended by employees in the operational service of branches, tailored to their titles and changes in job roles. They are implemented in four modules: when starting a new position at the teller, 6-12 months after starting the position, when transitioning from teller to operational duties and when transitioning to branch operational management.

**2. Sales School:** These are training sessions attended by new graduates or employees transitioning to sales for the first time due to a change in job roles. They are implemented in three modules: when new graduates or employees transition from operations to sales and when transitioning from the Retail Segment to SME/Commercial/Corporate Segment.

**3. Manager Development School:** This is organized for managers and new branch managers. It consists of 2 modules: a training program focusing on Basic Management Skills planned for employees working as managers, and a management competency-focused training program for manager candidates or newly appointed managers.

**4. Leadership School:** This is a leadership skills-based development program organized for Unit/Branch Managers and Directors.



## INFORMATION ON HUMAN RESOURCES PRACTICES

**5. Career Start-Up Trainings:** These are training sessions attended by newly employed individuals within the scope of new graduate employment, such as orientation training for Internal Systems employees, call center employees, etc. Orientation training is conducted within two weeks after reaching the required number of participants. Additionally, orientation guide appointments are made for branch employees from the first day to initiate on-the-job orientation.

**6. Corporate Performance Trainings:** These consist of trainings identified for the relevant year based on data collected from units during the annual training needs analysis.

**7. Competency Development Trainings:** These are individual training sessions, such as summits and conferences, where employees can participate based on their own requests.

**8. Legal Trainings:** These are trainings conducted within the scope of legal obligations such as OHS, First Aid, MASAK, Information Security, etc.

Additionally, employees are provided with 24/7 development opportunities through the corporate LMS “e-academy” and “e.mobile+,” covering technical subjects, managerial competencies and personal development topics.

During training, observations, one-on-one meetings with participants after training, online survey applications, and pre-test/post-test applications are used to review the effectiveness of the training. Content is periodically reviewed according to emerging or changing needs.

### Employee Relations

We value the emotional connection that everyone working under the Emlak Katılım umbrella has with their job and employer. In this regard, various efforts have been made to improve the time our employees spend under the Emlak Katılım umbrella, their working environment, and their relationships with their colleagues, aiming to strengthen the bond among them. Under the motto “Under the Same Roof,” various social activities and social club events have been organized as part of our employer branding efforts. Events such as the Traditional Emlak Katılım Photo Contest, Istrancalar Nature Walk, Emlak Katılım Super League Football Tournament, Photography Training, April 23<sup>rd</sup> Special Drawing Contest, Webinar Workshops for Important Days and Weeks, Ihlara Valley Nature Walk, Welcome to Summer; Archery Tournament, Red Crescent Blood Donation Events, and Coastal Cleaning Event in cooperation with Tuçev and Muçev were among our most participated events in 2023. Additionally, we have various clubs where employees can join based on their interests and organize various activities such as Nature, Orphanage and Solidarity, Gastronomy, Photography, Fine Arts Literature and Music, Running and Cycling, Chess, and Team Sports. In 2023, corporate mailing campaigns were continued for our employees’ special days, and various treats and activities were organized during religious and national holidays. Gift activities were also carried out to make our employees happy on the occasion of our fourth anniversary as an institution and on other special occasions.

### Remuneration and HR Systems

Remuneration and HR Systems at Emlak Katılım are designed to increase employee loyalty, maintain employee motivation high and lead employees to corporate goals, and share success with them. As in previous years, sector data and internal balances were taken into consideration when updating the wage structure in 2023.

Emlak Katılım has a comprehensive remuneration structure that includes base salary, bonus (1/3 base salary on a monthly basis), foreign language compensation, working location compensation, clothing, food, transportation, eye-dental, marriage, and maternity allowances, as well as an employer group pension system designed to encourage employees to save, and group health and life insurances.

In accordance with the requirements of the time, studies were conducted to improve business processes such as Wage and HR Systems, and in 2023, 15 (fifteen) new screens and reports were installed as part of the digitization process. Sustainability is prioritized in the new screens, and it is intended to reduce the consumption of paper and plastic files.

## INFORMATION ON HUMAN RESOURCES PRACTICES

### Summary

#### Recruitment and Career Management

- As of the end of 2023, the current number of employees within Emlak Katılım is 1,494.
- 1,325 candidates participated in interviews.
- 5,282 online assessment tools (competency inventory, field knowledge, foreign language exam, etc.) were employed.
- Realization of 290 recruitments.
- 60 new graduates started working.
- 8 university students were employed part-time within the scope of the Strong Career project.
- 19 of our employees were appointed as Director/Unit Manager/Branch Manager.
- 488 employees were promoted.
- Communication was established with 20 universities and cooperation studies were carried out.
- 21 events were organized for university students.

#### Training and Development

- An average of 7 days of training per person
- Training on 258 different subjects
- An average 20 hours of asynchronous training per person
- 37% in-house instructor utilization
- 408 group virtual classroom training
- 15,500 hours of virtual classroom training
- 26,000 hours of e-academy digital content utilization
- External certificate support for 377 employees.

#### Organizational Development

- 17 organizational chart revisions
- Assessment of 648 suggestions submitted through the Idea Bank
- Carrying out Workload Analysis Study
- 817 internal legislation document updates

- Review of 9,600 screens
- Fulfilling 212 requests through Emlak Katılım request call screens

## INFORMATION ON OUTSOURCED OPERATIONS AND THE INDIVIDUALS AND ORGANIZATIONS SUPPLYING THE OUTSOURCED SERVICES

### LIST OF SERVICE PROVIDER COMPANIES

Number	Title of the Company	Tax Number	Subject	Related Department
1	32 Bit Bilgisayar Hiz.San.ve Tic.Ltd Şti.	9990053242	BAP API Basic Module Subscription Service	Treasury-Asset Liability and Capital Markets Department
2	Acerpro Bilişim Teknolojileri A.Ş.	50549151	Insurance platform purchase	Project Finance and Product Management Department
3	Barikat BT Bilişim Tic.A.Ş.	1420608296	SOC 7*24 Security Service Procurement	Information Security Department
4	Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	9980088734	Full TTH System Service	Digital Banking and Payment Systems Department
5	Bilişim Bilişim ve Yazılım Sistemleri San. ve Tic. A.Ş.	1750436804	IT Payroll Additional Development Additional License Maintenance Service Procurement	HR Systems and Remuneration Department
6	Brinks Güvenlik Hizmetleri A.Ş.	1870129341	Effective and Precious Metals to Abroad	Foreign Trade Operations Department (Cash Management Operations Service)
7	BTYön Teknoloji A.Ş.	1871491390	BRSA Penetration Test Service Procurement	Information Security Department
8	Desmer Güvenlik Hizmetleri A.Ş.	2930463044	Domestic Cash Transportation Service Procurement	Foreign Trade Operations Department (Cash Management Operations Service)
9	Ekol Grup Koruma Güvenlik ve Eğitim Hizmetleri A.Ş.	3300385554	Private Security Service Procurement	Administrative Affairs Department
10	Elekse Elektronik Para Ödeme Kuruluşu A.Ş.	3310537420	Mobile Virtual POS Project Payment Institution Recruitment	Digital Banking and Payment Systems Department
11	Elekse Elektronik Para Ödeme Kuruluşu A.Ş.	3310537420	Physical POS Project Field Operation Support Service	Digital Banking and Payment Systems Department
12	Erpa Ödeme Hizm. ve Elek. Para A.Ş.	3680409002	Mobile Virtual POS (Ceppos) Project Procurement	Digital Banking and Payment Systems Department
13	Eticsoft Bilgi Teknolojileri Anonim Şirketi	3810986144	Mobile Virtual POS Technical Support Periodic system health control of Ceppos Virtual POS systems; Mobile Virtual POS Technical Support Mobile Application API services of Ceppos Virtual POS systems and application updates depending on the management platform operating system	Digital Banking and Payment Systems Department
14	Fineksus Bilişim Çözümleri Tic. A.Ş.	3230280635	Blacklist Control Module, SWIFT Interface Correspondent Account Reconciliation Module	Foreign Trade and Treasury Operations Department
15	Fineksus Bilişim Çözümleri Tic. A.Ş.	3230280635	PayGate Products Service Procurement	Foreign Trade and Treasury Operations Department

## INFORMATION ON OUTSOURCED OPERATIONS AND THE INDIVIDUALS AND ORGANIZATIONS SUPPLYING THE OUTSOURCED SERVICES

### LIST OF SERVICE PROVIDER COMPANIES

Number	Title of the Company	Tax Number	Subject	Related Department
16	Fineksus Bilişim Çözümleri Tic. A.Ş.	3230280635	SWIFT Event Logs Reporting Service Procurement	Foreign Trade and Treasury Operations Department
17	Güzel Sanatlar Çek Basım Ltd. Şti.	1700020032	Sheet Check Printing (Tens/Twenties Stub) - Sheet Check Printing with Logo (10'/20' Stub) Service procurement	Basic Banking and Branches Operations Department (Cheque and Bill Operations Service)
18	Hobim Bilgi İşlem Hizm. A.Ş.	4630024934	Archive Service Procurement	Administrative and Social Services Purchasing Directorate
19	İpoteka Gayrimenkul Danışmanlık	4800485211	Mortgage Transactions	Insurance and Collateral Operation Service
20	Kartek Kart ve Bilişim Teknoloji T.C. A.Ş.	5260658093	Credit Card Project Purchasing	Digital Banking and Payment Systems Department
21	Key Yazılım A.Ş.	5480919541	İneks Hypoteks License Purchase	Credit Operations Department
22	Loomis Güvenlik Hizm. A.Ş.	3600279663	Foreign Cash and Precious Metals	Foreign Trade Operations Department (Cash Management Operations Service)
23	Mahmut Gülerce (Eticsoft)	11864060512	Mobile Virtual POS System Technical Maintenance Support Service Procurement	Digital Banking and Payment Systems Department
24	Mavi Güvenlik Elektronik San. Tic. Ltd. Şti	6130235715	Branch Alarm Services	Administrative and Social Services Purchasing Directorate
25	Medyasoft Danışmanlık ve Eğitim A.Ş.	6130752722	Corporate Website Content Management Panel (CMS) Procurement Tender	BT Digital Systems Application Development Department
26	Paycore Ödeme Hizmetleri Takas ve Mutabakat Sistemleri A.Ş.	7330140328	Credit Card Project Purchasing	Digital Banking and Payment Systems Department
27	Posta ve Telgraf Teşkilatı A.Ş.	7320068060	Correspondent Banking	Foreign Trade Operations Department (Cash Management Operations Service)
28	PTT Para Lojistik A.Ş.	7330691414	Money and Precious Metal Transport	Foreign Trade Operations Department (Cash Management Operations Service)
29	Rsu Bilişim ve Danışmanlık Hizmetleri A.Ş.	7351646537	IT Security Testing Service Procurement	Information Security Department
30	Rsu Bilişim ve Danışmanlık Hizmetleri A.Ş.	7351646537	BRSA Penetration Test Service Procurement	Information Security Department
31	Sipay Elektronik Para ve Öd. Hiz. A.Ş.	7710528103	Mobile Virtual POS (Ceppos) Project Procurement	Digital Banking and Payment Systems Department
32	Superonline İletişim Hizmetleri A.Ş.	8770013406	Gebze Söğütözü Infrastructure Hosting Service	IT Infrastructure Operations Department
33	Türk Elektronik Para A.Ş.	8710531079	Mobile Virtual POS Payment Companies	Digital Banking and Payment Systems Department
34	Türkgen Yazılım Dan. San. Tic. A.Ş.	8710535951	Project Based Work Supply	IT Governance Department

## INFORMATION ON TRANSACTIONS CARRIED OUT WITH RISK GROUP EMLAK KATILIM INVOLVED

The amount of transactions made by the risk group that Emlak Katılım Bankası A.Ş. involved in 2023 and the explanations on this issue are included in the footnote number VII of the fifth part of the financial report in the independent audit report dated 31 December 2023.

## CREDIT RATINGS OF EMLAK KATILIM

Emlak Katılım's credit rating was revised on 22 September 2023 by the international credit rating agency Fitch Ratings. In this context, following the revision of our Bank's rating outlook, the final table of credit ratings is given below.

<b>Credit Ratings</b>	<b>Rating</b>	<b>Outlook</b>
Long-Term Foreign Currency Issuer Credit Rating	"B-"	Negative
Long-Term Local Currency Issuer Credit Rating	"B"	Stable
Short-Term Foreign Currency Issuer Credit Rating	"B"	-
Short-Term Local Currency Issuer Credit Rating	"B"	-
Long Term National Credit Rating	"AA(tur)"	Stable
Viability Rating	"b-"	-



## INFORMATION ON RISK MANAGEMENT POLICIES IMPLEMENTED BASED ON RISK TYPES AND RISK MANAGEMENT DISCLOSURES

Emlak Katılım Risk Management is a management discipline consisting of principles that aim to protect the assets and profits of our institution by systematically analyzing, measuring and monitoring the risks that the bank is exposed to in proportion to the scale and complexity of its operations within the framework of the functional separation of duties method, and by ensuring a strong risk management culture within the bank.

In our Bank, the Risk Management Presidency operates under the supervision of the Board of Directors through the Audit Committee in accordance with the provisions of the Regulation on the Assessment Process of Banks' Internal Systems and Internal Capital Adequacy published in the Official Gazette dated 11.07.2014 and numbered 29057 by the BRSA.

The objective of our Bank's risk management process is to ensure the definition, measurement, monitoring and control of the risks, to which the Bank is exposed, through the policies and limits determined to monitor, control, and when necessary change the operations' nature and level in relation to the risk-return structure that the future cash flows will include.

The risks faced by Emlak Katılım are measured and monitored in accordance with international standards and legal regulations, both on a solo and consolidated basis, using methods that are in line with these standards.

The activity of monitoring and control of the risks to which the Bank is exposed as a result of its banking operations is realized by the Board of Directors through establishing internal control, risk management and internal audit systems in accordance with the related legislation, articles of association, corporate governance principles and banking practices and ensuring their functionality.

Board of Directors monitors and evaluates risk management policies, strategies and various other documents periodically in accordance with changing market conditions.

The Bank is exposed to the following risks as a result of its operations:

### Credit Risk

Credit Risk is the potential risk that the Bank may be exposed to as a result of a situation where the counterparty obligation cannot be fulfilled partially or fully on maturity as affirmed in the agreement. This risk also includes market value loss due to deterioration of the financial position of the counterparty. The definition of credit risk includes both balance sheet and off balance sheet portfolios.

Credit risk is calculated using the standard method in compliance with legal regulations under the Basel framework and is reported to the BRSA on a monthly basis, both on a solo and consolidated basis.

Credit Risk Management is executed in line with the policies and practice directions prepared in accordance with legal legislation by the Board of Directors. The following activities are realized within the scope of the Credit Risk Policy:

- Deploying an effective credit mechanism by assessing customer
- Implementing the risk-reducing measures, providing the appropriate collateral to the appropriate customer,
- Monitoring credit risk effectively,
- Conducting studies to ensure collections on non-performing loans,
- Monitoring the quality of the collateral,

- Calculating expected credit losses within the scope of TFRS9,
- Preventing concentration on the basis of risk groups,
- Preventing sectoral concentration and customer concentration.

### Market Risk

Market risk, as a general definition, refers to the risk of losses that a bank may encounter due to a change in market conditions that affects the bank's liquidity, buying/selling and accrual portfolios, and investments.

Within this context, market risk is defined as the possibility of loss that the Bank may be exposed to on account of its on- or off-balance sheet position/portfolios due to changes in dividend rates, exchange rates and stock prices. The market risks to which the Bank's positions are exposed are closely monitored as a result of fluctuations in risk factors.

The Bank conducts its activities on risk management in accordance with banking law, related regulations, articles of association, corporate governance principles and banking practices under the Board of Directors' responsibility.

Emlak Katılım constantly monitors whether the market risk complies with the limits determined by the legal regulation and the indicators determined in line with the laws, regulations and guidelines published by the authorities within the framework of the risk appetite.

## INFORMATION ON RISK MANAGEMENT POLICIES IMPLEMENTED BASED ON RISK TYPES AND RISK MANAGEMENT DISCLOSURES

### Liquidity Risk

Liquidity risk is the risk of not being able to meet short-term cash inflows with cash outflows during the same period.

The Bank funds transactions in various terms using the customers' funds and conducts financial intermediary operations. Variable maturity structure of the Bank's various assets and liabilities cause potential maturity disagreement between cash collections and payments, and this generates a liquidity risk.

Liquidity risk consists of funding liquidity risk and market liquidity risk.

Funding Liquidity Risk is the possibility that the funding obligation will not be met at a reasonable cost due to the irregularities in cash inflows and outflows and the maturity-related cash flow inconsistencies.

Market Liquidity Risk refers to the possibility of losses that may arise from the inability of the bank to effectively enter the market due to the shallow market structure, obstacles and segmentation of some products in the markets, and the inability to close their positions at a reasonable price and in sufficient quantities.

Emlak Katılım assesses liquidity risks using methods set forth in regulations and guidelines within the framework of applicable legislation, and it manages liquidity risk using the procedures and principles outlined in its internal policies and implementation instructions.

### Operational Risk

Operational risk is defined as the likelihood of the Bank's suffering a loss due to external factors, failures in internal processes, systems and employees.

Operational risk arises from all of the Bank's operations. Employee errors, errors resulting from the system, transactions based on inadequate or inaccurate information and documents, failures in information flow in the organization, unclear authority levels, changes in structures and/or processes, natural disasters, terrorism and fraudulent acts may cause operational risk.

The Bank defines the risk issues and takes precautions to keep operational risk at an acceptable level.

### Other Risks

Other risks that Emlak Katılım may be exposed to include counterparty credit risks, profit share rate risks arising from banking accounts, strategic risks, reputation risks, country risks and concentration risks.

### Counterparty Credit Risk

Counterparty Credit Risk is defined as the likelihood of counterparty of a transaction creating obligations for both parties, failing to meet its obligation before the maturity of the transaction and/or settlement risk (failing to meet its obligation before the settlement date of the transaction).

Under the scope of credit risk, counterparty credit risk is calculated in accordance with the provisions outlined in the "Regulation on the Measurement and Evaluation of Banks'

Capital Adequacy" and its annexes. These amounts are reported to the BRSA on a monthly basis, both on a solo and consolidated basis, as part of capital adequacy calculations.

The Bank manages the counterparty credit risk by identifying and monitoring the risks creating these possibilities.

### Profit Share Rate Risk Arising from Banking Accounts

Profit share rate risk arising from banking accounts represents the profit share rate risk arising from all on-balance sheet and off-balance sheet items sensitive to profit share, excluding the items followed in buying/selling accounts.

Emlak Katılım assesses risks using legal reports in line with the provisions of the applicable regulation and reports them to the appropriate authorities. The realizations associated with the relevant risk, which are regularly monitored, are closely followed by the senior management. Profit share rate risk deriving from banking accounts is managed in a way that does not exceed the standard ratio specified by the regulation.

### Strategic Risk

Strategic risk may be considered business risk. In this context, it is an expression of likelihood of earning less due to inappropriate commercial choices, wrong implementation of commercial choices or not analyzing or not interpreting the industrial changes and decisions, actions not in line with opportunities and threats that may arise from these changes.

## INFORMATION ON RISK MANAGEMENT POLICIES IMPLEMENTED BASED ON RISK TYPES AND RISK MANAGEMENT DISCLOSURES

The Bank manages the strategic risk based on volume, quality and complexity of its transactions, overseeing the best practices.

The Bank aims to make rational business decisions and transform based on developments, closely monitoring the national and international economic conjuncture, technological, financial and social developments, legal regulations and the banking industry.

### Reputational Risk

Reputational risk is defined as the likelihood of the Bank incurring a loss due to loss of trust to the Bank or reputation impairment as a result of non-compliance with existing legal regulations or negative view of parties such as current or potential customers, partners, competitors and auditing authorities.

In addition, conducting business in line with the principles of participation banking is considered a component of the Bank's specific reputational risk management.

By means of its internal documents, the Bank ensures that reputation risk is effectively managed at an acceptable level and guides practices accordingly. In the context of

managing reputation risk, news reported on traditional and social media is closely tracked and required action is taken regarding the news that may cause reputation damage.

### Country Risk

Country risk is defined as the likelihood of loss the Bank may be exposed to due to debtors' failure or avoidance to pay their obligations due to uncertainties in economic, social and political conditions of a country. It refers to the probability of loss incurred by the bank, which bears the direct or indirect risk of the borrowers in a foreign country in its portfolio, in case the borrowers in the subject country are unable to fulfill their foreign obligations and/or avoid due to the developments or uncertainties affecting the economic, social and political circumstances.

The Bank manages the country risk based on the international business volume, quality and complexity of its transactions, overseeing the strategic risk management policy prepared in accordance with BRSA regulations.

### Concentration Risk

Concentration risk is an expression of likelihood of losses resulting from a risk or risk group amount so large (relative to the Bank's capital, total assets or total risk level) that it may threaten the Bank's health and ability to continue its main operations.

Concentration risk, in respect of the health of credit portfolio, is monitored on the basis of measurement. Additionally, legal credit limits in the Banking Law are also used in the measurement of risk concentration. In order to prevent the increase of concentration risk, customer and sector-based concentrations are regularly monitored at our Bank.

### Conclusion

Meeting the requirements of Risk Management Strategy, Policy and Practice Directions which are approved by the Bank's Board of Directors, reporting on significant risks the Bank faces to the Board of Directors timely and in a reliable manner, evaluating the risk reports, taking precautions and contributing to the process of defining risk limits are under the responsibility of the executive management.

## SUMMARY BALANCE SHEET AND INCOME STATEMENT\*

<b>Assets (TL million)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Cash and Banks	84,046	30,927	7,768
Securities	32,070	23,100	8.687
Loans	67,925	44,293	21,907
Other Assets	4,842	1,907	398
<b>Total Assets</b>	<b>188,883</b>	<b>100,227</b>	<b>38,760</b>
<b>Liabilities (TL million)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Funds Collected	151,497	79,224	26,793
Funds Borrowed	11,180	7,153	4,654
Other Liabilities	15,792	7,826	5,585
Shareholders' Equity	10,414	6,024	1,728
<b>Total Liabilities</b>	<b>188,883</b>	<b>100,227</b>	<b>38,760</b>
<b>Income Statement (TL million)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Profit Share Income	16,659	8,298	2,329
Profit Share Expenses	10,372	4,380	1,797
Net Profit Share Income/ Expenses	6,287	3,918	532
Net Fees and Commission Income/Expenses	2,281	301	82
Commercial Profit and Loss (Net)	4,728	1,861	57
Other Operating Income	643	152	130
Personnel Expenses	1,582	616	285
Other Operating Expenses	2,011	415	203
Provision for Loans and Other Receivables	2,764	1,477	125
Profit/Loss before Taxation	7,582	3,724	188
Tax Provisions	2,452	914	45
<b>Net Profit/Loss</b>	<b>5,130</b>	<b>2,810</b>	<b>143</b>

\*Unconsolidated data

## ASSESSMENT ON FINANCIAL STANDING, PROFITABILITY AND SOLVENCY

As of end 2023, Emlak Katılım has total assets worth of TL 188.9 billion and shareholders' equity of TL 10.4 billion. Concordantly, the Bank's capital adequacy ratio is above the legal requirement at 23.05%. Emlak Katılım continues to increase its profit by utilizing its resources efficiently and productively. Detailed information on the financial standing and solvency can be seen in the financial statements and independent audit report.

## DISCLOSURES ON SPECIAL AND PUBLIC AUDITS CONDUCTED IN THE REPORTING PERIOD

The Bank is subject to audit of State Audit Court and evaluated by Turkish Grand National Assembly Committees for State Economic Enterprises based on the reports of the State Audit Court.

The independent audit services in 2023 were conducted by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited).



## INFORMATION ON CONSOLIDATED SUBSIDIARIES

### **Emlak Katılım Varlık Kiralama A.Ş.**

Emlak Varlık Kiralama A.Ş. was established on 5 August 2019 with the authorization obtained from the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board of Türkiye (CMB) and registered in the trade registry in order to issue all kinds of lease certificates (sukuk) within the framework of the Communiqué on Lease Certificates (III-61.1) of the CMB, which was published in issue 28670 of the Official Gazette, dated 7 June 2013. A wholly-owned subsidiary of Emlak Katılım, Emlak Varlık Kiralama A.Ş. is an asset leasing company which was established in 2019 with the purpose of issuing sukuk structured in accordance with the principles of participation finance.

Between 1 January 2023 and 31 December 2023 Emlak Varlık Kiralama A.Ş. issued TL 6,318,000,000 worth of Sukuk with the sales method to qualified investors in Türkiye.

### **Emlak Katılım Varlık Kiralama A.Ş.**

Emlak Katılım Varlık Kiralama A.Ş. was incorporated and registered on 20 January 2020 pursuant to its Banking Regulation and Supervision Agency (BRSA) and Capital Markets Board (CMB) licenses. The company is authorized to issue “any and all manner of sukuk within the framework of CMB Lease Certificates Communiqué III-61.1 as published in issue 28670 of the Official Gazette dated 7 June 2013.” Emlak Katılım Varlık Kiralama A.Ş. is a wholly-owned subsidiary of Türkiye Emlak Katılım Bankası A.Ş. Its sole object is to issue Sukuk that comply with participation banking principles. It may issue such certificates for sale both in Türkiye and in other countries. The company conducts these operations within the framework of statutory and regulatory requirements acting as a security-issuing agent for investors from which it has accepted funds. The goal of Emlak Katılım Varlık Kiralama A.Ş. is to provide top-notch service to customers in line with the participation finance principles and values that Emlak Katılım espouses.

Between 1 January 2023 and 31 December 2023, Emlak Katılım Varlık Kiralama A.Ş. issued TL 24,247,320,000 worth of Sukuk with the sales method of private placement and qualified investors in Türkiye.

## ASSESSMENT ON THE OPERATIONS OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS

Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process (ICAAP) to help conduct monitoring and auditing activities. Primary responsibilities of the committee are as follows:

Overseeing the effectiveness and adequacy of internal audit, internal control, compliance and risk management systems, operation of these systems and accounting and reporting systems in line with respective regulations and integrity of the information,

Making preliminary assessments of independent audit, valuation, rating and support firms and monitoring their activities,

Establishing an audit and control process to provide assurance in adequacy and accuracy of ICAAP,

Members of the Audit Committee are selected from among the members of our Bank's Board of Directors. Mehmet Nuri Yazıcı is the chairman and Ramazan Güngör is the member of the committee.

In addition, within the frame of Banking Law no.5411, Internal Audit Department, Internal Control and Compliance, Risk Management Departments were established and approved within the Internal Systems organization structure to identify, measure, monitor and control the risks that the Bank may be exposed in respect to its strategy and operations. These departments were structured in a way that they are subject to the Audit Committee and Board of Directors through Head of Internal Systems Group.

Activities of units under Internal Systems in 2023 are presented below.

### Internal Audit Department

Emlak Katılım's Department of Inspection Board aims to independently, objectively and reasonably assure the Bank's Board of Directors that activities of Bank's Headquarters' units, branches and subsidiaries subject to consolidation are performed in accordance with the Banking Law and other relevant regulations, and internal legislations, policies, strategies, and targets of the Bank, and that the financials of the Bank are correct, practices for protection of its assets are competent, and the internal control and risk management systems are efficient and sufficient.

Within the framework of the annual audit planning that was prepared based on a risk-based audit approach, audits and in case of need, examination and investigations are carried out on behalf of the Bank's Board of Directors at units, branches, affiliates and support service providers, by taking the laws, legislative regulations in relation to these laws and international internal audit standards including especially the Regulation on Banks' Internal System and Intrinsic Capital Adequacy Assessment Processes into consideration. The follow-ups of the findings regarding the nonconformities found as a result of the carried out audits, examinations and inspections are being performed, and additionally, in order to avoid recurrence of these deficit, error and risks, mutual assessments are made with the related Bank managers and consultancy is being provided in terms of measures to be taken and process improvements to be made. This way, it provides solutions to increase service quality through dialogs with business units to ensure a more effective control and risk management structure.

### Internal Control and Compliance Department

The Internal Control and Compliance Department carries out its duties with a sufficient number of personnel with professional expertise according to the scale of the Bank, the nature and complexity of its activities. In this context, the main activities of the Internal Control and Compliance Department are detailed below.

### Internal Control Activities

The internal control activities aim to protect the Bank's assets, to ensure that the activities are carried out effectively and efficiently in line with the Law and other relevant legislation, internal policies, rules and banking practices, and to ensure the reliability and integrity of the accounting and financial reporting system and the timely availability of information. Accordingly, the Internal Control System was structured to cover all branches, head office units, partnerships subject to consolidation and all activities. For this purpose, control of operations for the execution of activities, control of communication channels, information systems and financial reporting system, and compliance controls are designed as part of daily controls. With the risk-oriented control program, central and onsite control activities are carried out at the Head Office units and branches. Through these control activities, it is aimed to carry out the Bank's activities in a regular, effective and safe manner. For this purpose, accounting, credit and operational transactions and processes are checked within the day, and necessary information is given for the relevant parties to take action as soon as possible for detected errors or deficiencies. In addition to central and onsite control activities, process improvement recommendations are made to improve processes and prevent risks, and these recommendations

## ASSESSMENT ON THE OPERATIONS OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS

are shared with business units. Thus, it is ensured to take measures to prevent possible risks, improve processes and take cost-reducing measures.

### Compliance Activities:

- The compliance activities are carried out to maintain conformity with national and international regulations introduced pursuant to the prevention of laundering proceeds of crime and financing of terrorism. Automated and manual control activities are conducted with the purpose of discharging these activities. Communication and coordination with the Financial Crimes Investigation Board (MASAK) is maintained. The training program prepared due to MASAK obligation is provided to all Emlak Katılım employees via in-class or remote connection devices. In the field of International Banking, investigations are made regarding financial institutions, with whom business relations are planned, and opinions are given to the relevant units. In addition, necessary efforts are carried out to meet the demands of correspondent banks.

### Legislation Activities:

- Regulations updated within the context of banking legislation are monitored and announcements and instructions are made to the relevant units of the Bank. Consultancy services are provided to Head Office Units and Branches regarding compliance with the law and other regulations and internal policies, processes and instructions. Opinion is given in terms of compliance with the banking legislation during the development of new products and the update of the Bank's internal legislation documents.
- KVKK (the Law on Protection of Personal Data) Practices
- Regarding the protection, processing, transmission, storage, and destruction of personal data, all of the

required tasks and transactions are conducted in accordance with our bank's internal procedures and the provisions of the law. It is ensured that the Bank complies with the Law on the Protection of Personal Data and the legislation enacted based on this law, and actions are taken regarding new practices and identified deficiencies, along with reporting and awareness efforts.

- In addition to the operations conducted within the scope of the Protection of Personal Data, our bank carries out studies in order to determine the scope, form, procedures and principles regarding the sharing and transfer of bank secrets and customer secrets, within the scope of the "Regulation on Sharing of Secret Information", which was published in the Official Gazette dated 4 June 2021 and numbered 31501.

### Advisory Committee Secretariat Activities:

- The Advisory Committee Secretariat activities are carried out within the scope of the Communiqué on Compliance with Interest-Free Banking Principles and Standards.

### Risk Management Department

A risk management process is built under the supervision of Board of Directors to establish an effective, independent, robust and sustainable risk management system and ensure its implementation within the corporate risk culture.

Various activities such as defining, measuring, monitoring, control and reporting of the risks the Bank is exposed to are under the responsibility of Risk Management Department.

Risk Management Department conducts operations defined by the Board of Directors to actively monitor the risk management process and related activities; to provide internal documents such as strategy, policies and practice directions to enable the management of different aspects of risks originating from operations; to ensure adequate

and consistent risk measurement, analyses and monitoring activities by recruiting sufficient number of qualified employees within the Risk Management Department; to provide opportunity to access secure technology and management information system; and to guarantee accurate and complete data.

Despite different measurement techniques involved, the Bank implements an integrated approach to handle credit risk, market risk, liquidity risk, operational risk and all other significant risks. Measurements of credit risk, market risk and liquidity risk are being made and reported to the Banking Regulation and Supervision Agency (BRSA), and also scenario analysis and stress tests are being carried out. The Bank handles the risks it is exposed to according to the scale and complexity of its transactions, and it is expected that the complexity of the transactions will increase and the risks to be encountered will differ in the coming periods.

Risk limits have been determined by the board of directors. These limits are reviewed periodically and necessary revisions are made in the light of the bank's strategies. The Board of Directors closely monitors the realizations of risk limits, scenario analyzes and stress test results.

Besides monitoring and reporting of operational risk, which is one of the other risks that the Bank is exposed to, leakage and losses from operational activities are followed up and recorded. Banking processes and processual works on information technologies are also followed up, risks posed and measures taken are being monitored. Risk analysis of support service provider firms are being conducted in accordance with the Regulation on the Support Services and the results are being presented to the Board of Directors through the Audit Committee. In addition to these, risk assessments are made regarding the new products and services to be offered, and possible risks are determined in advance and necessary precautions are taken.

## **EXPLANATIONS PERTAINING TO SUBSEQUENT EVENTS OCCURRED AFTER THE END OF THE FISCAL YEAR WHICH HAVE SIGNIFICANT IMPORTANCE AND HAVE THE POTENTIAL TO HAVE AN IMPACT ON RIGHTS OF THE SHAREHOLDERS, CREDITORS AND OTHER PERSONS AND INSTITUTIONS**

None.

## **SIGNIFICANT DEVELOPMENTS AFTER THE REPORTING PERIOD**

Credit ratings of Türkiye Emlak Katılım Bankası A.Ş. were affirmed by the international credit rating agency Fitch Ratings on 06 February 2024, and our Bank's long-term foreign currency rating outlook was revised from "Negative" to "Stable".

## **FINANCIAL BENEFITS PROVIDED TO THE MEMBERS OF THE MANAGEMENT BODY AND TOP MANAGEMENT**

The sum of financial benefits such as daily allowances, salaries, premiums, bonuses or dividends provided to the top management in 2023 amounts TL 24,872,000.

## INFORMATION ON EMLAK KATILIM'S DIVIDEND DISTRIBUTION POLICY

Distribution of dividends is effected in consideration of Bank's Articles of Association, provisions of the Turkish Code of Commerce, and Banking Regulation and Supervision Agency (BRSA) regulations.

### Calculation and Distribution of the Dividends:

From the Bank's net profit for the year:

- a) five percent shall be set aside as a statutory general reserve, until the reserve has become equal to paid-in capital;
- b) five percent shall be set aside as a first extraordinary reserve;
- c) nine percent may be distributed to employees as a dividend bonus, which amount shall not exceed an employee's three-month gross salary and shall be paid out in accordance with principles to be specified by the Board of Directors;
- d) and from the remainder, a second extraordinary reserve shall be set aside at such rates and in such amounts as the General Assembly shall determine in accordance with article 523/2 of the Turkish Commercial Code; after which the remaining amount may be distributed among shareholders.

## INFORMATION ON THE DONATIONS AND CHARITIES AND EXPENSES WITHIN THE FRAMEWORK OF SOCIAL RESPONSIBILITY PROJECTS MADE BY EMLAK KATILIM DURING THE YEAR

A total of TL 1,044,987,507.74 in cash and TL 30,693,117.60 in kind donations were made in 2023.

## **EXPLANATIONS WITH RESPECT TO ADMINISTRATIVE OR LEGAL SANCTIONS IMPOSED ON THE BANK, MEMBERS OF THE BOARD OR TOP MANAGEMENT IN CONNECTION WITH ACTS OR PROCEDURES IN VIOLATION OF THE CODES**

No administrative or judicial sanction has been imposed on the company and the members of the management body on the grounds that there are practices contrary to the provisions of the legislation.

## **INFORMATION CONCERNING LEGAL ACTIONS TAKEN AGAINST THE BANK WHICH MAY AFFECT THE FINANCIAL STATUS OR OPERATIONS OF THE BANK AND THEIR POSSIBLE RESULTS**

There are no legal actions filed against the Bank that may affect its financial status and operations.



# INDEPENDENT AUDIT REPORT ON THE ANNUAL REPORT BY THE BOARD OF DIRECTORS



CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH ON THE BOARD OF DIRECTORS' ANNUAL REPORT

To the General Assembly of Türkiye Emlak Katılım Bankası Anonim Şirketi

## 1. Qualified Opinion

We have audited the annual report of Türkiye Emlak Katılım Bankası A.Ş. (the "Bank"), and its consolidated subsidiaries (collectively referred as the "Group") of for the accounting period of 1 January 2023 - 31 December 2023.

In our opinion, except for the matter described in the Basis for Qualified Opinion section below, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Bank's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set unconsolidated and consolidated financial statements and with the information obtained in the course of our independent audit.

## 2. Basis for Qualified Opinion

As expressed in Basis for Qualified Opinion section of our auditor's report dated 7 March 2024 on the full set unconsolidated financial statements of the Bank for the period between 1 January 2023 - 31 December 2023 and as expressed in Basis for Qualified Opinion section of our auditor's report dated

14 March 2024 on the full set consolidated financial statements of the Group for the period between

1 January 2023 -31 December 2023; unconsolidated and consolidated financial statements include a free provision amounting to TL 2.850.432 thousand which consist of TL 642.414 thousand provided in prior periods and TL 2.208.108 thousand recognized in the current year and related deferred tax amounting to TL 855.130 thousand which consist of TL 160.603 thousand provided in prior periods and TL 694.527 thousand recognized in the current year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

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

## 3. Our Audit Opinion on the Full Set Unconsolidated and Consolidated Financial Statements

We expressed a qualified opinion in the auditor's reports dated 7 March 2024 on the full set unconsolidated financial statements of the Bank for the 1 January 2023 - 31 December 2023 period and dated 14 March 2024 on the full set consolidated financial statements of the Group for the 1 January 2023 - 31 December 2023 period.

## INDEPENDENT AUDIT REPORT ON THE ANNUAL REPORT BY THE BOARD OF DIRECTORS

### 4. Board of Director's Responsibility for the Annual Report

The Bank management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102, Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") and "Regulation on Principles and Procedures Regarding Preparation and Promulgation of Annual Reports by Banks" published in Official Gazette No.26333 dated 1 November 2006 are as follows:

- a) To prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- b) To prepare the annual report to reflect the Bank's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report, financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Bank may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) To include the matters below in the annual report:
  - Events of particular importance that occurred in the Bank after the operating year,
  - The Bank's research and development activities,
  - Financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Banking Regulation and Supervision Agency, Ministry of Trade and other relevant institutions.

### 5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of the TCC, Communiqué and "Regulation on Independent Audit of Banks" published on the Official Gazette No.29314 dated 2 April 2015 provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited unconsolidated and consolidated financial statements in the annual report are consistent and presented fairly with the audited unconsolidated and consolidated financial statements of the Bank and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the SIAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited unconsolidated and consolidated financial statements in the annual report are consistent and presented fairly with the audited unconsolidated and consolidated financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve

Serbest Muhasebeci Mali Müşavirlik A.Ş.

Talar Gül, SMMM

Independent Auditor

Istanbul, 14 March 2024

## ANNUAL REPORT STATEMENT OF RESPONSIBILITY PREPARED IN ACCORDANCE WITH ARTICLE 9 OF THE COMMUNIQUÉ ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1) ISSUED BY THE CAPITAL MARKETS BOARD OF TÜRKİYE

In respect of the Türkiye Emlak Katılım Bankası Annual Report prepared by the Capital Market Board regulations for the period 01.01.2023-31.12.2023, we declare that; they have been examined by us;

-Within the framework of the information we have in our field of duty and responsibilities in our company, they do not contain any material deficiencies that may result in an untrue statement or be misleading as of the date of disclosure; according to our information we have within the framework of our duties and responsibilities in our company,

-The financial statements prepared as per the Communiqué fairly reflect the Bank's assets, liabilities, financial position, and profit and loss.

Kind Regards,

Mehmet Nuri YAZICI  
Chairman of the Audit Committee

Ramazan GÜNGÖR  
Audit Committee Member

Onur GÖK  
CEO

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL  
STATEMENTS AND RELATED DISCLOSURES AT DECEMBER 31,  
2023 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL  
STATEMENTS, RELATED DISCLOSURES AND AUDIT REPORT ORIGINALLY ISSUED IN  
TURKISH - SEE SECTION THREE NOTE I.A)

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş. INDEPENDENT AUDITOR'S REPORT



To the General Assembly of Türkiye Emlak Katılım Bankası Anonim Şirketi

## A. Audit of the Unconsolidated Financial Statements

### 1. Qualified Opinion

We have audited the accompanying unconsolidated financial statements of Türkiye Emlak Katılım Bankası Anonim Şirketi (the "Bank"), which comprise the statement of unconsolidated balance sheet as at 31 December 2023, unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended and the notes to the unconsolidated financial statements and a summary of significant accounting policies and unconsolidated financial statement notes.

In our opinion, except for the effect of the matter on the unconsolidated financial statements described in the basis for qualified opinion paragraph below, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

### 2. Basis for Qualified Opinion

As explained in Section Five Part II. 6.b of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 31 December 2023 include a free provision amounting to TL 2.850.432 thousand which consist of TL 642.414 thousand provided in prior year and TL 2.208.108 thousand recognized in the current year and related deferred tax amounting to TL 855.130 thousand which consist of TL 160.603 thousand provided in prior year and TL 694.527 thousand recognized in the current year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

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

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş. INDEPENDENT AUDITOR'S REPORT

### 3. Key Audit Matters

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

<b>Key Audit Matters</b>	<b>How the key audit matter was addressed in the audit</b>
<p><b>Expected credit losses for loans and receivables</b></p> <p>The Bank has total expected credit losses provision for loans and receivables amounting to TL 567,120 thousand in respect to total loans and receivables amounting to TL 67,925,162 thousand which represent a significant portion of the Bank's total assets in its unconsolidated financial statements as at 31 December 2023. Explanations and notes regarding the provision for impairment of loans are represented in Notes VII of Section Three, II of Section Four, VIII of Section Four and 1.6 of Section Five of the accompanying unconsolidated financial statements as at 31 December 2023.</p> <p>The Bank recognizes provision for impairment in accordance with "IFRS 9 Financial Instruments" ("IFRS 9") requirements and the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750. The Bank exercises significant decisions using subjective judgement, interpretation and assumptions over when and how much to record as loan impairment.</p>	<p>Within our audit procedures, we assessed policies and procedures together with the overall governance established by the Bank with respect to classification of loans and receivables and the calculation of expected credit losses in accordance with the applicable regulations. We tested the design and the operating effectiveness of relevant systems and processes implemented in accordance with these principles.</p> <p>We checked appropriateness of matters considered in methodology applied by the Bank with IFRS 9 for calculation of the provision amount through stage classification of loans and receivables. For forward looking assumptions made by the Bank's management in its expected credit losses calculations, we held discussions with management and evaluated the assumptions using publicly available information. Regarding expected credit losses methodology, we have assessed reasonability and tested model segmentation, lifetime probability of default model, exposure at default calculation, loss given default model and the approaches to reflecting macroeconomic expectations with our financial risk experts. We have assessed interpretation of expert opinion regarding reasonable and supportable forward-looking expectations (including macroeconomic factors).</p>



## TÜRKİYE EMLAK KATILIM BANKASI A.Ş. INDEPENDENT AUDITOR'S REPORT

<b>Key Audit Matters</b>	<b>How the key audit matter was addressed in the audit</b>
<p>Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as historical loss experiences, current conditions, macro-economic expectations; the significance of the loans and receivables balances, the classification of loans and receivables as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans and receivables. Therefore, this area is considered as key audit matter.</p>	<p>Our procedures also included the following:</p> <ul style="list-style-type: none"> <li>- Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology and the performance of the impairment models used.</li> <li>- We checked the suitability and accuracy of the data used in the expected credit loss approach to determine the Bank's impairment allowance.</li> <li>- We checked accuracy of resultant expected credit losses calculations on a sample basis.</li> <li>- To assess appropriateness of the Bank's determination of staging for credit risk in the framework of existing regulations, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample.</li> <li>- We evaluated the adequacy of the disclosures made in the unconsolidated financial statements regarding the provision for impairment of loans and receivables.</li> </ul>

#### 4. Other Matter

The unconsolidated financial statements of the Bank as at and for the year ended 31 December 2022 were audited by another independent audit firm that expressed a qualified opinion in consequence of free provision and related deferred tax in the financial statements in audit report dated 10 March 2023.

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

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

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

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

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş. INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş. INDEPENDENT AUDITOR'S REPORT

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

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

### B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

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

Talar Gül, SMMM  
Independent Auditor

Istanbul, 7 March 2024

### Additional Paragraph for Convenience Translation

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

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.'NİN****UNCONSOLIDATED FINANCIAL REPORT OF TÜRKİYE EMLAK KATILIM BANKASI A.Ş. AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

Bank's headquarter address:	Barbaros Mahallesi, Begonya Sk. No:9A, 34746 Ataşehir/İstanbul
Bank's phone number and facsimile:	00 90 216 266 26 26 - 00 90 216 275 25 25
Bank's website:	www.emlakkatilim.com.tr
Electronic mail contact info:	bilgi@emlakkatilim.com.tr

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

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

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

**Prof. Dr. Mehmet Emin BİRPINAR**

Chairman of the Board  
of Directors

**Onur GÖK**

General Manager

**Mehmet Nuri YAZICI**

Chairman of the Audit  
Committee

**Ramazan GÜNGÖR**

Member of the Audit  
Committee

**Tuğba GEDİKLİ**

Chief Financial Officer

**Hakan ULUS**

Official Reporting Manager

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

Name-Surname/Title:	Hakan ULUS/Official Reporting Manager
Telephone:	0 (216) 275 24 74
Facsimile:	0 (216) 275 25 25

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.****NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

**SECTION ONE****General information****I. History of the Bank Including Its Incorporation Date, Initial Legal Status and Amendments to Legal Status:**

The Bank was incorporated in Ankara June 3, 1926 with the name of Emlak ve Eytam Bankası, in accordance with instructions of Mustafa Kemal Atatürk. The aim of establishment of the Bank is to support public construction, to provide necessary loan and to protect orphan's right. The Bank had restructured on 1 December 1946 and after this date the title of the Bank had changed as Türkiye Emlak Kredi Bankası Anonim Ortaklığı. The Bank had merged with Anadolu Bankası A.Ş. and assumed the title of Türkiye Emlak Bankası A.Ş. as of 6 January 1988.

Denizcilik Bankası A.Ş. had transferred to Türkiye Emlak Bankası A.Ş. with the all of its assets and liabilities on 29 November 1992 and maritime loans were also collected at this Bank.

During the period in which the Türkiye Emlak Bankası A.Ş. operates, in addition to its banking activities has become serious brand in the construction of qualified housing projects in line with the its establishment purpose, and has produced important housing projects in many provinces of Turkey, especially in İstanbul, Ankara and İzmir. İstanbul-Ataköy, Ataşehir, Bahçeşehir, Mimaroba, Sinanoba, Ankara-Bilkent, Elvankent, Konutkent, İzmir-Gaziemir and Mavişehir projects are included in the Bank's important projects.

The Bank has entered into a restructuring process with the Law about Türkiye Cumhuriyeti Ziraat Bankası A.Ş., Türkiye Halk Bankası A.Ş. and Türkiye Emlak Bankası A.Ş. no. 4603 dated 21 November 2000, and the transition from the public law status to the status of private law has achieved.

According to BRSA's decision dated July 6, 2001, Türkiye Emlak Bankası A.Ş. was transferred to Türkiye Cumhuriyeti Ziraat Bankası A.Ş. with its assets and liabilities. In this regard, No. 4684 Certain Laws and Delegated Legislation Law Amending the Law No. 4603 and Article 2 of the Law about Türkiye Cumhuriyeti Ziraat Bank, Türkiye Halk Bankası A.Ş. and Türkiye Emlak Bank A.Ş. attached Provisional Article 3 of the Law (3) In accordance with the provisions of paragraph, the permission of Türkiye Emlak Katılım Bankası A.Ş. to accept deposits and perform banking operations came to an end on July 6, 2001.

The Bank's all assets including banking services, branches, deposits, and commitments and liabilities arising from and banking services were transferred to Ziraat and Halk Bank with the protocol held on July 7, 2001. From this date, the Bank's permission for banking activities and collection of deposit removed.

Board of Liquidation, Board of Directors and Board of Supervisors of the Bank had established with the extraordinary general assembly held on December 14, 2001, and liquidation process had actually started with the personnel on temporary duty sent by Türkiye Cumhuriyeti Ziraat Bankası A.Ş. As a result of the Bank's repayment of its debts to the Treasury Department and all other debts after the end of 16 years with the Law of "Some Receivables and Re-Structuring and Certain Laws and Decree Law Amending No. 7020 with the following regulation made in the Law of Türkiye Cumhuriyeti Ziraat Bankası A.Ş., Türkiye Halk Bankası A.Ş. and Türkiye Emlak Bank A.Ş. No. 4603, the liquidation of the Bank has been removed, as of May 27, 2017.

After the liquidation of the Bank, in the General Assembly held on December 3, 2018, the new Articles of Association approved and the status was determined as participation bank. The title of the Bank was registered as Türkiye Emlak Katılım Bankası A.Ş. on December 10, 2018.

The Bank has obtained the operating permission with the decision of the Banking Regulation and Supervision Board dated February 26, 2019 and numbered 8262 published in the Official Gazette dated February 27, 2019 and numbered 30699 and commenced operations as of March 21, 2019.

The Bank's head office is located in İstanbul and there are 101 branches (including 1 e-branch) of the Bank as of December 31, 2023. (December 31, 2022: 80). The Bank is operating with 1.494 staff as of 31 December 2023 (December 31, 2022: 1.297).

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

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

The Bank's share is TL 1.026.915 and 99,99% of the Bank's share are owned by Ministry of Treasury and Finance. Except by Ministry of Treasury and Finance, T. Emlak Bankası A.Ş. Emekli ve Yardım Sandığı Vakfı and 33 real person have shares amounting to TL 80,57 (full) and TL 3,38 (full), respectively.

TL 1.026.915 portion of the capital amounting to TL 1.026.915 has been paid and TL 2.82 (full) portion has not been paid by the 33 real person.

The part of the capital belonging to the Ministry of Treasury and Finance is represented by the Ministry of Environment and Urbanization.

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

<b>Name and Surname</b>	<b>Administrative Function and Responsibility</b>	<b>Educational Degree</b>
Prof. Dr. Mehmet Emin BİRPINAR	Chairman of BOD	Doctorate
Mahmut KAÇAR <sup>(*)</sup>	Vice Chairman of the Board of Directors	Bachelor
Hasan SUVER	Member of BOD	Master
Mahmut GÜRCAN <sup>(**)</sup>	Member of BOD	Bachelor
Mehmet Nuri YAZICI	Member of BOD and Chairman of the Audit Committee	Bachelor
Prof. Dr. Murat BALCI	Member of BOD	Doctorate
Ramazan GÜNGÖR <sup>(*)</sup>	Member of BOD and Audit Committee	Bachelor
Onur GÖK <sup>(**)</sup>	Member of BOD/General Manager	Master
Tuğba GEDİKLİ	Assistant General Manager Responsible for Finance	Bachelor
Ali Kemal KÜÇÜKCAN	Assistant General Manager Responsible for Treasury and International Banking	Master
Şenol ALTUNDAŞ <sup>(***)</sup>	Assistant General Manager Responsible for Sales and Marketing	Master
Nihat BULUT	Assistant General Manager Responsible for Credits Risk Management	Bachelor
Bülent KARACALAR <sup>(****)</sup>	Assistant General Manager Responsible for Credits Allocation	Bachelor
Serkan UMAN <sup>(****)</sup>	Assistant General Manager Responsible for Digital Banking	Master
Yusuf OKUR	Assistant General Manager Responsible for Operations	Bachelor
Uğur KARA	Assistant General Manager Responsible for Human Resources	Master

(\*) He was appointed as a Member of the Board of Directors in accordance with the 2022 Ordinary General Assembly Decision held on 4 August 2023.

(\*\*) He was appointed as General Manager and Board Member by the Board of Directors Decision dated July 14, 2023.

(\*\*\*) He was appointed Member of the Board of Directors by the decision of the Board of Directors dated December 8, 2023.

(\*\*\*\*) He was appointed as Assistant General Manager by the decision of the Board of Directors dated October 20, 2023.

(\*\*\*\*) He was appointed as Assistant General Manager by the decision of the Board of Directors dated November 16, 2023.

The Bank's Chairman and Members of the Board of Directors, Audit Committee Members, General Manager and Deputy General Managers do not have any payments in the Bank.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

**General information (Continued)****IV. Information on the Bank's qualified shareholders:**

The Bank's paid in capital amounting to TL 1.026.915 consists of 102.691.549.916 number of shares with a nominal value of TL 0,01 (full) for each share.

Name/commercial name	Share amount	Share ratio	Paid shares	Unpaid shares
Ministry of Treasury and Finance	1.026.915	99,99999%	1.026.915	-
Other	-	0,00001%	-	-

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

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

Briefly, the fields of activity of the Bank are specified in the Articles of Association as follows;

- To buy or sell money or capital market instruments on the spot or in the term according to the legislation and interest-free banking principles, and to mediate their purchase and sale, to operate in stock exchanges,
- Within the principles of interest-free banking; to allocate funds to the economy, to use loans in cash and non- Cash in all types and forms,
- To make financial leasing transactions, to make operational leasing transactions,
- To make all kinds of payment and collection transactions, payment such as travel checks, credit cards the activities of the vehicles, to provide merchant services (POS), consultancy and advising, providing safe deposit services,
- Buying, acquiring, building any kind of real estate and transferring, renting them to other people when necessary and making all kinds of savings on them,
- For Companies and organizations (including insurance companies); giving services of representation, substitution and being agentship,
- To support Agricultural Credit Cooperatives and SMEs, to carry out activities to support urban transformation,
- To carry out portfolio management and management operations,
- Providing custody services,
- The Bank, extends non-cash funds in the type of letter of guarantee, loan of acceptance, letter of credit.

The field of activity of the Bank is not limited to the transactions written in the articles above. If it is deemed beneficial for the Bank to carry out any other transaction than these transactions, it will depend on the decision of the Board of Directors upon the proposal of the Board of Directors, the approval of the necessary legal authorities and the approval of the decision by the Ministry of Customs and Trade. In this way, the approved decision is added to the Articles of Association.

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.****NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

**General information (Continued)****VI. Differences Between The Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and Short Explanation About The Institutions Subject To Line-By-Line Method or Proportional Consolidation and Institutions Which Are Deducted From Equity or Not Included in These Three Methods**

The Bank and its subsidiaries Emlak Varlık Kiralama A.Ş. and Emlak Katılım Varlık Kiralama A.Ş. consolidated financial statements with full consolidation method.

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

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

**SECTION TWO****The unconsolidated financial statements**

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

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

# UNCONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION) AS OF DECEMBER 31, 2023

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

	ASSETS	Note (Fifth Section-I)	THOUSAND TL CURRENT PERIOD (31/12/2023)			THOUSAND TL PRIOR PERIOD (31/12/2022)		
			TL	FC	TOTAL	TL	FC	TOTAL
			<b>I.</b>	<b>FINANCIAL ASSETS (NET)</b>		<b>26.431.481</b>	<b>72.995.979</b>	<b>99.427.460</b>
<b>1.1</b>	<b>Cash and cash equivalents</b>		<b>174.373.71</b>	<b>66.608.196</b>	<b>84.045.567</b>	<b>1.646.250</b>	<b>29.281.090</b>	<b>30.927.340</b>
1.1.1	Cash and Balances with Central Bank	(1)	174.01.769	52.842.067	70.243.836	1.644.787	244.37793	26.082.580
1.1.2	Banks	(2)	42.378	13.835.514	13.877.892	2.447	4.885.384	4.887.831
1.1.3	Money Market Placements		-	-	-	-	-	-
1.1.4	Expected Loss Provisions (-)		6.776	69.385	76.161	984	42.087	43.071
<b>1.2</b>	<b>Financial Assets Measured at Fair Value Through Profit/Loss (FVTPL)</b>	<b>(3)</b>	<b>1.202.420</b>	<b>2.048.892</b>	<b>3.251.312</b>	<b>1.274.498</b>	<b>943.463</b>	<b>2.217.961</b>
1.2.1	Government Debt Securities		1.420	2.017.761	2.019.181	1496	943.463	944.959
1.2.2	Equity Securities		-	-	-	-	-	-
1.2.3	Other Financial Assets		1.201.000	31.131	1.232.131	1.273.002	-	1.273.002
<b>1.3</b>	<b>Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI)</b>	<b>(4)</b>	<b>7.788.752</b>	<b>4.337.825</b>	<b>12.126.577</b>	<b>7926.770</b>	<b>2.514.615</b>	<b>10.441.385</b>
1.3.1	Government Debt Securities		7.781.093	4.337.825	12.118.918	7919.111	2.514.615	10.433.726
1.3.2	Equity Securities		7.659	-	7.659	7.659	-	7.659
1.3.3	Other Financial Assets		-	-	-	-	-	-
<b>1.4</b>	<b>Derivative Financial Assets</b>	<b>(5)</b>	<b>2.938</b>	<b>1.066</b>	<b>4.004</b>	<b>4.916</b>	<b>12.681</b>	<b>17.597</b>
1.4.1	Derivative Financial Assets Measured at FVTPL		2.938	1.066	4.004	4.916	12.681	17.597
1.4.2	Derivative Financial Assets Measured at FVOCI		-	-	-	-	-	-
<b>II.</b>	<b>FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)</b>		<b>55.286.670</b>	<b>28.763.425</b>	<b>84.050.095</b>	<b>37.583.957</b>	<b>16.495.311</b>	<b>54.079.268</b>
<b>2.1</b>	<b>Loans</b>	<b>(6)</b>	<b>45.848.320</b>	<b>21.694.016</b>	<b>67.542.336</b>	<b>31.374.318</b>	<b>12.432.021</b>	<b>43.806.339</b>
<b>2.2</b>	<b>Lease Receivables</b>	<b>(8)</b>	<b>262.580</b>	<b>120.246</b>	<b>382.826</b>	<b>373.586</b>	<b>112.696</b>	<b>486.282</b>
<b>2.3</b>	<b>Other Financial Assets Measured at Amortized Cost</b>	<b>(7)</b>	<b>9.592.906</b>	<b>7.099.147</b>	<b>16.692.053</b>	<b>6.300.593</b>	<b>4.139.848</b>	<b>10.440.441</b>
2.3.1	Government Debt Securities		9.592.906	7.099.147	16.692.053	6.300.593	4.139.848	10.440.441
2.3.2	Other Financial Assets		-	-	-	-	-	-
<b>2.4</b>	<b>Expected Loss Provisions(-)</b>	<b>(6)</b>	<b>417.136</b>	<b>14.9984</b>	<b>567.120</b>	<b>464.540</b>	<b>189.254</b>	<b>653.794</b>
<b>III.</b>	<b>ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	<b>(9)</b>	<b>8.283</b>	<b>-</b>	<b>8.283</b>	<b>5.242</b>	<b>-</b>	<b>5.242</b>
3.1	Asset Held for Sale		8.283	-	8.283	5.242	-	5.242
3.2	Assets of DisContinued Operations		-	-	-	-	-	-
<b>IV.</b>	<b>PARTNERSHIP INVESTMENTS</b>		<b>22.600</b>	<b>-</b>	<b>22.600</b>	<b>100</b>	<b>-</b>	<b>100</b>
<b>4.1</b>	<b>Associates (Net)</b>	<b>(10)</b>	<b>22.500</b>	<b>-</b>	<b>22.500</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1	Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		22.500	-	22.500	-	-	-
<b>4.2</b>	<b>Subsidiaries (Net)</b>		<b>100</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>100</b>
4.2.1	Unconsolidated Financial Investments in Subsidiaries		100	-	100	100	-	100
4.2.2	Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
<b>4.3</b>	<b>Joint Ventures (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1	Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2	Unconsolidated Joint-Ventures		-	-	-	-	-	-
<b>V.</b>	<b>TANGIBLE ASSETS (NET)</b>	<b>(11)</b>	<b>922.856</b>	<b>-</b>	<b>922.856</b>	<b>432.288</b>	<b>-</b>	<b>432.288</b>
<b>VI.</b>	<b>INTANGIBLE ASSETS (NET)</b>	<b>(12)</b>	<b>250.364</b>	<b>-</b>	<b>250.364</b>	<b>100.413</b>	<b>-</b>	<b>100.413</b>
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		250.364	-	250.364	100.413	-	100.413
<b>VII.</b>	<b>INVESTMENT PROPERTY (NET)</b>	<b>(13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII.</b>	<b>CURRENT TAX ASSET</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX.</b>	<b>DEFERRED TAX ASSETS</b>	<b>(14)</b>	<b>1.713.189</b>	<b>-</b>	<b>1.713.189</b>	<b>663.317</b>	<b>-</b>	<b>663.317</b>
<b>X.</b>	<b>OTHER ASSETS</b>	<b>(15)</b>	<b>2.477.240</b>	<b>10.439</b>	<b>2.487.679</b>	<b>1.338.150</b>	<b>3.874</b>	<b>1.342.024</b>
	<b>TOTAL ASSETS</b>		<b>87.112.683</b>	<b>101.769.843</b>	<b>188.882.526</b>	<b>50.975.901</b>	<b>49.251.034</b>	<b>100.226.935</b>

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

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

# UNCONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)

## AS OF DECEMBER 31, 2023

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

LIABILITIES		Note (Fifth Section-II)	THOUSAND TL CURRENT PERIOD (31/12/2023)			THOUSAND TL PRIOR PERIOD (31/12/2022)		
			TL	FC	TOTAL	TL	FC	TOTAL
			I.	FUNDS COLLECTED	(1)	57999.233	93.497.685	151.496.918
II.	FUNDS BORROWED	(2)	10.174.836	1.004.966	11.179.802	6.403.488	749.565	7.153.053
III.	MONEY MARKET FUNDS		-	-	-	-	-	-
IV.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES		27.199	-	27.199	2.261	11.536	13.797
6.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss	(3)	27.199	-	27.199	2.261	11.536	13.797
6.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5)	-	-	-	-	-	-
VII.	LEASE PAYABLES (NET)	(4)	507.319	-	507.319	278.248	-	278.248
VIII.	PROVISIONS	(6)	3.536.924	292.693	3.829.617	938.875	106.829	1.045.704
8.1	General Provisions		-	-	-	-	-	-
8.2	Reserve for Employee Benefits		558.907	-	558.907	138.275	-	138.275
8.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4	Other Provisions		2.978.017	292.693	3.270.710	800.600	106.829	907.429
IX.	CURRENT TAX LIABILITY	(7)	1.336.476	-	1.336.476	1.368.458	-	1.368.458
X.	DEFERRED TAX LIABILITY	(8)	-	-	-	-	-	-
XI.	LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(9)	-	-	-	-	-	-
11.1	Held for Sale Purpose		-	-	-	-	-	-
11.2	Related to Discontinued Operations		-	-	-	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	(10)	-	7.078.467	7.078.467	-	4.110.376	4.110.376
12.1	Loans		-	7.078.467	7.078.467	-	4.110.376	4.110.376
12.2	Other Debt Instruments		-	-	-	-	-	-
XIII.	OTHER LIABILITIES	(11)	746.531	2.266.416	3.012.947	564.928	444.632	1.009.560
XIV.	SHAREHOLDERS' EQUITY	(12)	10.304.897	108.884	10.413.781	6.001.650	22.224	6.023.874
14.1	Paid-in capital		1.026.915	-	1.026.915	1.026.915	-	1.026.915
14.2	Capital Reserves		39.272	-	39.272	33.186	-	33.186
14.2.1	Share Premium		-	-	-	-	-	-
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Other Capital Reserve		39.272	-	39.272	33.186	-	33.186
14.3	Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		2.987	-	2.987	(19.114)	-	(19.114)
14.4	Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		671.615	108.884	780.499	1.520.003	22.224	1.542.227
14.5	Profit Reserves		3.434.574	-	3.434.574	630.711	-	630.711
14.5.1	Legal Reserves		428.276	-	428.276	287.778	-	287.778
14.5.2	Status Reserves		-	-	-	-	-	-
14.5.3	Extraordinary Reserves		3.006.298	-	3.006.298	342.933	-	342.933
14.5.4	Other Profit Reserves		-	-	-	-	-	-
14.6	Income or (Loss)		5.129.534	-	5.129.534	2.809.949	-	2.809.949
14.6.1	Prior Periods' Income or (Loss)		-	-	-	-	-	-
14.6.2	Current Period Income or (Loss)		5.129.534	-	5.129.534	2.809.949	-	2.809.949
	<b>TOTAL LIABILITIES</b>		<b>84.633.415</b>	<b>104.249.111</b>	<b>188.882.526</b>	<b>50.499.165</b>	<b>49.727.770</b>	<b>100.226.935</b>



**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET**  
**AS OF DECEMBER 31, 2023**

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

STATEMENT OF OFF BALANCE SHEET		Note (Fifth Section-III)	THOUSAND TL			THOUSAND TL		
			CURRENT PERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
			TL	FC	TOTAL	TL	FC	TOTAL
<b>A.</b>	<b>OFF BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>30.623.995</b>	<b>18.872.890</b>	<b>49.496.885</b>	<b>13.582.886</b>	<b>17.334.633</b>	<b>30.917.519</b>
<b>I.</b>	<b>GUARANTEES AND SURETIES</b>	(1)	<b>15.438.616</b>	<b>4.450.678</b>	<b>19.889.294</b>	<b>7.168.358</b>	<b>3.306.651</b>	<b>10.475.009</b>
1.1	Letters of Guarantees		15.427.366	3.851.866	19.279.232	7.164.657	2.680.614	9.845.271
1.1.1	Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		15.427.366	3.851.866	19.279.232	7.164.657	2.680.614	9.845.271
1.2.	Bank Loans		11.250	6.905	18.155	3.701	196.736	200.437
1.2.1.	Import Letter of Acceptances		11.250	6.905	18.155	3.701	196.736	200.437
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letter of Credits		-	591.907	591.907	-	429.301	429.301
1.3.1.	Documentary Letter of Credits		-	591.907	591.907	-	429.301	429.301
1.3.2.	Other Letter of Credits		-	-	-	-	-	-
1.4.	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2.	Other Endorsements		-	-	-	-	-	-
1.6.	Other Guarantees		-	-	-	-	-	-
1.7.	Other Collaterals		-	-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>	(1)	<b>9.525.408</b>	<b>9.017.365</b>	<b>18.542.773</b>	<b>5.577.597</b>	<b>4.633.812</b>	<b>10.211.409</b>
2.1.	Irrevocable Commitments		<b>9.525.408</b>	<b>9.017.365</b>	<b>18.542.773</b>	5.577.597	4.633.812	10.211.409
2.1.1.	Asset Purchase and Sale Commitments		17597	8.492.543	8.510.140	67720	4.301.368	4.369.088
2.1.2.	Share Capital Commitment to Associates and Subsidiaries		67500	-	67500	-	-	-
2.1.3.	Loan Granting Commitments		9.126.506	-	9.126.506	4.307.375	-	4.307.375
2.1.4.	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5.	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6.	Payment Commitment for Cheques		313.805	-	313.805	170.002	-	170.002
2.1.7.	Tax And Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.8.	Commitments for Credit Card Expenditure Limits		-	-	-	-	-	-
2.1.9.	Commitments for Promotions Related with Credit Cards and Banking Activities		-	-	-	-	-	-
2.1.10.	Receivables From Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11.	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12.	Other Irrevocable Commitments		-	524.822	524.822	1.032.500	332.444	1.364.944
2.2.	Revocable Commitments		-	-	-	-	-	-
2.2.1.	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-

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

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET**  
**AS OF DECEMBER 31, 2023**

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

STATEMENT OF OFF BALANCE SHEET		Note (Fifth Section-III)	THOUSAND TL			THOUSAND TL		
			CURRENT PERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
			TL	FC	TOTAL	TL	FC	TOTAL
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>5.659971</b>	<b>5.404.847</b>	<b>11.064.818</b>	<b>836.931</b>	<b>9.394.170</b>	<b>10.231.101</b>
3.1.	Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1.	Fair Value Hedge		-	-	-	-	-	-
3.1.2.	Cash Flow Hedge		-	-	-	-	-	-
3.1.3.	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2.	Held for Trading Transactions	(3)	5.659971	5.404.847	11.064.818	836.931	9.394.170	10.231.101
3.2.1.	Forward Foreign Currency Buy/Sell Transactions		256.594	234.281	490.875	463.718	448.315	912.033
3.2.1.1.	Forward Foreign Currency Transactions-Buy		128.879	117.149	246.028	225.427	231.190	456.617
3.2.1.2.	Forward Foreign Currency Transactions-Sell		127.715	117.132	244.847	238.291	217.125	455.416
3.2.2.	Other Forward Buy/Sell Transactions		5.403.377	5.170.566	10.573.943	373.213	8.945.855	9.319.068
3.3.	Other		-	-	-	-	-	-
<b>B.</b>	<b>CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>648.260.645</b>	<b>57007019</b>	<b>705.267.664</b>	<b>329.532.626</b>	<b>27260.409</b>	<b>356.793.035</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>30.723.306</b>	<b>13.172.276</b>	<b>43.895.582</b>	<b>22.338.186</b>	<b>7.653.917</b>	<b>29992.103</b>
4.1.	Assets Under Management		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		7.639437	1.464.484	9.103.921	5.748.785	679.660	6.428.445
4.3.	Cheques Received for Collection		9.227.575	91.562	9.319.137	4.744.393	240.789	4.985.182
4.4.	Commercial Notes Received for Collection		1.398.913	-	1.398.913	650.398	-	650.398
4.5.	Other Assets Received for Collection		-	-	-	-	-	-
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		24.325	-	24.325	10.638	-	10.638
4.8.	Custodians		12.433.056	11.616.230	24.049.286	11.183.972	6.733.468	17.917.440
<b>V.</b>	<b>PLEDGED ITEMS</b>		<b>617.537.339</b>	<b>43.834.743</b>	<b>661.372.082</b>	<b>307.194.440</b>	<b>19.606.492</b>	<b>326.800.932</b>
5.1.	Marketable Securities		817.400	-	817.400	572.427	-	572.427
5.2.	Guarantee Notes		-	-	-	-	-	-
5.3.	Commodity		10.073.899	3.175.397	13.249.296	5.801.967	377.970	6.179.937
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		89.186.170	-	89.186.170	37.477.419	-	37.477.419
5.6.	Other Pledged Items		517.459.870	40.659.346	558.119.216	263.342.627	19.228.522	282.571.149
5.7.	Pledged Items-Depository		-	-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>678.884.640</b>	<b>75.879.909</b>	<b>754.764.549</b>	<b>343.115.512</b>	<b>44.595.042</b>	<b>387.710.554</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

### AS OF DECEMBER 31, 2023

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

STATEMENT OF PROFIT AND LOSS		Note (Fifth Section-IV)	THOUSAND TL	THOUSAND TL
			Current period 1 January – 31 December 2023	Previous period 1 January – 31 December 2022
<b>I.</b>	<b>PROFIT SHARE INCOME</b>	<b>(1)</b>	<b>16.659.286</b>	<b>8.298.261</b>
1.1	Profit Share on Loans		10.896.178	5.279.189
1.2	Income Received from Reserve Deposits		764.274	974.72
1.3	Income Received from Banks		6.923	278
1.4	Income Received from Money Market Placements		-	340
1.5	Income Received from Marketable Securities Portfolio		4.886.791	2.873.286
1.5.1	Financial Assets at Fair Value Through Profit and Loss		4.21.352	113.003
1.5.2	Financial Assets at Fair Value through Other Comprehensive Income		2.836.885	2.147.341
1.5.3	Financial Assets Measured at Amortised Cost		1.628.554	612.942
1.6	Finance Lease Income		91.230	44.666
1.7	Other Profit Share Income		13.890	3.030
<b>II.</b>	<b>PROFIT SHARE EXPENSE (-)</b>	<b>(2)</b>	<b>10.372.720</b>	<b>4.380.088</b>
2.1	Expense on Profit Sharing Accounts		7873.015	3.310.919
2.2	Profit Share Expense on Funds Borrowed		2.391.763	957.798
2.3	Profit Share Expense on Money Market Borrowings		12.621	60.868
2.4	Expense on Securities Issued		-	-
2.5	Lease Profit Share Expense		95.321	50.034
2.6	Other Profit Share Expenses		-	469
<b>III.</b>	<b>NET PROFIT SHARE INCOME (I - II)</b>		<b>6.286.566</b>	<b>3.918.173</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>2.281.160</b>	<b>300.709</b>
4.1	Fees and Commissions Received		2.445.021	436.515
4.1.1	Non-Cash Loans		171.865	79.677
4.1.2	Other	(3)	2.273.156	356.838
4.2	Fees and Commissions Paid (-)		163.861	135.806
4.2.1	Non-Cash Loans		263	169
4.2.2	Other	(3)	163.598	135.637
<b>V.</b>	<b>DIVIDEND INCOME</b>	(4)	-	-
<b>VI.</b>	<b>NET TRADING INCOME</b>	(5)	<b>4.727.446</b>	<b>1.861.270</b>
6.1	Capital Market Transaction Gains/(Losses)		44.950	12.868
6.2	Gains/(Losses) from Derivative Financial Instruments		(809.649)	629.338
6.3	Foreign Exchange Gains/(Losses)		5.492.445	1.219.064
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(6)	<b>642.521</b>	<b>152.260</b>
<b>VIII.</b>	<b>TOTAL OPERATING PROFIT (II+IV+V+VI+VII)</b>		<b>13.937.993</b>	<b>6.232.412</b>
<b>IX.</b>	<b>PROVISION FOR EXPECTED LOSS (-)</b>	(7)	<b>429.826</b>	<b>787.594</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	(7)	<b>2.333.578</b>	<b>688.728</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>1.582.049</b>	<b>616.358</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	(8)	<b>2.010.969</b>	<b>415.289</b>
<b>XIII.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>7.581.571</b>	<b>3.724.443</b>
<b>XIV.</b>	<b>INCOME RESULTED FROM MERGERS GAIN/LOSS ON NET MONETARY POSITION</b>		-	-
<b>XV.</b>	<b>PROFIT/LOSS FROM PARTNERSHIPS USING THE EQUITY METHOD</b>		-	-
<b>XVI.</b>	<b>PROFIT/LOSS BEFORE TAXES (XIII+...+XV)</b>		-	-
<b>XVII.</b>	<b>PROVISION FOR TAXES (±)</b>		<b>7.581.571</b>	<b>3.724.443</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	(10)	<b>2.452.037</b>	<b>914.494</b>
18.1	Current Tax Provision		3.327.534	1.975.032
18.2	Deferred Tax Expense (+)		2.065.460	288.676
18.3	Deferred Tax Income (-)		2.940.957	1.349.214
<b>XIX.</b>	<b>NET OPERATING PROFIT/LOSS AFTER TAXES (XVI+XVII)</b>	(9)	<b>5.129.534</b>	<b>2.809.949</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
20.1	Income from Assets Held for Sale		-	-
20.2	Income from Sale of Associates, Subsidiaries and Joint-Ventures		-	-
20.3	Income from Other DisContinued Operations		-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
21.1	Expenses on Assets Held for Sale		-	-
21.2	Expenses on Sale of Associates, Subsidiaries and Joint-Ventures		-	-
21.3	Expenses from Other DisContinued Operations		-	-
<b>XXII.</b>	<b>PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XIX-XX)</b>		-	-
<b>XXIII.</b>	<b>PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)</b>	(9)	-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense (+)		-	-
23.3	Deferred Tax Income (-)		-	-
<b>XXIV.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI+XXII)</b>		-	-
<b>XXV.</b>	<b>NET PROFIT/LOSS (XVIII+XXIII)</b>		<b>5.129.534</b>	<b>2.809.949</b>
	Earnings Per Share		4,9951	2,7363

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME AS OF DECEMBER 31, 2023**

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		THOUSAND TL	THOUSAND TL
		CURRENT PERIOD (01/01/2023-31/12/2023)	PRIOR PERIOD (01/01/2022-31/12/2022)
<b>I.</b>	<b>CURRENT PERIOD PROFIT/LOSS</b>	<b>5.129.534</b>	<b>2.809.949</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>(739.627)</b>	<b>1.479.200</b>
<b>2.1</b>	<b>Other Income/Expense Items not to be Recycled to Profit or Loss</b>	<b>22.101</b>	<b>(17.703)</b>
2.1.1	Revaluation Surplus on Tangible Assets	-	-
2.1.2	Revaluation Surplus on Intangible Assets	-	-
2.1.3	Defined Benefit Plans' Actuarial Gains/Losses	31.573	(23.722)
2.1.4	Other Income/Expense Items not to be Recycled to Profit or Loss	-	-
2.1.5	Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	(9.472)	6.019
<b>2.2</b>	<b>Other Income/Expense Items to be Recycled to Profit or Loss</b>	<b>(761.728)</b>	<b>1.496.903</b>
2.2.1	Translation Differences	-	-
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Fair Value through Other Comprehensive Income	(1.088.189)	1.966.717
2.2.3	Gains/losses from Cash Flow Hedges	-	-
2.2.4	Gains/Losses on Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Income/Expense Items to be Recycled to Profit or Loss	-	-
2.2.6	Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	326.461	(469.814)
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>4.389.907</b>	<b>4.289.149</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

# UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2023

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

		Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves <sup>(*)</sup>	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			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity Except for Minority Interests	Total Shareholders' Equity	
						1	2	3	4	5	6						
<b>I.</b>	<b>Current Period (01.01.2023- 31.12.2023)</b>																
<b>II.</b>	<b>Balances at Beginning Period</b>	<b>1.026.915</b>	-	-	<b>33.186</b>	-	<b>(19.114)</b>	-	-	<b>1.542.227</b>	-	<b>630.711</b>	-	<b>2.809949</b>	<b>6.023.874</b>	<b>6.023.874</b>	
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>Adjusted Balances at Beginning of Period (I+II)</b>	<b>1.026.915</b>	-	-	<b>33.186</b>	-	<b>(19.114)</b>	-	-	<b>1.542.227</b>	-	<b>630.711</b>	-	<b>2.809949</b>	<b>6.023.874</b>	<b>6.023.874</b>	
<b>IV.</b>	<b>Total Comprehensive Income</b>	-	-	-	-	-	<b>22.101</b>	-	-	<b>(761.728)</b>	-	-	-	<b>5.129.534</b>	<b>4.389907</b>	<b>4.389907</b>	
<b>V.</b>	<b>Capital Increase in Cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI.</b>	<b>Capital Increase from Internal Sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Adjustments to Paid-in Capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	<b>Convertible Bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	<b>Subordinated Liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>	<b>Other Changes</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI.</b>	<b>Profit Distribution</b>	-	-	-	<b>6.086</b>	-	-	-	-	-	-	<b>2.803.863</b>	-	<b>(2.809949)</b>	-	-	-
11.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves	-	-	-	6.086	-	-	-	-	-	-	2.803.863	-	2.809949	-	-	-
11.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Balances at end of the period (III+IV...+X+XI)</b>	<b>1.026.915</b>	-	-	<b>39.272</b>	-	<b>2.987</b>	-	-	<b>780.499</b>	-	<b>3.434.574</b>	-	<b>5.129.534</b>	<b>10.413.781</b>	<b>10.413.781</b>	

1. Revaluation surplus on tangible and intangible assets,

2. Defined Benefit Plans' Actuarial Gains/Losses,

3. Other (Accumulated amounts of share of investments accounted for by the equity method that can not be classified as profit/loss from other comprehensive income with other comprehensive income that will not be reclassified to other profit or loss),

4. Foreign Currency Translation Differences,

5. Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI,

6. Other (Accumulated amount of cash flow hedge gains/losses, equity attributable to equity holders of the Group for profit or loss from other comprehensive income and other comprehensive income to be reclassified to other profit or loss),

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

# UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2023

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

	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves <sup>(*)</sup>	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			Profit Reserves	Prior Periods' Profit/ Loss	Current Period's Net Profit/ Loss	Total Shareholders' Equity
					1	2	3	4	5	6				
<b>I. Prior Period (01.01.2022 – 31.12.2022)</b>														
<b>Balances at Beginning Period<sup>(**)</sup></b>	<b>1.026.915</b>	-	-	<b>23.088</b>	-	(1.411)	-	-	45.324	-	485.999	5.395	143.113	1.728.423
<b>II. Correction made as per TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Adjusted Balances at Beginning of Period (I+II)</b>	<b>1.026.915</b>	-	-	<b>23.088</b>	-	(1.411)	-	-	45.324	-	485.999	5.395	143.113	1.728.423
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	(17.703)	-	-	1.496.903	-	-	-	2.809.949	4.289.149
<b>V. Capital Increase in Cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase from Internal Sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Adjustments to Paid-in Capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Other Changes</b>	-	-	-	10.098	-	-	-	-	-	-	(3.796)	-	-	6.302
<b>2XI. Profit Distribution</b>	-	-	-	-	-	-	-	-	-	-	148.508	(5.395)	(143.113)	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	148.508	(148.508)	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	143.113	(143.113)	-
<b>Balances at end of the period (III+IV...+X+XI)</b>	<b>1.026.915</b>	-	-	<b>33.186</b>	-	(19.114)	-	-	1.542.227	-	630.711	-	2.809.949	6.023.874

1. Revaluation surplus on tangible and intangible assets,

2. Defined Benefit Plans' Actuarial Gains/Losses,

3. Other (Accumulated amounts of share of investments accounted for by the equity method that can not be classified as profit/loss from other comprehensive income with other comprehensive income that will not be reclassified to other profit or loss),

4. Foreign Currency Translation Differences,

5. Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI,

6. Other (Accumulated amount of cash flow hedge gains/losses, equity attributable to equity holders of the Group for profit or loss from other comprehensive income and other comprehensive income to be reclassified to other profit or loss),

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**AS OF DECEMBER 31, 2023**

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

		THOUSAND TL	THOUSAND TL
		CURRENT PERIOD (01/01/2023- 31/12/2023)	PRIOR PERIOD (01/01/2022- 31/12/2022)
<b>STATEMENT OF CASH FLOWS</b>			
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1</b>	<b>Operating Profit Before Changes in Assets And Liabilities from Banking Operations</b>	<b>27.022.896</b>	<b>11.038.118</b>
1.1.1	Profit Share Income Received	15.821.757	7804.670
1.1.2	Profit Share Expense Paid	(8.848.990)	(3.918.184)
1.1.3	Dividend Received	-	-
1.1.4	Fees and Commissions Received	2.445.021	436.515
1.1.5	Other Income	305.522	146.493
1.1.6	Collections from Previously Written off Loans	304.568	34.943
1.1.7	Payments to Personnel and Service Suppliers	(1.582.049)	(504.267)
1.1.8	Taxes Paid	(2.553.136)	(977.970)
1.1.9	Others	21.130.203	8.015.918
<b>1.2</b>	<b>Changes in Assets and Liabilities from Banking Operations</b>	<b>8.262.218</b>	<b>13.119.460</b>
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(968.632)	(384.364)
1.2.2	Net (Increase) Decrease in Due From Banks and Other Financial Institutions	(1.7183.251)	(9.198.918)
1.2.3	Net (Increase) Decrease in Loans	(16.241.720)	(18.551.689)
1.2.4	Net (Increase) Decrease in Other Assets	276.007	(793.809)
1.2.5	Net Increase (Decrease) in Bank Deposits	4.276.685	(309.505)
1.2.6	Net Increase (Decrease) in Other Deposits	4.043.990	43.696.493
1.2.7	Net Increase (Decrease) in Financial Liabilities Measured at Financial Assets at Fair Value Through Profit or Loss	-	-
1.2.8	Net Increase (Decrease) in Funds Borrowed	(4.026.749)	(2.384.498)
1.2.9	Net Increase (Decrease) in Matured Payables	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	1.689.969	1.045.750
<b>I.</b>	<b>Net Cash Flows from Banking Operations</b>	<b>35.285.114</b>	<b>24.157.578</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II.</b>	<b>Net cash flow from investing activities</b>	<b>(4.307.900)</b>	<b>(12.763.110)</b>
2.1	Cash Paid For Acquisition of Investments, Associates and Subsidiaries	(22.500)	-
2.2	Cash Obtained From Disposal of Investments, Associates and Subsidiaries	-	-
2.3	Purchases of Property and Equipment	(586.445)	(100.007)
2.4	Disposals of Property and Equipment	783	21.448
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(1.685.192)	(7.737.032)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income	798.810	1.441.051
2.7	Purchase of Financial Assets Measured at Amortised Cost	(2.500.000)	(6.209.920)
2.8	Sale of Financial Assets Measured at Amortised Cost	-	-
2.9	Other	(313.356)	(178.650)
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III.</b>	<b>Net Cash Flows from Financing Activities</b>	<b>(833.135)</b>	<b>1.572.956</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued	166.134.526	79.242.788
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	(166.941.418)	(77.636.966)
3.3	Issued Capital Instruments	-	-
3.4	Dividends Paid	-	-
3.5	Payments for Finance Leases	(26.243)	(32.866)
3.6	Other	-	-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>5.823.987</b>	<b>1.017.920</b>
<b>V.</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>35.968.066</b>	<b>13.985.344</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at the Beginning of the period</b>	<b>17.247.813</b>	<b>3.262.469</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the period</b>	<b>53.215.879</b>	<b>17.247.813</b>

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



**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION**  
**AS OF DECEMBER 31, 2023**

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

STATEMENT OF PROFIT DISTRIBUTION	CURRENT PERIOD <sup>(1)</sup> December 31, 2023	PRIOR PERIOD December 31, 2022
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1. CURRENT YEAR INCOME	7581.571	3.724.443
1.2. TAX AND DUTIES PAYABLE (-)	2.452.037	914.494
1.2.1. Corporate tax (Income tax)	3.327.534	1.975.032
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and legal liabilities <sup>(**)</sup>	(875.497)	(1.060.538)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>5.129.534</b>	<b>2.809.949</b>
1.3. PRIOR YEAR LOSSES (-)	-	-
1.4. First legal reserves (-)	-	140.497
1.5. Other statutory reserves (-)	-	6.087
<b>B. DISTRIBUTABLE NET PERIOD INCOME [(A-(1.3+1.4+1.5))<sup>(*)</sup></b>	<b>5.129.534</b>	<b>2.663.365</b>
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1. To owners of ordinary shares	-	-
1.6.2. To owners of preferred shares	-	-
1.6.3. To owners of preferred shares (Preemptive rights)	-	-
1.6.4. To Profit sharing bonds	-	-
1.6.5. To owners of the profit/loss sharing certificates	-	-
1.7. DIVIDEND TO PERSONNEL (-)	-	-
1.8. DIVIDEND TO BOARD OF DIRECTIONS (-)	-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1. To owners of ordinary shares	-	-
1.9.2. To owners of preferred shares	-	-
1.9.3. To owners of preferred shares (Preemptive rights)	-	-
1.9.4. To profit sharing bonds	-	-
1.9.5. To owners of the profit/loss sharing Certificates	-	-
1.10. SECOND LEGAL RESERVE (-)	-	-
1.11. STATUS RESERVE (-)	-	-
1.12. EXTRAORDINARY RESERVE	-	2.663.365
1.13. OTHER RESERVE	-	-
1.14. SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION FROM RESERVES</b>		
2.1. DISTRIBUTED RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. SHARE TO SHAREHOLDERS (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of preferred shares	-	-
2.3.3. To owners of preferred shares (Preemptive rights)	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To owners of the profit/loss sharing certificates	-	-
2.4. SHARED TO PERSONNEL (-)	-	-
2.5. SHARE TO BOARD OF DIRECTIONS (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1. TO OWNERS OF ORDINARY SHARES <sup>(***)</sup> (Full TL)	4,9951	2,7363
3.2. TO OWNERS OF ORDINARY SHARES (%)	500	274
3.3. TO OWNERS OF PREFERRED SHARES	-	-
3.4. TO OWNERS OF PREFERRED SHARES (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1. TO OWNERS OF ORDINARY SHARES (Full TL)	-	-
4.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3. TO OWNERS OF PREFERRED SHARES	-	-
4.4. TO OWNERS OF PREFERRED SHARES (%)	-	-

<sup>(1)</sup> General Assembly of the Parent Bank is the authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of the preparation of these financial statements.

<sup>(\*\*)</sup> Deferred tax income has not been subjected to profit distribution.

<sup>(\*\*\*)</sup> Calculated by using the number of share certificates as of year-end.

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

### SECTION THREE

#### Accounting policies

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

##### a. The preparation of the financial statements and related notes and explanations in accordance with the "Turkish Accounting Standards and Regulation on the Principles and Procedures Regarding Banks" Accounting Application and Safeguarding of Documents

The Bank prepares its financial statements according to the "Regulation on the Procedures and Principles Regarding the Accounting Practices of Banks and Storage of Documents" published in the Official Gazette dated 1 November 2006 and numbered 26333 and other regulations published by the Banking Regulation and Supervision Board regarding the accounts and records of banks and the Banking Regulation and Supervision Agency. "BRSA Accounting and Financial Reporting Legislation", which includes the circulars and statements of the Auditing Authority ("BRSA") and the provisions of the Turkish Financial Reporting Standards ("TFRS") put into effect by the Public Oversight Accounting and Auditing Standards Authority ("KGGK") on matters not regulated by them. It is organized in accordance with.

The format and contents of the unconsolidated financial statements to be disclosed to the public and their explanations and footnotes are in accordance with the "Communiqué on Financial Statements to be Announced to the Public by Banks and Related Disclosures and Footnotes" published in the Official Gazette dated 28 June 2012 and numbered 28337, and the communiqués that bring amendments and additions to this communiqué. has been prepared appropriately. The Bank keeps its accounting records in Turkish currency, in accordance with the Banking Law, Turkish Commercial Code and Turkish tax legislation.

Financial statements have been prepared in TL on the basis of historical cost, except for financial assets, liabilities and revalued real estate that are shown at their fair values.

##### b. Accounting policies and valuation principles applied in the preparation of unconsolidated financial statements:

The accounting policies followed and the valuation principles used in the preparation of financial statements are in accordance with the regulations, communiqués, explanations and circulars published by the BRSA regarding accounting and financial reporting principles, and in matters not regulated by these, within the scope of TFRS put into effect by the KGGK (all "BRSA Accounting and Financial Reporting Legislation"). determined according to the principles set forth herein.

With its announcement dated 23 November 2023, KGGK stated that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be prepared in accordance with the Financial Reporting Standard in High Inflation Economies ("TMS 29"). He explained that institutions or organizations authorized to regulate and supervise their own fields may determine different transition dates for the implementation of TMS 29 provisions. Based on this announcement of the KGGK, BRSA, with its decision numbered 10744 dated 12 December 2023, decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TMS 29. In accordance with the BRSA's decision dated January 11, 2024 and numbered 10825; It has been decided that banks, financial leasing, factoring, financing, savings financing and asset management companies will switch to inflation accounting as of January 1, 2025. Accordingly, no inflation adjustment was made in the unconsolidated financial statements dated 31 December 2023 within the scope of TMS 29 Financial Reporting Standard in Highly Inflationary Economies.

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.****NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

**Accounting policies (Continued)****I. Explanations on basis of presentation: (Continued)****c. Comparative information and classifications:**

Significant changes in accounting policies are applied retrospectively and the financial statements of the previous period are restated. The financial statements of the Bank are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. Comparative information is restated when necessary in order to comply with the presentation of the current period financial statements. The Bank has rearranged the previous period cash flow statement in order to comply with the presentation of the current period financial statements.

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

The Bank creates its strategies regarding financial instruments by considering its resource structure. The bank's funding structure mainly consists of funds collected as "private current accounts", "participation accounts" and "participation accounts investment proxy pools". Apart from the funds collected, the Bank's most important funding sources are equity and funds from domestic/foreign financial institutions.

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

The portion of risk belonging to the profit sharing accounts for foreign currency non-performing loans which were funded from these accounts is evaluated at current foreign exchange rates.

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

Precious metals accounted under assets and liabilities which do not have fixed maturity are converted into Turkish Lira by using the weighted average price at the balance sheet date announced by Borsa İstanbul and resulting evaluation differences are reflected as foreign exchange gain or loss.

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

The derivative financial instruments of the Bank consist of forward foreign currency, forward precious metal and swap agreements. The Bank records the spot foreign currency transactions in asset purchase and sale commitments.

The Bank's derivative instruments are classified, measured and accounted in accordance with "IFRS 9 Financial Instruments". Derivative instruments are initially recognized at fair value and subsequently measured at fair value.

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the "Derivative Financial Assets at Fair Value Through Profit or Loss", "Derivative Financial Assets at Fair Value Through Other Comprehensive Income" or "Derivative Financial Liabilities at Fair Value Through Profit or Loss" and "Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts on the balance sheet present the fair values of derivative transactions. The differences that occur in the fair value as a result of the valuation are accounted in the "Income/loss from derivative financial transactions" in the income statement.

**IV. Explanations on profit share income and expenses:***Profit share income*

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

*Profit share expense*

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

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.****NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

**Accounting policies (Continued)****V. Explanations on fees, commission income and expenses:**

Other than commission income and fees and expenses for various banking services that are reflected as income/expense when collected/paid, fees and commission income and expenses are reflected to income statement depending on the term of the related transaction. The commissions and fees other those whose amortised costs are integral part of their effective profit rate, are accounted for in accordance with the TFRS 15 Revenue from Contracts With Customer Standard.

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

**VI. Explanations on financial assets and liabilities:**

The Bank categorizes its financial assets as "Fair Value Through Profit or Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part three Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated January 19, 2017 by the Public Oversight Accounting and Auditing Standards Authority. 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.

The Bank recognizes a financial asset into financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, business model determined by the Bank management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Bank's management is changed, all affected financial assets are reclassified and this reclassification is applied prospectively. In such cases, no adjustments is made to earnings, losses or profit share that were previously recorded in the financial statements.

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

Financial assets at fair value through profit or loss classified under two main categories as "Derivative Financial Assets" and "Financial assets at fair value through profit or loss". Financial assets classified in this group are taken into the financial statements with cost values that reflect their fair values and are shown in the financial statements at fair value in the following periods. The resulting valuation gain and loss are included in the profit/loss accounts.

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

Financial assets at fair value through other comprehensive income are initially recognized at cost; which reflects their fair values; including the transaction costs. After the initial recognition, financial assets valued at fair value through other comprehensive income are measured at fair value and the unrealized gains or losses resulting from the difference between the amortized cost and the fair value is recorded in "accumulated other comprehensive income or expense to be reclassified through profit or loss" under equity. In case of a disposal of financial assets valued at fair value through profit and loss, increases/decreases which have been recorded in the Accumulated other comprehensive income or expense to be reclassified through profit or loss under the equity is transferred to income statement. Financial assets at fair value through other comprehensive income which do not have a quoted market price in an active market and whose fair values can not be reliably measured are carried at cost, less impairment, if any.

In addition, the appropriate value difference to be kept in the Bank's securities portfolio is considered as other comprehensive income financial assets given, financial assets held at fair value through profit or loss and amortization as financial assets saved at estimated cost government bonds. These securities are real coupon rates, and the effective interest rate is based on the index calculated by taking into account the inflation index and the estimated inflation rate at the time of issue they are valued and accounted for using the method. As stated in the Indexed Bonds Investor's Guide, the actual coupon payment of these securities is based on the CPI of two months ago, and the reference indices used in the calculation of the amounts are based on the CPI of two months ago.

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

### Accounting policies (Continued)

#### VI. Explanations on financial assets and liabilities: (Continued)

##### Financial assets and liabilities 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 profit share are classified as financial assets measured at amortized cost. Financial assets and liabilities measured at amortized cost are initially recognized at cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using the internal rate of return. Profit share income and profit share expense obtained from financial assets and liabilities measured at amortized cost are accounted in the income statement.

##### Credits:

Loans are non-derivative financial assets that have fixed or determinable payments and are not traded in an active market. These loans are first recorded by adding transaction costs to the acquisition cost, which reflects their fair value, and are measured at their amortized cost using the "internal rate of return method" following their recording. The Bank periodically evaluates the provisions set aside for loans and other receivables in accordance with TFRS 9, based on their results, and makes updates to the staging rules and parameters used in the calculation of the relevant provision balances, if deemed necessary, as a result of these evaluations.

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

As of January 1, 2020, the Bank recognizes a loss allowance for expected credit losses on financial assets based on TFRS 9 "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" and the regulation published in the Official Gazette no. 29750 dated June 22, 2016 in connection with "Procedures and Principles regarding Classification of Loans and Allowances Allocated for Such Loans. In this context, as of December 31, 2019, the method of reserving credit provisions within the framework of the relevant legislation of the BRSA has changed by applying the expected credit losses model with the implementation of TFRS 9. The expected credit loss estimate contains unbiased, supportable information about current and future economic conditions.

The Bank classifies the financial asset as stage 1 if the credit risk of a financial instrument does not materially increase since initial recognition to the financial statements and measures the amount of the impairment on the financial asset equal to 12-month expected credit losses at each reporting date. The purpose of impairment is to recognize lifetime expected credit losses in the financial statement for the credit risk of all financial instruments those materially increase since initial recognition to the financial statements with considering all supportable information individually or collectively including reasonable and prospective information.

##### Calculation of expected credit losses

The Bank measures expected credit losses with reasonable, objective and supportable information available as of the reporting date, including estimates of past events and current conditions, weighted according to probabilities determined by taking into account expected credit losses. The bank could not develop an internal model to estimate these risk parameters due to insufficient historical data for modelling. In 12-month expected credit loss provision calculations, the average of annual default rates is used as the probability of default (PD) parameter, based on the year-end data announced to the public by participation banks after 2014. In lifetime expected loan loss provision calculations, the average of close monitoring provision ratios is used as the PD parameter, based on the year-end data announced to the public by participation banks after 2014. For the Loss in Case of Default (LWD) parameter, it uses a reasonable approach of 45%, in line with the Basic IDD approach in the Communiqué on the Calculation of the Amount Subject to Credit Risk with Internal Rating-Based Approaches published by BRSA. Calculation of expected credit losses consists of three main parameters: Probability of Default (PD), Loss Given Default (LDL), Amount at Default (TT).

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**Accounting policies (Continued)****VII. Explanations on expected credit losses: (Continued)****Parameters used in calculating expected loss provisions:****Probability of Default (PD):**

PD represents the likelihood of a default over a specified time period. The Bank uses two different default probability values when calculating the expected credit loss in accordance with TFRS 9:

- 12-Month default probability: Estimate the probability of default in 12 months after the reporting date
- Lifetime default probability: Estimation of the probability that the financial instrument will default to its expected lifetime

**Loss Given Default (LGD):**

LGD represents an estimate of the loss at the time of a potential default occurring during the life of a financial instrument. It is expressed as a ratio.

**Exposure at Default (EAD):**

In cash loans, it refers to the balance as of the report date. In non-cash loans and commitments, it is the value calculated by applying the conversion ratio to the loan. The loan conversion rate corresponds to the loan conversion rate used in the adjustment of possible risk increases between the current date and the default date.

The expected credit loss estimate contains unbiased, supportable information about current and future economic conditions. These financial assets are divided into the following three categories depending on the increase in credit risks observed since they were first included in the financial statements:

**12-Month Expected Loss Provision (Stage 1)**

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. The number of delay days does not exceed 30 days. Impairment for credit risk is recorded in the amount of 12-month expected credit losses. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses. It is valid for all assets unless there is a significant deterioration in credit quality. The 12-month expected loss values are part of the expected lifetime loss calculation (within 12 months after the reporting date or less if the life of a financial instrument is less than 12 months).

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

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

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

- Loans with overdue days exceeding 30 days but not exceeding 90 days
- Data received from the early warning system and the evaluation of the Bank in this case,
- In order to determine whether the default risk of the customer has increased significantly since the first definition of the loan, the Bank's management concludes that there is a significant increase in credit risk as a result of comparison with the risk of default in the loan,
- Loans whose reimbursement is totally collateralized and whose loans are below the net realizable value receivable amount.

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**Accounting policies (Continued)****VII. Explanations on expected credit losses: (Continued)****Default (3<sup>rd</sup> Stage/Special Provision):**

According to the internal procedures of the Bank, if the following conditions exist, the relevant financial asset is included in the default:

- Credits with a delay of 90 days from the date of the last installment (In this case, the customer is monitored as default on the 91st day),
- Restructured loans and classified as a performing loan and overdue more than 30 days during the one-year monitoring period (In this case, the customer is followed as default on the 31st day),
- Restructured loans and classified as performing loan and that have been structured at least once more during the one-year monitoring period.

**VIII Explanations on offsetting of financial instruments:**

Financial instruments are offset when the Bank has a legally enforceable right to net off the recognized amounts, and there is an intention to settle on net basis or realize the asset and settle the liability simultaneously. There are no such offset of financial assets and liabilities.

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

Securities subject to repurchase agreement are classified as at "fair value through profit or loss", "fair value through other comprehensive income" or "measured on amortised cost" according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from the related agreements are accounted under "Borrowings from Money Markets" in liabilities and the difference between the sale and repurchase price is accrued over the life of the agreements using the internal rate of return method. Profit share expense on such transactions is recorded under "Profit Share Expense on Money Market Borrowings" in the income statement. The Bank has no securities lending transactions.

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

Assets held for sale (or disposal group) in accordance with TFRS 5 ("Assets Held for Sale and Discontinued Operations") are measured at the lower of the carrying amount of assets and fair value less any cost to be incurred for disposal. In order to classify an asset as held for sale, the possibility of sale should be highly probable and the asset (or disposal group) should be available for immediate sale in its present condition. Highly saleable condition requires a plan designed by an appropriate level of management regarding the sale of the asset to be disposed of together with an active program for the determination of buyers as well as for the completion of the plan. Also the asset shall be actively marketed in conformity with its fair value. In addition, the sale is expected to be recognized as a completed sale within one year after the classification date and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes in the plan or cancellation of the plan.

A discontinued operation is a part of the Bank's business which has been disposed of or classified as held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Bank has no discontinued operations.



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**Accounting policies (Continued)****XI. Explanations on goodwill and other intangible assets:**

Goodwill and other intangible assets are recorded at cost in accordance with TAS 38 "Turkish Accounting Standards for Intangible Assets".

As of December 31, 2023, there is no goodwill in the financial statements of the Bank (December 31, 2022: None).

The Bank's intangible assets consist of software and intangible rights. The costs of the intangible assets purchased before December 31, 2004 have been restated from the purchasing dates to December 31, 2004 the date the hyperinflationary period is considered to be ended. Intangible assets purchased after this date have been recorded at their historical costs. Intangible assets are amortised by the Bank over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Bank's software have been determined as 3 to 4 years and other intangible assets' useful lives have been determined as 15 years.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the TAS 36 "Turkish Accounting Standard for Impairment of Assets" and if the recoverable

**XII. Explanations on tangible assets:**

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

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets. There are no changes in the accounting estimates which are expected to have an impact in the current or subsequent periods.

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

The annual rates used are as follows:

	<b>Depreciation Rate (%)</b>
Computers	10-33
Furniture and Equipment	20
Other Moveables	7-33
Vehicles	20
Intangible Assets (Rights)	7-33
Buildings	2

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year-end.

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

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

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**Accounting policies (Continued)****XIII. Explanations on leasing transactions:**

The Bank applies the TFRS 16 leases standard.

The Bank recognizes the right of use and the rent obligation on the financial statements at the effective date of the lease. The right of use is measured initially at cost value and subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for the re-measurement of the lease obligation. TAS 36 Impairment of Assets is applied in order to determine whether the real estates that are entitled to use have been impaired and to recognize the impairment loss.

With the TFRS 16 Leases Standard effective from January 1, 2019, the difference between operating leases and financial leases is eliminated and leases are presented as assets by the lessees under Tangible Assets and as liabilities under Liabilities from Leasing Transactions.

TFRS 16 introduces a single leasing accounting model for lessees. As a result, the Bank, as a lessee, has acquired the lease rights representing the lease rights representing the right to use the underlying asset and the lease payments to the financial statements. Accounting for the lessor is similar to the previous accounting policies.

The Bank when valuing its leasing obligations, discounted its leasing payments using an alternative borrowing rate. The weighted-average rate applied is 18% for leasing agreements denominated in Turkish liras.

**Existence of right to use**

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

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

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

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

The Bank applies depreciation provisions in TAS 16 Property, Plant and Equipment while depreciating the right to use assets.

**The lease obligations**

At the effective date of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Bank's average borrowing interest rates.

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

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

- Increase the book value to reflect the interest on the lease obligation
- Reduces the book value to reflect the lease payments made and
- The book value is measured to reflect reassessments and restructuring, or reflect to fixed lease payments as of revised nature.

The profit share on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic profit share rate to the remaining balance of the lease liability.

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

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**Accounting policies (Continued)****XIII. Explanations on leasing transactions: (Continued)**

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

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

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

**XIV. Explanations on provision and contingent liabilities:**

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

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

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

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

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

The bank fulfills its obligations for severance pay and leave rights under "TAS 19 - Provided to Employees Benefits" and in the balance sheet "Provision for Employee Benefits" account.

According to Turkey's current labor laws, the Bank may resign and resign as specified in the Labor Law by making a certain lump sum payment to employees who are dismissed for reasons other than liable behavior.

Provision for severance pay, which is a probable liability under this law, is calculated over its present value using certain actuarial estimates and is reflected in the financial statements as actuarial losses and gains, in accordance with "TAS 19 - Employee Benefits" accounted for under equity. The leave fee obligation means that all personnel are legally entitled to leave each year in excess of the cumulative total of unused vacation days found by subtracting the is calculated.

**Liability of T.C. Ziraat Bankası and T.Halk Bankası Members Pension and Relief Fund (TZHEMSAN)**

Some of the Bank's personnel are the members of T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees' Pension Fund ("Fund") which was established by 20th provisional article of Social Security Law Act numbered 506. In accordance with 23rd provisional clause of the Banking Law numbered 5411, the pension fund established within Social Security Law is expected to be transferred to the Social Security Institution by three years following the declaration of the Banking Law numbered 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345 dated 30 November 2006. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Law numbered 5411 allowing pension funds to be transferred to Social Security Institution ("SSI") is annulled following the resolution of Constitutional Court declared in the Official Gazette dated March 31, 2007 numbered 26479 E.2005/139, K.2007/13 and K.2007/33

With the publication of the reasoning of the decision, the Grand National Assembly of Turkey ("GNAT") started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the "Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations" No 5754 ("the New Law") regulating the transfer of the funds were approved by the GNAT on 17 April 2008. The New Law was published in the Official Gazette dated 8 May 2008, numbered 26870 and came into force.

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**Accounting policies (Continued)****XV. Explanations on liabilities regarding employee rights (Continued)****Liability of T.C. Ziraat Bankası and T.Halk Bankası Members Pension and Relief Fund (TZHEMSAN) (Continued)**

With the new Law, the participants of the Bank funds and those who receive pension or income and their rights holders will be transferred to the SSI within three years from the date of publication of the relevant article without the need for any further action and will be included within the scope of this Law, and the three-year transfer period will be limited to a maximum of two years by the decision of the Council of Ministers. It is stipulated that it can be extended for a year. In the said law, regarding the persons transferred as of the date of transfer, the cash value of the liabilities will be calculated by taking into account the income and expenses of the funds in terms of insurance branches within the scope of the said Law, and the technical interest rate to be used in the actuarial calculation of the cash value will be 9.80%, and also the monthly payments to the fund participants and It is stated that after the transfer of those who are dependent on income and/or income and their beneficiaries to SSI, other social rights and payments that are not covered even though they are included in the foundation deed to which these people are subject will continue to be covered by the funds and the organizations employing the fund participants.

Pursuant to the 58th and Provisional Articles 7 of the Banking Law, the provision stating that banks will no longer be able to transfer resources to cover the deficits of the said funds as of January 1, 2008, has been postponed for up to 5 years within the scope of the above-mentioned law. For the personnel of banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, stock exchanges or the unions they constitute, within the scope of the provisional article 20 of the Law No. 506, by the Decision of the Council of Ministers No. 2011/1559, published in the Official Gazette No. 27900 dated April 9, 2011. It has been decided to extend the period for the transfer of the participants of the established funds, those who receive a pension or income, and their beneficiaries to the Social Security Institution, for two years.

On the other hand, the phrase "two years" in the second sentence of the first paragraph of the provisional article 20 of the Law No. 5510 and the Law No. 6283 on the Amendments to the Social Insurance and General Health Insurance Law published in the Official Gazette No. 28227 dated March 8, 2012 has been replaced by "four years". was changed to "year". With the Decision of the Council of Ministers No. 2014/6042 published in the Official Gazette No. 28987 dated 30 April 2014, it was decided to extend the period for the transfer of the participants of the said funds, those who receive a pension or income, and their beneficiaries to the Social Security Institution by one year.

Finally; Article 51 of Law No. 6645 published in the Official Gazette dated April 23, 2015 and provisional Article 20 of Law No. 5510 regarding the transfer of Banks and Insurance Funds to SSI.

1st paragraph; "Participants of funds established for the personnel of banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, stock exchanges or the unions they form, within the scope of the provisional article 20 of Law No. 506, and those who receive a salary or income, and their beneficiaries, shall be subject to the Social Security Institution. The Council of Ministers is authorized to determine the transfer date. As of the date of transfer, fund participants are deemed to be insured within the scope of subparagraph (a) of the first paragraph of Article 4 of this law." has been changed to . Thus, with the amendment, the Council of Ministers was given the authority to determine the date of transfer of funds to SSI without imposing a time limit. Based on the decision of the Council of Ministers dated 24 February 2014; The transfer period was determined as May 2015. As a result of the last amendment made in the first paragraph of the provisional article 20 of the Law No. 5510 and the Law on Amendments to the Occupational Health and Safety Law No. 6645 and Certain Laws and Decree Laws published in the Official Gazette No. 29335 dated April 23, 2015; The Council of Ministers is authorized to determine the transfer date, and the President is authorized to determine the transfer date in the Official Gazette No. 30473 dated July 9, 2018.

According to the technical balance sheet reports prepared within the framework of the New Law and using the specified technical rate of 9.80%, it has been reported that there is no technical deficit for the fund in question as of December 31, 2023. Since the Bank does not have a legal right to obtain the present value of the economic benefits arising from the repayments from the fund or decreases in future contributions, it does not have any assets recognized on its balance sheet.

**XVI. Explanations on taxation:****Current tax:**

With the publication of Law No. 7394 in the Official Gazette dated April 15, 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. The corporate tax rate has been permanently increased to 25%. However, with Law No. 7456 published on July 15, 2023, the rate in question was increased to 30% to be applied to the cumulative bases included in the declarations that must be submitted as of October 1, 2023; The corporate tax rate will be applied as 30% in future periods, starting from the provisional corporate tax return to be submitted for the period 1 January 2023 - 30 September 2023. There is no withholding tax on dividends paid to institutions resident in Turkey. Dividend payments made to individuals and institutions other than these are subject to 10% withholding tax. Addition of profit to capital is not considered profit distribution and withholding tax is not applied.

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**Accounting policies (Continued)****XVI. Explanations on taxation: (Continued)****Current tax: (Continued)**

Corporations calculate provisional tax based on their quarterly financial profits at the current rate and declare it by the 17th day of the second month following that period and pay it by the evening of the same day. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of advance tax paid remains despite the offset, this amount can be refunded in cash or offset against other financial debts to the state.

Provided that 50% of the profits arising from the sale of subsidiary shares and real estate held for at least two years are added to the capital for real estate and 75% for subsidiaries, as stipulated in the Corporate Tax Law, or are kept in a special fund account in liabilities for 5 years. is exempt from tax. However, with the Law No. 7456 published on July 15, 2023, this exception has been abolished for real estates to be acquired after the publication date of the decision; If real estate acquired before this date is sold after the effective date of the decision, 25% of the real estate sales gain will be exempt from corporate tax.

Corporate tax returns are submitted to the relevant tax office by the evening of the last day of the fourth month following the month in which the accounting period closes. However, the authorities authorized for tax inspection may examine the accounting records within the 5 years before the current period, and if incorrect transactions are detected, the tax amounts to be paid may change and sectoral examinations may be carried out.

Within the framework of the provision of Article 298/A of the Tax Procedure Law, the conditions required for inflation adjustment in the corporate tax calculation have been met as of the end of the 2021 calendar year. However, with the "Law on Amendments to the Tax Procedure Law and the Corporate Tax Law" numbered 7352, published in the Official Gazette numbered 31734 dated January 29, 2022, provisional article 33 was added to the Tax Procedure Law numbered 213, including provisional tax periods. Financial statements will not be subject to inflation correction, regardless of whether the conditions for inflation adjustment within the scope of Article 298 are met for the 2021 and 2022 accounting periods (as of the accounting periods ending in 2022 and 2023 for those assigned a special accounting period) and the 2023 accounting period provisional tax periods, regardless of whether the conditions for inflation adjustment within the scope of Article 298 are met, and It has become law that the financial statements dated 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met or not, and the profit/loss differences arising from the inflation adjustment will be shown in the previous years' profit/loss account.

The assets falling within the scope of the temporary article 32 of the Tax Procedure Law No. 213 were valued and taxed at a rate of 2%. Assets within the scope of Article 298 are valued with the revaluation rate announced in the relevant year and no tax is paid on the resulting increase in value.

The assets falling within the scope of the temporary article 32 of the Tax Procedure Law No. 213 were valued and taxed at a rate of 2%. Assets within the scope of Article 298 are valued with the revaluation rate announced in the relevant year and no tax is paid on the resulting increase in value.

**Deferred tax:**

Deferred tax assets or liabilities, according to principles of "Turkish Accounting Standards on Income Taxes" ("TAS 12"), are calculated as measuring the affect of the temporary difference that accours between the amount of assets and liabilities figured in financial tables and the amount calculated according to tax legislation, by considering tax rate for releated period.

Deferred tax is been figured in financial tables by netting assets and liabilities. While deferred tax liability can be calculated for all taxable temporary difference, deferred tax assets only can be calculated on the condition that if high possiibility exists to take profit from difference occurs from deferred tax assets arises from reducable temporary differences to be profitable on taxes.

Deferred tax is calculated based on the tax rates that are valid or almost certain to come into force in the period when assets are created or liabilities are fulfilled and are recorded as expense or income in the statement of profit or loss. However, deferred tax is recognized directly in equity accounts if it relates to assets directly attributable to equity in the same or a different period. While preparing the financial statements dated December 31, 2023, the Bank used a 30% tax rate for temporary differences expected to be realized or closed.

**Transfer pricing**

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

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

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**Accounting policies (Continued)****XVII. Additional explanations on borrowings:**

The Bank generates funds from debt certificates issued by the asset leasing company and these funds have been presented under "Funds Borrowed". Borrowings, except for funds collected, are recognized at amortized cost using the effective internal rate of return method in the following periods after the initial recognition.

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

None.

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

The Bank aval and acceptances are carried out simultaneously with customers' payments and are shown in off-balance sheet obligations as possible debts and commitments.

**XX. Explanations on government grants:**

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

**XXI. Explanations on segment reporting:**

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

Segment reporting is disclosed in Section Four, Note IX.

**XXII. Explanations regarding subsidiaries, affiliates and jointly controlled partnerships:**

Subsidiaries and affiliates denominated in Turkish currency are accounted for at cost in accordance with the "Turkish Accounting Standard for Individual Financial Statements" ("TMS 27") and are reflected in the unconsolidated financial statements after deducting the provision for impairment, if any.

**XXIII. Information on other issues:**

None

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**SECTION FOUR****Information on financial structure and risk management****I. Explanations on capital adequacy standard ratio:**

Equity amount and capital adequacy standard ratio are calculated within the framework of the "Regulation on Equity of Banks" and the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks". The Bank's current period equity amount calculated as of December 31, 2023 is 15.359.347 TL and the capital adequacy standard ratio is 23,05%. The equity amount for 31 December 2022 is 9.555.482 TL and the capital adequacy standard rate is 27,98%. The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.

**a. Information about total capital items:**

	Current Period 31 December 2023	Prior Period 31 December 2022
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1.026.915	1.026.915
Share issue premiums	-	-
Reserves	3.434.574	630.711
Gains recognized in equity as per TAS	705.872	1.440.881
Profit	5.129.534	2.809.949
Current Period Profit	5.129.534	2.809.949
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>10.296.895</b>	<b>5.908.456</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1 <sup>st</sup> clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	-	19.114
Leasehold improvements(-)	-	-
Goodwill (net of related tax liability)	119.326	85.314
Other intangibles other than mortgage-servicing rights (net of related tax liability)	-	-
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	248.862	100.413
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	-	-



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**Information on financial structure and risk management (Continued)****I. Explanations on capital adequacy standard ratio (Continued):****a. Information about total capital items (Continued):**

	Current Period 31 December 2023	Prior Period 31 December 2022
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	720.318	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>1.088.506</b>	<b>204.841</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>9.208.389</b>	<b>5.703.615</b>

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**Information on financial structure and risk management (Continued)****I. Explanations on capital adequacy standard ratio (Continued):****a. Information about total capital items (Continued):**

	Current Period 31 December 2023	Prior Period 31 December 2022
<b>ADDITIONAL TIER 1 CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	5.709.739	3.498.078
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>5.709.739</b>	<b>3.498.078</b>
<b>Deductions from Additional Tier I Capital</b>		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions From Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
<b>Total Additional Tier I Capital</b>	<b>5.709.739</b>	<b>3.498.078</b>
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>14.918.128</b>	<b>9.201.693</b>
<b>TIER 2 CAPITAL</b>		
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)	444.659	371.657
<b>Contribution Capital Before Discounts</b>	<b>444.659</b>	<b>371.657</b>
<b>Deductions From Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-

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**Information on financial structure and risk management (Continued)****I. Explanations on capital adequacy standard ratio (Continued):****a. Information about total capital items (Continued):**

	Current Period 31 December 2023	Prior Period 31 December 2022
<b>ADDITIONAL TIER 1 CAPITAL</b>		
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	-	-
<b>Total Tier II Capital</b>	<b>444.659</b>	<b>371.657</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>15.362.787</b>	<b>9.573.350</b>
<b>Deductions from Capital</b>		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	3,440	17,869
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-

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**Information on financial structure and risk management (Continued)****I. Explanations on capital adequacy standard ratio (Continued):****a. Information about total capital items (Continued):**

	Current Period 31 December 2023	Prior Period 31 December 2022
<b>Total Capital</b>		
(The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)	15.359.347	9.555.482
Total Risk Weighted Amounts	66.640.318	34.146.697
<b>Capital Adequacy Ratios</b>		
Core Capital Adequacy Ratio (%)	13,82	16,10
Tier 1 Capital Adequacy Ratio (%)	22,39	26,95
Capital Adequacy Ratio (%)	23,05	27,98
<b>BUFFERS</b>		
Total buffer requirement (a+b+c)	2,5	2,5
a) Capital conservation buffer requirement (%)	2,5	2,5
b) Bank specific counter-cyclical buffer requirement (%)	-	-
c) Systemic important bank buffer ratio (%)	-	-
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(%)	9,32	12,20
<b>Amounts Lower Than Excesses as per Deduction Rules</b>		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Limits related to provisions considered in Tier II calculation	-	-
Amount arising from deferred tax assets based on temporary differences	992.871	-
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	444.659	371.657
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	444.659	371.657
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

(<sup>1</sup>) The Bank, provided subordinated loan from Türkiye Varlık Fonu Piyasa İstikrar ve Denge Alt Fonu with the approval of BRSA dated 22 April 2019, on 24 April 2019 amounting to 200 million (Full Euro) with no fixed term and no profit share within the scope of additional main capital and loan from Türkiye Varlık Fonu Piyasal İstikrar ve Denge Alt Fonu with the approval of BRSA dated March 8, 2022, on March 9, 2022 amounting to 31.688.489 Euro (Full Euro) with no fixed term and no profit share within the scope of additional main capital.

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### Information on financial structure and risk management (Continued)

#### I. Explanations on capital adequacy standard ratio (Continued):

##### a. Information about total capital items (Continued):

In the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (Regulation) published in the Official Gazette dated 23 October 2015, specified in the Board Decision dated 28 April 2022 and numbered 9996, with the decision dated 31 January 2023 and numbered 10496; The application for using the foreign exchange buying rate of the Central Bank of the Republic of Turkey as of December 31, 2021, when calculating the valued amounts of monetary assets and non-monetary assets, other than foreign currency items measured in historical cost, in accordance with Turkish Accounting Standards and the relevant special provision amounts; It has been decided to continue using the CBRT foreign exchange buying rate of 30 December 2022 until a BRSA decision to the contrary is taken. As of December 31, 2023, the Bank used this opportunity in Capital Adequacy calculations.

In addition, in accordance with the BRSA's Decision No. 8999 dated April 16, 2020; In accordance with the Standard Approach within the scope of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks, 0% risk weight can be applied to banks' receivables from the Central Government of the Republic of Turkey and regulated in foreign currency in the calculation of the amount subject to credit risk. As of December 31, 2023, the Bank used this opportunity in Capital Adequacy calculations.

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**Information on financial structure and risk management (Continued)****I. Explanations on capital adequacy standard ratio (Continued):****b) Information on debt instruments to be included in the equity calculation:**

Issuer	Türkiye Varlık Fonu Piyasa İstikrar Ve Denge Alt Fonu
Unique Identifier (CUSIP, ISIN etc.)	TRT240424F22
Governing Law(s) of the Instrument	Regulation on Banks' Equity Communique on Principles Regarding Borrowing Instruments to be Included in Bank' Equity Calculation
<b>Special Consideration in the Calculation of Equity</b>	
As of 1 January 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Subordinated Loan
Amount recognized in regulatory capital (as of most recent reporting date)	5.124.259
Par Value of Instrument	6.535.900
Accounting Classification	Subordinated Loan
Original date of Issuance	24.04.2019
Perpetual or dated	Undated
Maturity date	24.04.2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: 24.05.2024 Total Repayment Amount: EUR 200 million (full)
Subsequent call dates	-
<b>Profit Share/Dividends</b>	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Full discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
<b>Convertible or Non-convertible</b>	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
<b>Write-down feature</b>	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy falls below 5,125 %
If write-down, full or partial	At least to ensure that the core capital ratio exceeds 5,125 %
If write down, permanent or temporary	Permanent and Temporary
If temporary write-down, description of write-up mechanism	There is write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7
Details of incompliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7

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**Information on financial structure and risk management (Continued)****I. Explanations on capital adequacy standard ratio (Continued):****b) Information on debt instruments to be included in the equity calculation: (Continued)**

Issuer	Türkiye Varlık Fonu Piyasa İstikrar Ve Denge Alt Fonu
Unique Identifier (CUSIP, ISIN etc.)	TRT250232F15
Governing Law(s) of the Instrument	Regulation on Banks' Equity Communique on Principles Regarding Borrowing Instruments to be Included in Bank' Equity Calculation
<b>Special Consideration in the Calculation of Equity</b>	
As of 1 January 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Subordinated Loan
Amount recognized in regulatory capital (as of most recent reporting date)	585,479
Par Value of Instrument	1,035,933
Accounting Classification	Subordinated Loan
Original date of Issuance	09.03.2022
Perpetual or dated	Undated
Maturity date	09.03.2022
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Repayment Option Date: 09.03.2032 and later Amount to be Repaid: 500,000 TL equivalent in Euro
Subsequent call dates	-
<b>Profit Share/Dividends</b>	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Full discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
<b>Convertible or Non-convertible</b>	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
<b>Write-down feature</b>	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy falls below 5,125 %
If write-down, full or partial	At least to ensure that the core capital ratio exceeds 5,125 %
If write down, permanent or temporary	Permanent and Temporary
If temporary write-down, description of write-up mechanism	There is write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7
Details of incompliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7



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### Information on financial structure and risk management (Continued)

#### I. Explanations on capital adequacy standard ratio (Continued):

##### c. Explanations on reconciliation of equity items and balance sheet amounts

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

#### II. Explanations on credit risk

Credit risk is defined as the possibility of loss that the Bank may incur due to the credit customer not complying with the requirements of the contract and not being able to fulfill its obligations partially or completely on time.

Credit allocation authority essentially lies with the Board of Directors, and this authority can be delegated to subcommittees in accordance with the Banking Law. The Board of Directors determines credit policies and credit opening limits at the macro level. It creates policies regarding credit opening, approval and other administrative principles. Monitors compliance with policies, concentrations and limits and takes necessary measures. It creates a suitable environment for the healthy and effective functioning of the credit function. By providing sufficient personnel and software, authorities, roles and limits are clearly determined and necessary controls are established. Credit risk is measured, analyzed and reported periodically.

Preparations are made to use scoring and rating models that produce rating scores and probability of default in order to measure the credit risk of customers according to their segments. The ratings produced are used in making decisions about working with the customer and determining working conditions. Credit limit allocations are made separately for the customer or credit group, based on financial analysis and intelligence reports, rating grades given to the customer and segment. Allocated limits are reviewed at the periods specified in commercial and individual credit policies, and the customer's intelligence and rating report is renewed. Care is taken to ensure balanced sectoral distribution of loans and to ensure that TL resources are used in TL and foreign currency resources are used in FX, without causing any exchange rate mismatch. Credit limitations specified in the Banking Law and relevant legislation are complied with. Although the creditworthiness of the customer is essential, care is taken to provide collateral to reduce risk. Maximum care is taken to ensure that the maturity and currency of the loan and the collateral are compatible and that an independent valuation is carried out. The guarantees received are periodically evaluated and insured.

Provisions are made for defaulted loan receivables in accordance with TFRS 9 "Regulation on Procedures and Principles for Determining the Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside for These".

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**Information on financial structure and risk management (Continued)****II. Explanations on credit risk (Continued):**

Risk Categories	Current Period Risk Amount	Average Risk Amount
1 Receivables from central governments or central banks	76.371.917	56.653.442
2 Receivables from regional or local governments	94.549	161.756
3 Receivables from administrative units and non-commercial enterprises	442.667	326.684
4 Receivables from multilateral development banks	-	-
5 Receivables from international organizations	-	-
6 Receivables from banks and brokerage houses	6411.940	10.695.846
7 Receivables from corporates	29.274.530	23.894.089
8 Retail receivables	8.967.648	7.662.321
9 Receivables secured by mortgages on property	2.524.840	1.910.093
10 Past due receivables	30.284	19.585
11 Receivables defined in high risk category by BRSA	9.199.949	2.071.809
12 Securities collateralized by mortgages	-	-
13 Securitization positions	-	-
14 Short-term receivables from banks, brokerage houses and corporates	-	-
15 Investments similar to collective investment funds	-	-
16 Equity security investments	-	-
17 Other Receivables	5.692.488	5.666.772
<b>Total<sup>(*)</sup></b>	<b>139.010.812</b>	<b>109.062.397</b>

(\*) Average risk amount was tested by taking the arithmetic average of monthly risk amounts for 2023.

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**Information on financial structure and risk management (Continued)****II. Explanations on credit risk (Continued):**

Risk Categories	Prior Period Risk Amount	Average Risk Amount
1 Receivables from central governments or central banks	37317894	23.837427
2 Receivables from regional or local governments	256.026	119.693
3 Receivables from administrative units and non-commercial enterprises	19.898	50.916
4 Receivables from multilateral development banks	-	-
5 Receivables from international organizations	-	-
6 Receivables from banks and brokerage houses	7099.200	6.899.190
7 Receivables from corporates	27376.591	19.780.051
8 Retail receivables	4.194.133	4.484.206
9 Receivables secured by mortgages on property	1.281.855	1.335.252
10 Past due receivables	9.573	11.892
11 Receivables defined in high risk category by BRSA	-	-
12 Securities collateralized by mortgages	-	-
13 Securitization positions	-	-
14 Short-term receivables from banks, brokerage houses and corporates	-	-
15 Investments similar to collective investment funds	-	-
16 Equity security investments	-	-
17 Other Receivables	3.710.773	1.946.027
<b>Total<sup>(*)</sup></b>	<b>81.265.943</b>	<b>58.464.654</b>

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

The Bank considers that long-term commitments are exposed to more credit risk than short-term commitments, and matters such as defining risk limits and obtaining collateral for long-term risks are addressed more extensively as compared to short-term risks.

The Bank has credit lines in different countries within the scope of its banking activity and due inquires (economic, cyclical, etc.) are carried out during the allocation and revision of such credit lines.

For the banks where correspondent activity and international commodity transactions are intended to be carried out, credit limits are allocated by the related credit committees taking into account the size of the correspondent bank and the size of Bank itself and concentration of risk is avoided. The Bank does not carry any serious risk in this respect.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

**Information on financial structure and risk management (Continued)****II. Explanations on credit risk (Continued):****Geographical distribution of risk amounts disaggregated by significant risk classes in important regions; Distribution of risks, disaggregated by risk classes, by sectors or counterparties, and distribution of all risks by remaining maturities****Profile on significant risks in significant regions:**

	Risk Categories*																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
<b>Current Period</b>																		
1 Domestic	76.371.917	94.549	442.667	-	-	839.939	28.534.854	8.933.803	2.522.383	30.284	5.915.937	-	-	-	-	-	5.692.388	<b>129.378.721</b>
2 EU Countries	-	-	-	-	-	216.503	-	314	136	-	-	-	-	-	-	-	-	<b>216.953</b>
3 OECD Countries (**)	-	-	-	-	-	1.474.561	-	-	-	-	-	-	-	-	-	-	-	<b>1.474.561</b>
4 Off-shore Banking Regions	-	-	-	-	-	467.212	324.541	30.272	2.321	-	10.180	-	-	-	-	-	-	<b>834.526</b>
5 USA, Canada	-	-	-	-	-	400.644	-	2.856	-	-	-	-	-	-	-	-	-	<b>403.500</b>
6 Other Countries	-	-	-	-	-	3.013.081	415.135	403	-	-	3.273.832	-	-	-	-	-	-	<b>6.702.451</b>
7 Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100	<b>100</b>
8 Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>-</b>
<b>9 Total</b>	<b>76.371.917</b>	<b>94.549</b>	<b>442.667</b>	<b>-</b>	<b>-</b>	<b>6.411.940</b>	<b>29.274.530</b>	<b>8.967.648</b>	<b>2.524.840</b>	<b>30.284</b>	<b>9.199.949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.692.488</b>	<b>139.010.812</b>
<b>Prior Period</b>																		
1 Domestic																		
2 EU Countries	37.317.894	256.026	19.898	-	-	3.880.678	26.904.933	4.175.899	1.281.711	9.573	-	-	-	-	-	-	3.710.671	<b>77.557.283</b>
3 OECD Countries (**)	-	-	-	-	-	301.093	36.107	105	144	-	-	-	-	-	-	-	-	<b>337.449</b>
4 Off-shore Banking Regions	-	-	-	-	-	910.631	-	277	-	-	-	-	-	-	-	-	-	<b>910.908</b>
5 USA, Canada	-	-	-	-	-	-	4.272.221	15.741	-	-	-	-	-	-	-	-	-	<b>442.962</b>
6 Other Countries	-	-	-	-	-	858.186	-	-	-	-	-	-	-	-	-	-	-	<b>858.186</b>
7 Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	1.148.612	8.331	2.112	-	-	-	-	-	-	-	-	-	<b>1.159.055</b>
8 Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100	<b>100</b>
9 Domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>-</b>
<b>9 Total</b>	<b>37.317.894</b>	<b>256.026</b>	<b>19.898</b>	<b>-</b>	<b>-</b>	<b>7.099.200</b>	<b>27.376.592</b>	<b>4.194.134</b>	<b>1.281.855</b>	<b>9.573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.710.771</b>	<b>81.265.943</b>

(\*) It refers to the risk classes included in the Regulation on Measurement and Evaluation of Capital Adequacy of Banks.

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

(\*\*\*) Assets and liabilities that cannot be distributed to segments on a consistent basis

1 Conditional and unconditional receivables from central government or central banks	10 Past due receivables
2 Conditional and unconditional receivables from regional or local governments	11 Receivables determined as high risk by the Board
3 Conditional and unconditional receivables from administrative units and non-commercial enterprises	12 Mortgage-backed securities
4 Conditional and unconditional receivables from multilateral development banks	13 Securitization positions
5 Conditional and unconditional receivables from international organizations	14 Short-term receivables and short-term corporate receivables from banks and brokerage houses
6 Conditional and unconditional receivables from banks and brokerage houses	15 Investments as collective investment enterprises
7 Conditional and unconditional receivables from corporates	16 Equity share investments
8 Conditional and unconditional retail receivables	17 Other receivables
9 Receivables secured by mortgages on property	

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

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

**Information on financial structure and risk management (Continued)****II. Explanations on credit risk (Continued):****Geographical distribution of risk amounts disaggregated by significant risk classes in important regions; Distribution of risks, disaggregated by risk classes, by sectors or counterparties, and distribution of all risks by remaining maturities (Continued)****Profile on significant risks in significant regions: (Continued)**

Current Period	Risk Categories*																	TL	FC	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17				
<b>1 Agriculture</b>	-	-	-	-	-	-	150.419	73.190	800	-	92.832	-	-	-	-	-	-	299.434	17.807	317.241	
1.1 Farming and stockbreeding	-	-	-	-	-	-	107.522	67.824	800	-	64.481	-	-	-	-	-	-	240.627	-	240.627	
1.2 Forestry	-	-	-	-	-	-	6.780	5.319	-	-	25.399	-	-	-	-	-	-	37.498	-	37.498	
1.3 Fishery	-	-	-	-	-	-	36.117	47	-	-	2.952	-	-	-	-	-	-	21.309	17.807	39.116	
<b>2 Manufacturing</b>	-	-	-	-	-	-	10.849.504	2.439.363	437.151	7.752	1.568.132	-	-	-	-	-	-	9.755	8.515.907	6.795.750	15.311.657
2.1 Mining and quarrying	-	-	-	-	-	-	1.027.574	4.8771	4.691	-	6.619	-	-	-	-	-	-	155	500.689	587.121	1.087.810
2.2 Production	-	-	-	-	-	-	8.245.925	2.326.078	4.089.61	7.752	1.341.903	-	-	-	-	-	-	8.631	7.282.999	5.056.250	12.339.249
2.3 Electricity, gas, water	-	-	-	-	-	-	1.576.005	64.514	23.499	-	219.610	-	-	-	-	-	-	969	732.219	1.152.379	1.884.598
<b>3 Construction</b>	-	-	427.099	-	-	-	4.070.578	1.240.052	880.779	5.351	595.240	-	-	-	-	-	-	2.365	6.622.812	598.651	7.221.463
<b>4 Services</b>	74.654.329	-	125	-	-	6.411.940	11.442.241	3.376.109	754.833	16.721	6.661.200	-	-	-	-	-	-	2.179.331	52.258.393	53.238.436	105.496.829
4.1 Wholesale and retail trade	-	-	106	-	-	-	6.289.190	2.376.144	463.775	15.845	2.372.898	-	-	-	-	-	-	614	8.143.292	3.375.280	11.518.572
4.2 Hotel, food and beverage services	-	-	-	-	-	-	60.961	97.740	1.991	-	443	-	-	-	-	-	-	1	158.146	2.990	161.136
4.3 Transportation and telecommunication	-	-	-	-	-	-	1.763.909	434.289	200.057	385	144.693	-	-	-	-	-	-	681	810.487	1.733.526	2.544.013
4.4 Financial institutions	74.654.329	-	-	-	-	6.411.940	1.096.323	90.46	2.526	-	3.273.832	-	-	-	-	-	-	111.706	37.662.011	47.897.690	85.559.701
4.5 Real estate and renting services	-	-	-	-	-	-	1.819.359	397.899	74.175	491	823.629	-	-	-	-	-	-	2.066.329	4.955.149	226.734	5.181.883
4.6 Self-employment services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.7 Education services	-	-	19	-	-	-	44.230	21.157	919	-	30.973	-	-	-	-	-	-	-	97.299	-	97.299
4.8 Health and social services	-	-	-	-	-	-	368.269	39.834	11.390	-	14.732	-	-	-	-	-	-	-	432.009	2.216	434.225
<b>5 Other</b>	1.717.588	94.549	15.443	-	-	-	2.761.788	1.838.934	451.277	460	282.545	-	-	-	-	-	-	3.501.037	8.110.444	2.553.178	10.663.622
<b>6 Total</b>	<b>76.371.917</b>	<b>94.549</b>	<b>442.667</b>	<b>-</b>	<b>-</b>	<b>6.411.940</b>	<b>29.274.530</b>	<b>8.967.648</b>	<b>2.524.840</b>	<b>30.284</b>	<b>9.199.949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.692.488</b>	<b>75.806.990</b>	<b>63.203.822</b>	<b>139.010.812</b>

(\*) It refers to the risk classes included in the Regulation on Measurement and Assessment of Capital Adequacy of Banks.

1 Conditional and unconditional receivables from central government and Central Banks	10 Past due receivables
2 Conditional and unconditional receivables from regional or local governments	11 Receivables defined under high risk category by BRSA
3 Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	12 Mortgage-backed securities
4 Conditional and unconditional claims from multilateral development banks	13 Securitization positions
5 Contingent and unconditional receivables from international organizations	14 Short-term receivables and short-term corporate receivables from banks and brokerage houses
6 Conditional and unconditional receivables from banks and brokerage houses	15 Investments that qualify as a collective investment institution
7 Conditional and unconditional receivables from corporates	16 Equity share investments
8 Conditional and unconditional receivables from retail portfolios	17 Other receivables
9 Receivables secured by real estate mortgages	

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

**Information on financial structure and risk management (Continued)****II. Explanations on credit risk (Continued):****Geographical distribution of risk amounts disaggregated by significant risk classes in important regions; Distribution of risks, disaggregated by risk classes, by sectors or counterparties, and distribution of all risks by remaining maturities (Continued)****Profile on significant risks in significant regions (Continued):**

Prior Period	Risk Categories*																	TL	FC	Total		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17					
<b>1 Agriculture</b>	-	-	-	-	-	-	138.395	12.824	4.327	-	-	-	-	-	-	-	-	-	-	155.546	155.546	
1.1 Farming and stockbreeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Forestry	-	-	-	-	-	-	138.395	12.824	4.327	-	-	-	-	-	-	-	-	-	-	-	155.546	155.546
1.3 Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2 Manufacturing</b>	-	-	-	-	-	-	8.993.687	1.033.317	253.075	2.220	-	-	-	-	-	-	4.624	3.399.968	6.886.955	10.286.923		
2.1 Mining and quarrying	-	-	-	-	-	-	514.063	27.132	-	-	-	-	-	-	-	-	-	280.701	260.494	541.195		
2.2 Production	-	-	-	-	-	-	7.756.851	94.5908	251.561	2.135	-	-	-	-	-	-	4.472	2.841.548	6.119.379	8.960.927		
2.3 Electricity, gas, water	-	-	-	-	-	-	722.773	60.277	1.514	85	-	-	-	-	-	-	152	277.719	507.082	784.801		
<b>3 Construction</b>	-	-	-	-	-	-	4.906.377	755.746	395.387	2.916	-	-	-	-	-	-	84	758.794	5.301.716	6.060.510		
<b>4 Services</b>	19.148.698	14.331	15.589	-	-	7.099.200	10.976.299	14.970.017	256.840	4.331	-	-	-	-	-	-	1.068.448	22.826.733	17.254.020	40.080.753		
4.1 Wholesale and retail trade	-	-	-	-	-	-	5.782.904	1.112.137	141.647	3.911	-	-	-	-	-	-	428	1.008.641	6.032.386	7.041.027		
4.2 Hotel, food and beverage services	-	-	-	-	-	-	60.318	30.372	4.500	-	-	-	-	-	-	-	-	-	95.190	95.190		
4.3 Transportation and telecommunication	-	-	-	-	-	-	1.689.091	237.445	7.387	298	-	-	-	-	-	-	1	1.148.874	785.348	1.934.222		
4.4 Financial institutions	19.148.698	-	-	-	-	7.099.200	1.010.138	8.933	-	-	-	-	-	-	-	-	35.380	20.298.718	7.003.631	27.302.349		
4.5 Real estate and renting services	-	-	-	-	-	-	826.062	10.683	86.713	49	-	-	-	-	-	-	1.032.627	2.442	1.953.692	1.956.134		
4.6 Self-employment services	-	6.825	15.576	-	-	-	1.250.920	74.177	531	74	-	-	-	-	-	-	10	359.246	988.867	1.348.113		
4.7 Education services	-	-	14	-	-	-	51.053	4.573	7978	-	-	-	-	-	-	-	-	-	63.618	63.618		
4.8 Health and social services	-	7.506	-	-	-	-	305.813	18.697	8.084	-	-	-	-	-	-	-	-	8.812	331.288	340.100		
<b>5 Other</b>	18.169.196	241.695	4.308	-	-	-	2.361.834	895.230	372.226	105	-	-	-	-	-	-	2.637.617	6.233.447	18.448.764	24.682.211		
<b>6 Total</b>	37.317.894	256.026	19.898	-	-	7.099.200	27.376.592	4.194.134	1.281.855	9.573	-	-	-	-	-	-	3.710.771	33.218.942	48.047.001	81.265.943		

<sup>(1)</sup> It refers to the risk classes included in the Regulation on Measurement and Assessment of Capital Adequacy of Banks.

- |   |  |
|---|--|
| 1 Conditional and unconditional receivables from central government and Central Banks                 | 10 Past due receivables  |
| 2 Conditional and unconditional receivables from regional or local governments                        | 11 Receivables defined under high risk category by BRSA  |
| 3 Conditional and unconditional receivables from administrative bodies and non-commercial enterprises | 12 Mortgage-backed securities  |
| 4 Conditional and unconditional claims from multilateral development banks                            | 13 Securitization positions  |
| 5 Contingent and unconditional receivables from international organizations                           | 14 Short-term receivables and short-term corporate receivables from banks and brokerage houses |
| 6 Conditional and unconditional receivables from banks and brokerage houses                           | 15 Investments that qualify as a collective investment institution                             |
| 7 Conditional and unconditional receivables from corporates   | 16 Equity share investments  |
| 8 Conditional and unconditional receivables from retail portfolios                                    | 17 Other receivables   |
| 9 Receivables secured by real estate mortgages  |  |

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

**Information on financial structure and risk management (Continued)****II. Explanations on credit risk (Continued):****Distribution of risks with term structure according to remaining maturities:**

Risk Categories – Current Period	Time to Maturity					Undistributable
	1 months	1–3 months	3–6 months	6–12 months	1 year and over	
1 Conditional and unconditional receivables from central governments or central banks	18.149.078	79.854	37.875	1.689.802	17.361.285	-
2 Conditional and unconditional receivables from regional or local governments	14.532	-	-	74.879	166.615	-
3 Conditional and unconditional receivables from administrative units and non-commercial enterprises	4.765	41	-	904	14.187	-
4 Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
5 Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
6 Conditional and unconditional receivables from banks and brokerage houses	6.288.018	-	101.897	-	709.285	-
7 Conditional and unconditional receivables from corporates	12.612.875	3.181.192	2.096.693	4.002.733	5.475.440	7.659
8 Conditional and unconditional retail receivables	2.053.296	304.163	388.186	675.360	773.129	-
9 Receivables secured by mortgages on property	332.617	371.21	96.580	182.235	633.302	-
10 Past due receivables	8.454	208	242	436	232	-
11 Receivables defined in high risk category by BRSA	-	-	-	-	-	-
12 Securities collateralized by mortgages	-	-	-	-	-	-
13 Subject to the securitisation framework	-	-	-	-	-	-
14 Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
15 Investments similar to collective investment funds	-	-	-	-	-	-
16 Equity share investments	-	-	-	-	-	-
17 Other receivables	3.710.773	-	-	-	-	-
<b>Total</b>	<b>43.174.408</b>	<b>3.602.579</b>	<b>2.721.473</b>	<b>6.626.349</b>	<b>25.133.475</b>	<b>7.659</b>



## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Information on financial structure and risk management (Continued)****II. Explanations on credit risk (Continued):****Distribution of risks with term structure according to remaining maturities: (Continued)**

	Risk Categories – Prior Period	Time to Maturity					Undistributable
		1 month	1–3 months	3–6 month	6–12 month	1 year and over	
1	Conditional and unconditional receivables from central governments or central banks	26.426.524	-	-	-	-	4.994.393
2	Conditional and unconditional receivables from regional or local governments	266	1.182	-	43.861	49.240	-
3	Conditional and unconditional receivables from administrative units and non-commercial enterprises	596	-	-	1.750	440.321	-
4	Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
5	Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
6	Conditional and unconditional receivables from banks and brokerage houses	129.252	-	-	-	495.941	5.786.747
7	Conditional and unconditional receivables from corporates	6.179.016	3.302.143	4.175.283	10.625.050	4.993.038	-
8	Conditional and unconditional retail receivables	1.800.333	1.015.912	1.057.677	2.812.958	2.280.768	-
9	Receivables secured by mortgages on property	307.219	186.921	295.260	1.052.424	683.016	-
10	Past due receivables	19.517	4.130	26	1.068	5.543	-
11	Receivables defined in high risk category by BRSA	234.992	1.072.783	663.169	3.368.822	586.351	3.273.832
12	Securities collateralized by mortgages	-	-	-	-	-	-
13	Securitization positions	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Equity share investments	-	-	-	-	-	-
17	Other receivables	-	-	-	-	-	5.692.488
	<b>Total</b>	<b>35.097.715</b>	<b>5.583.071</b>	<b>6.191.415</b>	<b>17.905.933</b>	<b>9.534.218</b>	<b>64.698.460</b>

**Explanations for risk classes specified in Article 6 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks**

For the entire risk class of receivables from central governments or central banks, the ratings given by the international credit rating agency Islamic International Rating Agency (IIRA) are taken into account. Turkey's long-term foreign currency credit rating (BBB-), T.R. Foreign currency securities issued by the Treasury and Turkish Republic. It is also used for other foreign currency risks associated with the Central Government. According to capital adequacy regulations, in determining the risk weights of risk classes of receivables from banks and intermediary institutions, the ratings given by rating agencies authorized by the Board or directly recognized for receivables whose counterparties are located abroad are used. Receivables whose counterparty is located within the country are considered unrated and included in the capital adequacy calculation. The "Credit Quality Levels" corresponding to the ratings given by the rating institutions authorized by the Board or directly recognized are given in the table below.

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**Information on financial structure and risk management (Continued)****II. Explanations on credit risk (Continued):****Explanations for risk classes specified in Article 6 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks (Continued):**

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

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**Information on financial structure and risk management (Continued)****II. Explanations on credit risk (Continued):****Risk amounts according to risk weights:**

<b>Risk Weights– Current Period</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>35%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>250%</b>	<b>Deductions from Shareholders' Equity</b>
1 Amount before credit risk mitigation	76.868.620	-	7446.969	785.356	3.270.394	8.973.311	32.466.213	3.308.878	5.820.551	70.520	910.159
2 Amount after credit risk mitigation	78.098.182	-	7.640.666	785.356	3.450.609	8.645.211	31.190.839	3.308.878	5.820.551	70.520	910.159
<b>Risk Weights– Prior Period</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>35%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>250%</b>	<b>Deductions from Shareholders' Equity</b>
1 Amount before credit risk mitigation	38.413.589	-	7.024.868	440.876	2.088.526	4.187.095	23.923.116	1.170	5.168.499	18.209	222.710
2 Amount after credit risk mitigation	39.456.724	-	7.508.936	395.062	2.152.181	3.878.566	22.686.596	1.170	5.168.499	18.209	222.710

**By sectors or counterparty type; Separately, impaired loan and overdue loan amounts, value adjustments and provisions, amounts related to value adjustments and provisions during the period:**

As of December 31, 2023, the Bank has allocated lifetime expected loss provisions for loans classified as Stage 2, based on the risk assessments made within the scope of TFRS 9. A lifetime expected loss provision has been set aside for loans that are classified as Stage 3 and determined to be impaired.

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**Information on financial structure and risk management (Continued)****II. Explanations on credit risk (Continued):****By sectors or counterparty type; Separately, impaired loan and overdue loan amounts, value adjustments and provisions, amounts related to value adjustments and provisions during the period: (Continued)**

As of December 31, 2023, loans that did not have a significant increase in credit risk when they were first included in the financial statements or later were classified as Stage 1 and a 12-month expected loss provision was allocated for these loans.

	Current Period Important Sectors/Counterparties	Loans <sup>(*)</sup>		Provisions
		Significant increase in credit risk (Stage 2)	Impaired Credits (IFRS 9) Non-performing (Stage 3)	Expected Loss Provisions (IFRS9)
<b>1</b>	<b>Agriculture</b>	-	-	-
1.1	Farming and stockbreeding	-	-	-
1.2	Forestry	-	-	-
1.3	Fishery	-	-	-
<b>2</b>	<b>Manufacturing</b>	<b>158.870</b>	<b>104.718</b>	<b>105.573</b>
2.1	Mining and quarrying	14.813	-	100
2.2	Production	144.057	104.718	105.473
2.3	Electricity, gas, water	-	-	-
<b>3</b>	<b>Construction</b>	<b>127.762</b>	<b>40.792</b>	<b>30.403</b>
<b>4</b>	<b>Services</b>	<b>240.774</b>	<b>94.431</b>	<b>74.493</b>
4.1	Wholesale and retail trade	42.144	83.602	53.591
4.2	Hotel, food and beverage services	321	-	1
4.3	Transportation and telecommunication	152.342	4.686	16.055
4.4	Financial institutions	-	-	-
4.5	Real estate and renting services	45.967	6.143	4.846
4.6	Self-employment services	-	-	-
4.7	Education services	-	-	-
4.8	Health and social services	-	-	-
<b>5</b>	<b>Other</b>	<b>-</b>	<b>2.935</b>	<b>2.561</b>
	<b>Total</b>	<b>527.406</b>	<b>242.876</b>	<b>213.030</b>

<sup>(\*)</sup>The breakdown of cash loans is given.

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**Information on financial structure and risk management (Continued)****II. Explanations on credit risk (Continued):****By sectors or counterparty type; Separately, impaired loan and overdue loan amounts, value adjustments and provisions, amounts related to value adjustments and provisions during the period: (Continued)**

	Prior Period Important Sectors/Counterparties	Loans <sup>(*)</sup>		Provisions
		Significant increase in credit risk (Stage 2)	Impaired Credits (IFRS 9) Non-performing (Stage 3)	Expected Loss Provisions (IFRS9)
<b>1</b>	<b>Agriculture</b>	-	-	-
1.1	Farming and stockbreeding	-	-	-
1.2	Forestry	-	-	-
1.3	Fishery	-	-	-
<b>2</b>	<b>Manufacturing</b>	<b>21.648</b>	<b>47.477</b>	<b>61.285</b>
2.1	Mining and quarrying	-	-	-
2.2	Production	20.032	47.090	60.857
2.3	Electricity, gas, water	1.616	387	428
<b>3</b>	<b>Construction</b>	<b>9.417</b>	<b>17.845</b>	<b>14.812</b>
<b>4</b>	<b>Services</b>	<b>23.101</b>	<b>26.452</b>	<b>24.186</b>
4.1	Wholesale and retail trade	18.700	22.785	19.909
4.2	Hotel, food and beverage services	-	-	-
4.3	Transportation and telecommunication	4.401	3.333	3.964
4.4	Financial institutions	-	-	-
4.5	Real estate and renting services	-	334	313
4.6	Self-employment services	-	-	-
4.7	Education services	-	-	-
4.8	Health and social services	-	-	-
<b>5</b>	<b>Other</b>	<b>3.524</b>	<b>1.602</b>	<b>1.322</b>
	<b>Total</b>	<b>57.690</b>	<b>93.376</b>	<b>101.605</b>

<sup>(\*)</sup>The breakdown of cash loans is given.

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**Information on financial structure and risk management (Continued)****II. Explanations on credit risk (Continued):****Information about value adjustment and change in provisions**

<b>Current Period</b>	<b>Opening Balance</b>	<b>Provision for Period</b>	<b>Provision Reversals</b>	<b>Other Adjustments</b>	<b>Closing Balance</b>
1 Third Stage	79.871	103.250	(4.1)	-	183.087
2 First and Second Stage	573.923	-	(189.890)	-	384.033
<b>Prior Period</b>	<b>Opening Balance</b>	<b>Provision for Period</b>	<b>Provision Reversals</b>	<b>Other Adjustments</b>	<b>Closing Balance</b>
1 Third Stage	185.680	62.260	(168.069)	-	79.871
2 First and Second Stage	146.666	427.257	-	-	573.923

**Risk involved in counter-cyclical capital buffer calculation**

<b>Current Period</b>		<b>Private sector loans in banking books</b>	<b>Risk weighted amount calculated within trading book</b>	<b>Total</b>
<b>Country where risk is ultimately taken</b>				
Türkey		66.004.439	3.726.558	69.730.997
United Arab Emirates		648.056	-	648.056
Marshall Islands		957.360	-	957.360
Other Countries		132.219	-	132.219
<b>Prior Period</b>		<b>Private sector loans in banking books</b>	<b>Risk weighted amount calculated within trading book</b>	<b>Total</b>
<b>Country where risk is ultimately taken</b>				
Türkey		53.721.937	1.106.031	54.827.968
United Arab Emirates		11.697	-	11.697
Marshall Islands		1.169.125	-	1.169.125
Other Countries		57.985	-	57.985

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**Information on financial structure and risk management (Continued)****III. Explanations on currency risk:**

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

a) The Bank is exposed to currency risks as a market risk and pay attention to keep at a minimum level by avoiding keeping any positions. The Bank calculates the Value at Risk for the foreign currency position on a daily basis. All foreign currency assets, liabilities and foreign currency forward transactions are taken into consideration while capital requirement to be employed for foreign currency risk is calculated. Standard Method used in legal reporting and value at market risk is calculated on a monthly basis.

b) The Bank does not have any derivative financial instruments held for hedging purposes.

c) TL resources are used in TL and foreign currency resources are used in related currencies without causing any currency inconsistency in the use of loans. Due to uncertainty and volatility that may arise in the markets, foreign currency position limit that can be formed for strategic purposes is limited and monitored.

d) Foreign exchange buying rates of the last five working days before the balance sheet date as publicly announced by the Bank are as follows:

	USD	EUR
As of December 31, 2023 - Balance sheet evaluation rate	29,5461	32,6795
As of December 29, 2023	29,5461	32,6795
As of December 28, 2023	29,4473	32,9332
As of December 27, 2023	29,2104	32,1384
As of December 26, 2023	29,2084	32,1719
As of December 25, 2023	29,2084	32,1779

e) The simple arithmetical average of the major foreign exchange buying rates of the Bank for the thirty days before the balance sheet date is full TL 29,1176 for 1 USD (December 2022: full TL 18,6587), full TL 31,8008 for 1 Euro (December 2022: full TL 19,7536). The Bank is mainly exposed to USD and Euro currency risks.



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**Information on financial structure and risk management (Continued)****III. Explanations on currency risk (Continued):****Information on the Bank's Currency Risk**

	EURO	USD	Other FC	Total
<b>Current Period</b>				
<b>Assets</b>				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey <sup>(1)</sup>	14.730.022	37919.304	192.741	52.842.067
Banks <sup>(2)</sup>	678.636	857.288	12.299.590	13.835.514
Financial assets at fair value through profit and loss	130.929	573.338	1.344.625	2.048.892
Money market placements	-	-	-	-
Financial Assets Valued At Fair Value Through Profit And Loss	1.017.694	3.320.131	-	4.337.825
Loans and financial lease receivable <sup>(3)</sup>	8.583.321	13.230.941	-	21.814.262
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	7099.147	-	-	7099.147
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets <sup>(4)</sup>	2.351	8.249	905	11.505
<b>Total Assets</b>	<b>32.242.100</b>	<b>55.909.251</b>	<b>13.837.861</b>	<b>101.989.212</b>
<b>Liabilities</b>				
Current account and funds collected from banks via participation accounts	73.921	528.851	171.703	774.475
Other current and profit sharing accounts	24.196.152	58.046.786	10.480.272	92.723.210
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	8.049.291	34.142	-	8.083.433
Marketable securities issued	-	-	-	-
Miscellaneous payables	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities <sup>(5)</sup>	390.099	439.290	1.838.604	2.667.993
<b>Total liabilities</b>	<b>32.709.463</b>	<b>59,049.069</b>	<b>12.490.579</b>	<b>104.249.111</b>
<b>Net balance sheet position</b>	<b>(467.363)</b>	<b>(3.139.818)</b>	<b>1.347.282</b>	<b>(2.259.899)</b>
<b>Net balance sheet position</b>	<b>575.485</b>	<b>3.297.563</b>	<b>(1.368.325)</b>	<b>2.504.723</b>
Derivative financial instruments assets	747.873	6.371.091	1.082.092	8.201.056
Derivative financial instruments liabilities	172.388	3.073.528	2.450.417	5.696.333
Non-cash loans	1.830.598	2.563.907	56.173	4.450.678
Prior Period				
Total assets	17484.857	27908.585	3.844.911	49.238.353
Total liabilities	13.944.860	32.247.958	3.523.416	49.716.234
<b>Net balance sheet position</b>	<b>3.539.997</b>	<b>(4.339.373)</b>	<b>321.495</b>	<b>(477.881)</b>
<b>Net off balance sheet position</b>	<b>(3.555.105)</b>	<b>4.308.704</b>	<b>(319.605)</b>	<b>433.994</b>
Derivative financial instruments assets	847.434	5.724.853	492.479	7.064.766
Derivative financial instruments liabilities	4.402.539	1.416.149	812.084	6.630.772
Non-cash loans	1.368.835	1.921.118	16.698	3.306.651

<sup>(1)</sup> Expected loss provisions of 48.446 TL allocated for Cash Values and the Central Bank and 20939 TL allocated for Banks are not included in the exchange rate risk calculation.<sup>(2)</sup> The currency risk calculation excludes an expected loss provision of TL 14.9984 for loans and financial lease receivables.<sup>(3)</sup> Derivative financial assets are included in other assets.<sup>(4)</sup> Provisions and Shareholders' Equity are shown under other liabilities.

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**Information on financial structure and risk management (Continued)****III. Explanations on currency risk (Continued):****Explanations regarding stock position risk arising from banking accounts**

None (December 31, 2022: None)

**IV. Explanations on liquidity risk:**

Liquidity Risk is managed by Asset and Liability Committee ("ALCO") in line with risk management policies and risk appetite approved by the Board of Directors in order to take the necessary measures in a timely and correct manner against possible liquidity shortages that may result from market conditions and balance sheet structure of the Bank.

The Board of Directors reviews the liquidity risk management strategy, policy and practices and approves the liquidity strategy and policies within the framework of risk management strategy and policies, ensures the effective of practice of policies and integrations with Bank's risk management strategy. The Board of Directors determines the basic metrics in liquidity risk measurement and monitoring.

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

The liquidity structure is evaluated in the framework of ALCO decisions for liquidity management and a placement strategy is developed. Liquidity risk management strategy is determined by considering both normal economic conditions and stress conditions.

Risk Management Presidency, liquidity risk; periodically reports to the relevant unit, the relevant committee and the senior management with the methods of measurement of liquidity risk in compliance with the standards. It manages liquidity risk in accordance with the Bank's portfolio, strategic plans and policies and legal limits, and informs and coordinates the relevant parties on time. In accordance with the market conditions and the Bank's structure, the relevant liquidity risk measurement methods establish, assumptions and parameters used in liquidity risk analyzes are reviewed. Liquidity risk analyzes and important liquidity indicators are regularly reported to senior management. In the stress conditions are carried out in the framework of "Emergency Funding Plan".

The Bank's high level management to determine management strategies for liquidity risk;

- follows obligations arising from domestic and foreign currencies,
- determine the concentration risks of placements,
- actively follows funding sources,
- consider the portfolio diversity,
- follow up the fund flows related to assets and liabilities depending on the maturities.

Market conditions are continuously follow and access problems for the bank's fund requirements are analyzed and the impact of sudden changes in fund sources is evaluated. Liquidity adequacy is measured by applying stress test to the factors affecting liquidity. Liquidity Risk Stress Test analyzes the compliance of the Bank's cash flow capacity to the cash flow capacity within the framework of the specified scenarios. The scenarios needed for stress tests are based on the changing balance sheet structure. The results are taken into consideration in determining the policies related to liquidity risk and in the preparation of an emergency action plan.

For the purpose of reducing the liquidity risk that the Bank may be exposed to compliance with the strategies implemented (monitoring of concentration, diversification of funding sources, high quality liquid assets, etc.) is monitored effectively by the senior management of the Bank taking into account legal and prudential limits. For non-mitigation risks, acceptance of the current risk level, reducing or terminating the risk-causing activity are evaluated.

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**Information on financial structure and risk management (Continued)****IV. Explanations on liquidity risk (Continued):****Liquidity Coverage Ratio:**

Current Period	Rate of "Percentage to be taken into account " not Implemented Total value <sup>(1)</sup>		Rate of "Percentage to be taken into account " Implemented Total value <sup>(1)</sup>		
	TL+FC	FC	TL+FC	FC	
<b>1</b>			<b>75.297.535</b>	<b>55.105.123</b>	
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>					
<b>HIGH QUALITY LIQUID ASSETS</b>					
<b>CASH OUTFLOWS</b>					
2	Retail and Small Business Funds Collected	35.459.748	29.504.308	3.503.855	2.950.431
3	Stable Funds Collected	84.240.2	-	42.120	-
4	Less stable Funds Collected	34.617.346	29.504.308	3.461.735	2.950.431
5	Unsecured Funding other than Retail and Small Business	62.359.481	55.332.483	26.923.191	22.628.418
6	Customers Deposits	-	-	-	-
7	Operational Funds Collected	61.557.980	55.269.466	26.121.690	22.565.401
8	Non-Operational Funds Collected	801.501	63.017	801.501	63.017
9	Secured Funding	-	-	-	-
10	Other Cash Outflows	8.672.244	4.814.675	8.672.244	4.814.675
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	6.832.228	4.814.675	6.832.228	4.814.675
12	Debts related to the structured financial products	1.840.016	-	1.840.016	-
13	Commitment related to the structured financial markets and other off balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	25.576.887	5.021.127	9.250.992	481.350
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>			<b>48.350.282</b>	<b>30.874.874</b>
<b>CASH INFLOWS</b>					
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	33.461.745	18.045.946	29.110.813	17.124.386
19	Other contractual cash inflows	6.890.985	6.286.784	6.890.985	6.286.784
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>40.352.730</b>	<b>24.332.730</b>	<b>36.001.798</b>	<b>23.411.170</b>
			<b>Upper limit applied amounts</b>		
<b>21</b>	<b>TOTAL HQLA</b>			<b>75.297.535</b>	<b>55.105.123</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>			<b>12.348.484</b>	<b>7.718.719</b>
<b>23</b>	<b>Liquidity Coverage Ratio (%)</b>			<b>609,77</b>	<b>713,92</b>

<sup>(1)</sup> It is the average of the liquidity coverage ratio calculated by taking the simpleweekly arithmetic average for the last three months.

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

**Liquidity Coverage Ratio (%)**

	Current Period – 31.12.2023	
	TL+FC	FC
Lowest (%)	364,70	364,70
Month	December 29, 2023	December 29, 2023
Highest (%)	725,97	725,97
Month	October 27, 2023	October 27, 2023
Average	<b>577,99</b>	<b>656,05</b>

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Prior Period	Rate of "Percentage to be taken into account " not Implemented Total value" <sup>(*)</sup>		Rate of "Percentage to be taken into account " Implemented Total value" <sup>(*)</sup>	
	TL+FC	FC	TL+FC	FC
<b>1</b> HIGH QUALITY LIQUID ASSETS (HQLA)			<b>49.255.131</b>	<b>37.802.121</b>
1 HIGH QUALITY LIQUID ASSETS				
<b>2</b> CASH OUTFLOWS				
Retail and Small Business Funds Collected	21.168.971	18.329.076	2.091.230	1.832.908
3 Stable Funds Collected	513.336	-	25.667	-
4 Less stable Funds Collected	20.655.635	18.329.076	2.065.563	1.832.908
5 Unsecured Funding other than Retail and Small Business	4.244.244	38.409.896	18.105.933	15.703.203
6 Customers Deposits	-	-	-	-
7 Operational Funds Collected	4.199.231	38.362.259	17.656.722	15.655.566
8 Non-Operational Funds Collected	449.211	47.637	449.211	47.637
9 Secured Funding	-	-	-	-
10 Other Cash Outflows	9.752.822	4.242.376	9.752.822	4.242.376
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	8.801.150	4.242.376	8.801.150	4.242.376
12 Debts related to the structured financial products	951.672	-	951.672	-
13 Commitment related to the structured financial markets and other off balance sheet liabilities	-	-	-	-
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	14.086.455	3.532.269	4.232.041	331.857
<b>16 TOTAL CASH OUTFLOWS</b>			<b>34.182.026</b>	<b>22.110.344</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	20.616.866	13.917.043	18.485.976	13.269.279
19 Other contractual cash inflows	8.797.670	8.037.641	8.797.670	8.037.641
<b>20 TOTAL CASH INFLOWS</b>	<b>29.414.536</b>	<b>21.954.684</b>	<b>27.283.646</b>	<b>21.306.920</b>
			<b>Upper limit applied amounts</b>	
<b>21 TOTAL HQLA</b>			<b>49.255.131</b>	<b>37.802.121</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>8.545.507</b>	<b>5.527.586</b>
<b>23 Liquidity Coverage Ratio (%)</b>			<b>576,39</b>	<b>683,88</b>

(\*) It is the average of the liquidity coverage ratio calculated by taking the simple monthly arithmetic average for the last three months.

Liquidity Coverage Ratio (%)	Prior Period – 31.12.2022	
	TL+FC	FC
Lowest (%)	428,87	524,40
Month	October, 2022	October, 2022
Highest (%)	493,47	695,05
Month	November, 2022	November, 2022
<b>Average</b>	<b>458,96</b>	<b>606,64</b>

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### Information on financial structure and risk management (Continued)

#### IV. Explanations on liquidity risk (Continued):

Liquidity coverage ratio is calculated by comparing the high quality liquid assets owned by the Bank to net cash outflow in 30 days maturity. Balance sheet accounts that are significant on the ratio can be listed as reserve requirements maintained at CBRT, banks receivables and funds collected. The effect of these accounts on the liquidity coverage ratio is higher than other accounts, since these accounts have a higher share in liquid assets and net cash outflows.

High quality liquid assets consist of cash, deposits in central banks and securities considered as high quality liquid assets. Reserve deposits are included in high quality liquid assets, limited by the amount that is allowed by central bank to use in liquidity shortages.

The Bank's high quality liquid assets are composed of 3,46% cash, 71,49% deposits in central banks and 25,05% securities considered as high quality liquid assets.

The Bank's main funding sources are funds collected, funds borrowed, borrowings from money market and subordinated loans. Funding source composition in report date is 89,24% funds collected, 4,17% subordinated debt instruments and 6,59% funds borrowed.

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**Information on financial structure and risk management (Continued)****IV. Explanations on liquidity risk (Continued):****Presentation of assets and liabilities according to their remaining maturities:**

	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated	Total
<b>Current Period</b>								
<b>Assets</b>								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey <sup>(1)</sup>	39.337.987	30.905.849	-	-	-	-	-	70.243.836
Banks <sup>(2)</sup>	13.877.892	-	-	-	-	-	-	13.877.892
Financial Assets at Fair Value Through Profit and Loss	-	904.964	818.123	683.139	695.882	149.204	-	3.251.312
Money Market Placements	-	-	-	-	-	-	-	-
Financial assets valued at fair value through other comprehensive income	-	-	1.006.679	907.744	9.064.318	1.140.177	7.659	12.126.577
Loans	-	8.751.963	9.427.018	36.519.484	9.327.442	3.656.379	242.876	67.925.162
Financial assets valued at amortised cost	-	-	-	6.507.119	6.044.924	4.095.114	-	16.647.157
Other Assets <sup>(3)</sup>	-	-	-	-	-	-	5.408.975	5.408.975
<b>Total Assets</b>	<b>53.215.879</b>	<b>40.562.776</b>	<b>11.251.820</b>	<b>44.617.486</b>	<b>25.132.566</b>	<b>9.040.874</b>	<b>5.659.510</b>	<b>189.480.911</b>
<b>Liabilities</b>								
Current account and funds collected from banks via participation accounts	3.136.981	102.456	14.091.133	-	-	-	-	4.648.570
Other current and profit sharing accounts	8.776.228	39.183.258	14.653.965	4.997.426	237.471	-	-	146.848.348
Funds provided from other financial institutions and subordinated loans	-	2.958.843	4.423.529	3.155.899	641.531	-	7.078.467	18.258.269
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Other liabilities <sup>(4)</sup>	-	3.270.710	-	-	-	-	15.856.629	19.127.339
<b>Total Liabilities</b>	<b>90.913.209</b>	<b>45.515.267</b>	<b>20.486.627</b>	<b>8.153.325</b>	<b>879.002</b>	<b>-</b>	<b>22.935.096</b>	<b>188.882.526</b>
<b>Liquidity Gap</b>	<b>(37.697.330)</b>	<b>(4.952.491)</b>	<b>(9.234.807)</b>	<b>36.464.161</b>	<b>24.253.564</b>	<b>9.040.874</b>	<b>(17.275.586)</b>	<b>598.385</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>(285)</b>	<b>(232.726)</b>	<b>817</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(232.194)</b>
Financial Derivative Assets	1.329.288	4.024.789	62.235	-	-	-	5.416.312	1.329.288
Financial Derivative Liabilities	1.329.573	4.257.515	61.418	-	-	-	5.648.506	1.329.573
<b>Non-cash Loans</b>	<b>4.61.967</b>	<b>1.182.872</b>	<b>6.822.917</b>	<b>4.725.789</b>	<b>1.659.48</b>	<b>5.919.739</b>	<b>19.279.232</b>	<b>4.61.967</b>
<b>Prior Period</b>								
Total Assets	17.223.401	18.677.995	7.006.179	18.691.905	30.432.739	5.562.363	2.632.353	100.226.935
Total Liabilities	44.490.798	23.125.353	11.884.199	6.434.919	1.349.078	-	12.942.588	100.226.935
<b>Liquidity Gap</b>	<b>(27.267.397)</b>	<b>(4.447.358)</b>	<b>(4.878.020)</b>	<b>12.256.986</b>	<b>29.083.661</b>	<b>5.562.363</b>	<b>(10.310.235)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>(7.959)</b>	<b>128</b>	<b>744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7.087)</b>
Financial Derivative Assets	-	4.943.606	60.879	107.522	-	-	-	5.112.007
Financial Derivative Liabilities	-	4.951.565	60.751	106.778	-	-	-	5.119.094
<b>Non-cash Loans</b>	<b>-</b>	<b>298.864</b>	<b>959.878</b>	<b>3.880.727</b>	<b>1.615.240</b>	<b>21.397</b>	<b>3.069.165</b>	<b>9.845.271</b>

<sup>(1)</sup> Expected loss provision of 55.160 TL allocated for Cash Values and the Central Bank and 21.001 TL allocated for Banks are not included in the exchange rate risk calculation.<sup>(2)</sup> Expected loss provision of 522.224 TL allocated for loans and financial leasing receivables is not included in the exchange rate risk calculation.<sup>(3)</sup> Other undistributable assets column consists of assets held for sale, partnership investments, tangible and intangible assets, current and deferred tax assets, derivative financial assets and other assets.<sup>(4)</sup> Other undistributable assets column consists of assets held for sale, partnership investments, tangible and intangible assets, current and deferred tax assets, derivative financial assets and other assets.

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**Information on financial structure and risk management (Continued)****V. Explanations on leverage ratio:**

As of December 31, 2023, leverage ratio of the Bank calculated from the arithmetic average of the last 3 months is 6,58%. (December 31, 2022: 6,49%) Leverage ratio is required to remain minimum 3% as per "Communiqué on Measurement and Evaluation for Leverage Ratios of Banks".

	Current Period December 31, 2023 <sup>(1)</sup>	Prior Period December 31, 2022 <sup>(1)</sup>
<b>Balance sheet assets</b>		
1	180.715.357	107.854.252
2	(377.283)	(163.498)
3	180.338.074	107.690.754
<b>Derivative financial assets and credit derivatives</b>		
4	-	-
5	259.012	112.984
6	259.012	112.984
<b>Financing transactions secured by marketable security or commodity</b>		
7	15.949.481	10.030.149
8	-	-
9	15.949.481	10.030.149
<b>Off-balance sheet transactions</b>		
10	37.707.582	20.891.725
11	-	-
12	37.707.582	20.891.725
<b>Capital and total risk</b>		
13	15.421.014	9.004.727
14	234.254.149	138.725.612
<b>Leverage ratio</b>		
15	6,58	6,49

<sup>(1)</sup> Amounts in the table show quarterly averages.



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**Information on financial structure and risk management (Continued)****VI. Explanations regarding the presentation of financial assets and liabilities at fair value****a. Information on the fair value of financial assets and liabilities**

	Book Value		Fair Value	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<b>Financial Assets</b>				
Due from Interbank Money Market	-	-	-	-
Banks	13.877.892	4.887.831	13.877.892	4.887.831
Financial Assets at Fair Value through Profit or Loss	3.251.312	2.217.961	3.251.312	2.217.961
Financial Assets at Fair Value Through Other Comprehensive Income	12.126.577	10.441.385	12.126.577	10.441.385
Financial Assets Valued Over Amortized Cost	16.692.053	10.440.441	17.622.009	10.440.441
Loans and financial lease receivables	6.792.516	44.292.621	71.712.537	53.760.934
Funds collected from banks through current accounts and participation accounts	4.648.570	302.929	4.648.570	581.502
Other current accounts and participation accounts	146.848.348	78.920.936	146.848.348	26.211.847
Funds from other financial institutions	18.258.269	7.153.053	19.171.444	4.566.889
Debts to Money Markets	-	-	-	-
Other Liabilities	3.012.947	1.009.560	3.012.947	4.295.45

**b. Information on fair value measurements recognized in the financial statements**

According to TFRS 7 "Financial Instruments: Explanations" Standard, the accounts recognized with the fair value in the balance sheet should be presented and classified sequentially in the related footnotes.

- a.** At level one, the financial instruments whose fair values are determined with the recorded prices in the active markets for the assets and liabilities with identical fair values,
- b.** At level two, the financial instruments whose fair value is based on the directly or indirectly observable market indicators,

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**Information on financial structure and risk management (Continued)****VI. Explanations regarding the presentation of financial assets and liabilities at fair value (Continued):**

c. At level three; the financial instruments whose fair value is not based on the directly or indirectly observable market indicators are considered.

The financial instruments which are recognized with their fair values at the Bank's balance sheet, are presented with respect to such basis of classification in the table below:

<b>Current Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
<b>Financial Assets at Fair Value Through Profit or (Loss)</b>	<b>1.697.936</b>	<b>1.553.376</b>	-	<b>3.251.312</b>
Government Debt Securities	1.476.974	542.207	-	2.019.181
Share Certificates	-	-	-	-
Other financial assets	220.962	1.011.169	-	1.232.131
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>8.077.356</b>	<b>4.049.221</b>	-	<b>12.126.577</b>
Equity Securities (*)	8.077.356	4.041.562	-	12.118.918
Government Debt Securities	-	-	-	7.659
Other financial assets	-	-	-	-
<b>Derivative Financial Assets</b>	<b>4.004</b>	-	-	<b>4.004</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	27.199	-	-	27.199

(\*)The financial assets whose fair value difference is reflected in other comprehensive income, the realization price has been reflected in the financial statements for the securities worth 7.659 TL not being traded in an active market, and the related securities are not shown in this table.

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## Information on financial structure and risk management (Continued)

## VI. Explanations regarding the presentation of financial assets and liabilities at fair value (Continued):

Prior Period	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Assets at Fair Value Through Profit or (Loss)</b>	<b>1.036.560</b>	<b>1.181.401</b>	-	<b>2.217.961</b>
Government Debt Securities	803.429	141.530	-	944.959
Share Certificates	-	-	-	-
Other financial assets	233.131	1.039.871	-	1.273.002
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>7.916.625</b>	<b>2.517.101</b>	-	<b>10.433.726</b>
Equity Securities	-	-	-	-
Government Debt Securities	7.916.625	2.517.101	-	10.433.726
Other financial assets	-	-	-	-
<b>Derivative Financial Assets</b>	<b>17.597</b>	-	-	<b>17.597</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	13.797	-	-	13.797

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**Information on financial structure and risk management (Continued)****VII. Explanations Regarding the Activities Carried Out on Behalf and Account of Other Persons**

The bank does not provide buying, selling, custody or fund management services on behalf of its customers. The bank does not enter into fiduciary transaction agreements.

**VIII. Explanations regarding risk management**

Notes and explanations in this section have been prepared in accordance with the Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks that have been published in Official Gazette numbered 29511 on October 23, 2015 and became effective as of June 30, 2016. The tables related to 'Internal Rating-Based (IRB) Approach' are not presented due to the usage of standard approach for the calculation of capital adequacy.

**a. Risk management strategy and risk weighted amounts****a.1. Explanations on risk management**

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

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

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

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

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

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

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

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

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

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

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

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

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

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### Information on financial structure and risk management (Continued)

#### VIII. Explanations regarding risk management (Continued):

##### a. Risk management strategy and risk weighted amounts (Continued)

###### a.1. Explanations on risk management (Continued)

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

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

#### Market Risk

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

The Bank measures its market risks by using the standard method in accordance with the provisions of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks".

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

#### Liquidity risk

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

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

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

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

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

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

#### Credit risk

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

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**Information on financial structure and risk management (Continued)****VIII. Explanations regarding risk management (Continued):****Credit risk (Continued)**

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

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

**Operational risk**

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

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

The Bank classifies operational risks into five groups according to their sources: staff risks, technological risks, organizational risks, legal and compliance risks and external risks. The Bank also takes required measures to maintain operational risks at acceptable levels.

**Other risks**

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

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

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

In addition, the Bank's operations in accordance with the principles of participation banking are also considered as a component of the bank's specific reputation risk management.

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

Country risk is an expression of the likelihood that the bank will suffer a loss because debtors in another country fail to fulfill or avoid fulfilling their obligations owing to uncertainties in the economic, social, and/or political conditions of that country. The Bank enters into business relationships with foreign financial institutions and/or the agencies of foreign countries taking legal and regulatory restrictions, market conditions, and customer satisfaction into consideration and on the basis of feasibility studies that take the country's economic conditions into account.

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

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**Information on financial structure and risk management (Continued)****VIII. Explanations regarding risk management (Continued):****Other risks (Continued)****a.2 General overview of risk weighted amounts**

		Risk weighted assets		Minimum Capital Requirements
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	58.177.245	32.027.595	4.654.180
2	Of which standardised approach (SA)	58.177.245	32.027.595	4.654.180
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	27.689	28.930	2.215
5	Of which standardised approach for counterparty credit risk (SA-CCR)	27.689	28.930	2.215
6	Of which internal model method (IMM)	-	-	-
7	Equity positions in banking book under market-based approach	-	-	-
8	Equity investments in funds – look-through approach	-	-	-
9	Equity investments in funds – mandate-based approach	-	-	-
10	Equity investments in funds – fall-back approach (1250% risk weight)	-	-	-
11	Settlement risk	-	-	-
12	Securitisation exposures in banking book	-	-	-
13	Of which IRB ratings-based approach (RBA)	-	-	-
14	Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15	Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	3.726.558	1.106.031	298.125
17	Of which standardised approach (SA)	3.726.558	1.106.031	298.125
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	4.708.826	984.141	376.706
20	Of which Basic Indicator Approach	4.708.826	984.141	376.706
21	Of which Standardised Approach	-	-	-
22	Of which Advanced Measurement Approach	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
<b>25</b>	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>66.640.318</b>	<b>34.146.697</b>	<b>5.331.226</b>



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**Information on financial structure and risk management (Continued)****VIII. Explanations regarding risk management (Continued):****b. Financial statements and regulatory exposures reconciliation****b.1. Differences and matching between accounting-related consolidation and legal consolidation**

Current Period	Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)	Carrying values of items in accordance with Turkish Accounting Standards (TAS)					Not subject to capital requirements or deducted from capital
		Subject to credit risk	Subject to counterparty credit risk	Securitized positions	Subject to market risk <sup>(1)</sup>		
<b>Assets</b>							
Cash and balances at central bank	70.243.836	70.243.836	-	-	-	-	-
Banks	13.877.892	13.877.892	-	-	-	-	-
Receivables from Money markets	-	-	-	-	-	-	-
Expected Loss Provisions (-)	76.161	-	-	-	-	-	76.161
Financial assets at fair value through profit or Loss	3.251.312	-	-	-	3.251.312	-	-
Financial assets at fair value through other comprehensive income	12.126.577	12.126.577	-	-	-	-	-
Derivative financial assets	4.004	-	4.004	-	4.004	-	-
Loans	67.542.336	67.542.336	-	-	-	-	3.440
Leasing receivables	382.826	382.826	-	-	-	-	-
Financial assets measured at amortized cost	16.692.053	16.692.053	-	-	-	-	-
Expected loss provisions	567.120	183.087	-	-	-	-	460.868
Assets held for sale and discontinued operations (net)	8.283	8.283	-	-	-	-	-
Partnership investments	22.600	22.600	-	-	-	-	-
Tangible fixed asset (net)	922.856	803.530	-	-	-	-	119.326
Intangible asset (net)	250.364	-	-	-	-	-	250.364
Investment properties (net)	-	-	-	-	-	-	-
Current tax asset	-	-	-	-	-	-	-
Deferred tax assets	1.713.189	1.713.189	-	-	-	-	-
Other assets	2.487.679	2.487.679	-	-	-	-	-
<b>Total Assets</b>	<b>188.882.526</b>	<b>185.717.714</b>	<b>4.004</b>	<b>-</b>	<b>3.255.316</b>	<b>(163.899)</b>	
<b>Liabilities</b>							
Funds collected	151.496.918	-	-	-	-	-	-
Funds borrowed	11.179.802	-	-	-	-	-	-
Debt to Money markets	-	-	-	-	-	-	-
Debt securities in issue	-	-	-	-	-	-	-
Financial liabilities at fair value through profit and loss	-	-	-	-	-	-	-
Derivative financial liabilities	27.199	-	-	-	27.199	-	-
Liabilities from leases	507.319	-	-	-	-	-	-
Provisions	3.829.617	1.175	-	-	-	-	-
Current tax liability	1.336.476	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-	-
Non-current assets held for sale and discontinued operations (net)	-	-	-	-	-	-	-
Subordinated debt	7.078.467	-	-	-	-	-	-
Other liabilities	3.012.947	-	-	-	-	-	-
Equity	10.413.781	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>188.882.526</b>	<b>1.175</b>	<b>-</b>	<b>-</b>	<b>27.199</b>	<b>-</b>	

<sup>(1)</sup> Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.

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**Information on financial structure and risk management (Continued)****VIII. Explanations regarding risk management (Continued):****b. Financial statements and regulatory exposures reconciliation (Continued)****b.1. Differences and matching between accounting-related consolidation and legal consolidation (Continued)**

Prior Period	Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)	Carrying values of items in accordance with Turkish Accounting Standards (TAS)				Not subject to capital requirements or deducted from capital
		Subject to credit risk	Subject to counterparty credit risk	Securatization positions	Subject to market risk <sup>(*)</sup>	
<b>Assets</b>						
Cash and balances at central bank	26.082.280	26.082.580	-	-	-	-
Banks	4.853.496	4.853.496	-	-	-	-
Receivables from Money markets	-	-	-	-	-	-
Expected Loss Provisions (-)	43.071	43.071	-	-	-	-
Financial assets at fair value through profit or Loss	2.217.961	-	-	-	2.217.961	-
Financial assets at fair value through other comprehensive income	10.441.385	10.441.385	-	-	-	-
Derivative financial assets	17.597	-	17.597	-	17.597	-
Loans	43.806.339	43.806.339	-	-	-	-
Leasing receivables	486.282	486.282	-	-	-	-
Financial assets measured at amortized cost	10.440.441	10.440.441	-	-	-	-
Expected loss provisions	653.794	653.794	-	-	-	-
Assets held for sale and discontinued operations (net)	5.242	5.242	-	-	-	-
Partnership investments	100	100	-	-	-	-
Tangible fixed asset (net)	432.288	432.288	-	-	-	-
Intangible asset (net)	100.413	100.413	-	-	-	100.413
Investment properties (net)	-	-	-	-	-	-
Current tax asset	-	-	-	-	-	-
Deffered tax assets	663.317	663.317	-	-	-	-
Other assets	1.376.359	1.376.359	-	-	-	122.297
<b>Total Assets</b>	<b>100.226.935</b>	<b>97.991.377</b>	<b>17.597</b>	<b>-</b>	<b>2.235.558</b>	<b>222.710</b>
<b>Liabilities</b>						
Funds collected	79.170.901	-	-	-	-	-
Funds borrowed	7.153.053	-	-	-	-	-
Debt to Money markets	-	-	-	-	-	-
Debt securities in issue	-	-	-	-	-	-
Financial liabilities at fair value through profit and loss	-	-	-	-	-	-
Derivative financial liabilities	13.797	-	13.797	-	13.797	-
Liabilities from leases	278.248	-	-	-	-	-
Provisions	1.045.704	-	-	-	-	-
Current tax liability	1.368.458	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
Non-current assets held for sale and discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	4.110.376	-	-	-	-	-
Other liabilities	1.062.524	-	-	-	-	-
Equity	6.023.874	-	-	-	-	-
<b>Total Liabilities</b>	<b>100.226.935</b>	<b>-</b>	<b>13.797</b>	<b>-</b>	<b>13.797</b>	<b>-</b>

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

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**Information on financial structure and risk management (Continued)****VIII. Explanations regarding risk management (Continued):****b. Financial statements and regulatory exposures reconciliation (Continued):****b.2. Main reasons of the differences between the risk amounts and Carrying Value in accordance with Turkish Accounting Standards (TAS)**

	<b>Current Period</b>	<b>Total</b>	<b>Subject to credit risk</b>	<b>Securitisation position</b>	<b>Subject to counterparty credit risk</b>	<b>Subject to market risk <sup>(1)</sup></b>
1	Carrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	188.882.526	185.717.714	-	4.004	3.255.316
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	1.175	1.175	-	-	-
<b>3</b>	<b>Total net amount within the scope of legal consolidation</b>	<b>188.881.351</b>	<b>185.716.539</b>	<b>-</b>	<b>4.004</b>	<b>3.255.316</b>
4	Off balance sheet amounts	494.96.885	29.329.605	-	23.685	-
5	Repo and similar transactions (**)	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	(76.037.682)	-	-	-
<b>10</b>	<b>Risk amounts</b>	<b>238.380.586</b>	<b>139.010.812</b>	<b>-</b>	<b>27.689</b>	<b>3.255.316</b>

<sup>(1)</sup> Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.<sup>(\*\*)</sup> In accordance with "Regulation on Measurement and Assessment of Capital Adequacy of Banks", it is counterparty credit risk amount calculated for repurchase agreements and similar transactions.

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**Information on financial structure and risk management (Continued)****VIII. Explanations regarding risk management (Continued):****b. Financial statements and regulatory exposures reconciliation (Continued):****b.2. Main reasons of the differences between the risk amounts and Carrying Value in accordance with Turkish Accounting Standards (TAS) (Continued):**

	<b>Prior Period</b>	<b>Total</b>	<b>Subject to credit risk</b>	<b>Securitisation position</b>	<b>Subject to counterparty credit risk</b>	<b>Subject to market risk <sup>(1)</sup></b>
1	Carrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	100.226.935	97991.377	-	17597	2.235.558
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	13.797	-	-	13.797	13.797
<b>3</b>	<b>Total net amount within the scope of legal consolidation</b>	<b>100.213.138</b>	<b>97991.377</b>	<b>-</b>	<b>3.800</b>	<b>2.221.761</b>
4	Off balance sheet amounts	30.917.519	6.789.748	-	64.757	64.757
5	Repo and similar transactions <sup>(2)</sup>	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	(30.910.786)	-	-	-
<b>10</b>	<b>Risk amounts</b>	<b>131.130.657</b>	<b>73.870.339</b>	<b>-</b>	<b>68.557</b>	<b>2.286.518</b>

<sup>(1)</sup> Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.<sup>(2)</sup> In accordance with "Regulation on Measurement and Assessment of Capital Adequacy of Banks", it is counterparty credit risk amount calculated for repurchase agreements and similar transactions.**b.3. Explanations on differences between carrying values in accordance with Turkish Accounting Standards (TAS) and risk amounts:**

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

**c. Credit risk****c.1. General information on credit risk****c.1.1. General qualitative information on credit risk**

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

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## Information on financial structure and risk management (Continued)

## VIII. Explanations regarding risk management (Continued):

## c. Credit risk (Continued):

## c.1.2. Credit quality of assets:

Current Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/amortisation and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	242.876	67.682.288	522.224	674.02938
2 Debt securities	-	32.069942	132.392	31.937550
3 Off-balance sheet exposures	6.184	29.323421	131.301	29.198.304
<b>4 Total</b>	<b>249.060</b>	<b>129.075.651</b>	<b>785.917</b>	<b>128.538.792</b>

Prior Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/amortisation and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	93.376	44.292.621	410.484	43.975.513
2 Debt securities	-	23.099.787	94.510	23.005.277
3 Off-balance sheet exposures	28.711	9.816.560	84.428	9.760.843
<b>4 Total</b>	<b>122.087</b>	<b>77.208.968</b>	<b>589.422</b>	<b>76.741.633</b>

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

	Current Period	Prior Period
<b>1 Defaulted loans and debt securities at end of the previous reporting period</b>	<b>93.376</b>	<b>195.529</b>
2 Loans and debt securities that have defaulted since the last reporting period	454.068	74.049
3 Receivables back to non-defaulted status	-	-
4 Amounts written off	-	(168.069)
5 Other changes	(304.568)	(8.133)
<b>6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)</b>	<b>242.876</b>	<b>93.376</b>

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**Information on financial structure and risk management (Continued)****VIII. Explanations regarding risk management (Continued):****c. Credit risk (Continued)****c.1.4. Additional information on credit quality of assets**

The scope and definitions of past due receivables and the methods used by the bank to determine the provisions are mentioned in the Explanations on Credit risk. The Bank may restructure not only non-performing credits but also the first and the second stage credits. Restructuring for the first and the second stage credits are made to improve the customer's ability to repay the credit or for changes in contractual terms upon the customer request regardless of the customer's credit risk.

Restructuring for non-performing credits are made for providing collection possibility by establishing a new payment plan. Breakdowns for receivables in terms of sectors are mentioned in the footnote numbered II (Explanations on Credit Risk). Breakdowns according to the remaining maturity for past due receivables and in terms of geographic locations receivables that specific provisions are set are represented below.

There are no financial assets that are overdue but not impaired by class of financial instruments. (December 31 2022: None).

**Receivables that provisions are set in terms of geographical region**

<b>Current Period</b>	<b>Non-performing Loans<sup>(1)</sup></b>	<b>Specific Provision<sup>(1)</sup></b>
Domestic	242.876	183.087
Off-shore Banking Countries	-	-
Other Countries	-	-
<b>Grand Total</b>	<b>242.876</b>	<b>183.087</b>

<sup>(1)</sup> Represents amounts for cash loans.

<b>Prior Period</b>	<b>Non-performing Loans<sup>(1)</sup></b>	<b>Specific Provision<sup>(1)</sup></b>
Domestic	93.376	185.680
Off-shore Banking Countries	-	-
Other Countries	-	-
<b>Grand Total</b>	<b>93.376</b>	<b>185.680</b>

<sup>(1)</sup> Represents amounts for cash loans.

**c.2. Credit risk mitigation****c.2.1. Qualitative disclosure on credit risk mitigation techniques**

On and off balance sheet offsetting agreements are not utilized. The risk mitigators that are used in credit process in compliance with Communiqué "The Risk Mitigation Techniques" which is published at December 6, 2014 are stated below:

a) Financial Collaterals (Treasury Bills, Government Bonds, Cash, Deposit or Participation Fund Pledge, Gold, Stock Pledge)

b) Guarantees

The credibility of guarantors is monitored and evaluated within the framework of credit revision periods. Collaterals obtained by the Bank are reviewed and appraised in accordance with related legislation as long as the credit relationship is outstanding.

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**Information on financial structure and risk management (Continued)****VIII. Explanations regarding risk management (Continued):****c. Credit risk (Continued):****c.2.1. Qualitative disclosure on credit risk mitigation techniques (Continued)**

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

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

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

**c.2.2. Credit risk mitigation techniques**

<b>Current Period</b>		<b>Exposures unsecured: carrying amount as per TAS</b>	<b>Exposures secured by collateral</b>	<b>Collateralized amount of exposures secured by collatera</b>	<b>Exposures secured by financial guarantees</b>	<b>Collateralized amount of exposures secured by financial guarantees</b>	<b>Exposures secured by credit derivatives</b>	<b>Collateralized amount of exposures secured by credit derivatives</b>
1	Loans	59.674.449	7.728.489	2.731.872	683.695	674.345	-	-
2	Debt securities	31.937.550	-	-	-	-	-	-
<b>3</b>	<b>Total</b>	<b>91.611.999</b>	<b>7.728.489</b>	<b>2.731.872</b>	<b>683.695</b>	<b>674.345</b>	<b>-</b>	<b>-</b>
4	Of which defaulted	242.876	-	-	-	-	-	-
<b>Prior Period</b>		<b>Exposures unsecured: carrying amount as per TAS</b>	<b>Exposures secured by collateral</b>	<b>Collateralized amount of exposures secured by collatera</b>	<b>Exposures secured by financial guarantees</b>	<b>Collateralized amount of exposures secured by financial guarantees</b>	<b>Exposures secured by credit derivatives</b>	<b>Collateralized amount of exposures secured by credit derivatives</b>
1	Loans	59.245.007	5.725.731	3.099.977	5.150.797	2.501.983	-	-
2	Debt securities	23.099.787	-	-	-	-	-	-
<b>3</b>	<b>Total</b>	<b>82.344.794</b>	<b>5.725.731</b>	<b>3.099.977</b>	<b>5.150.797</b>	<b>2.501.983</b>	<b>-</b>	<b>-</b>
4	Of which defaulted	93.376	-	-	-	-	-	-

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**Information on financial structure and risk management (Continued)****VIII. Explanations regarding risk management (Continued):****c. Credit risk (Continued):****c.3. Credit risk under standardised approach****c.3.1. Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk**

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

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

Current Period	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Risk classes						
Receivables from central governments or central banks	76.371.917	-	76.392.704	590	-	-
Receivables from regional or local governments	94.283	532	-	266	-	0,00%
Receivables from administrative units and non-commercial enterprises	440.321	4.880	440.321	2.346	433.999	98,04%
Receivables from multilateral development banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and brokerage houses	64.119.40	-	6.655.330	-	1.990.427	29,91%
Receivables from corporates	20.169.210	18.958.926	20.003.308	9.105.319	27.131.195	93,21%
Retail receivables	5.726.788	7.722.348	5.722.796	3.240.271	6.499.063	72,51%
Receivables secured by mortgages on property	722.796	126.095	722.796	64.683	275.936	35,04%
Receivables secured by mortgages on commercial property	1.272.753	839.679	1.272.753	464.608	1.164.048	67,00%
Past due receivables	30.284	-	30.284	-	21.007	69,37%
Receivables defined in high risk category by BRSA	9.199.949	-	9.199.949	-	16.974.184	184,32%
Securities collateralized by mortgages	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-
Other receivables	5.692.488	-	5.692.488	-	3.687.386	64,78%
Equity share investments	-	-	-	-	-	-
<b>Total</b>	<b>126.132.729</b>	<b>27.652.460</b>	<b>126.132.729</b>	<b>12.878.083</b>	<b>58.177.245</b>	<b>41,84%</b>



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## Information on financial structure and risk management (Continued)

## VIII. Explanations regarding risk management (Continued):

## c. Credit risk (Continued):

## c.3. Credit risk under standardised approach (Continued):

## c.3.2. Credit risk exposure and credit risk mitigation techniques (Continued)

Prior Period	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance Sheet amount	RWA	RWA density
Receivables from central governments or central banks	37.311.333	-	37.348.816	272	-	-
Receivables from regional or local governments	241.494	14.532	73.501	8.797	40.287	48,95%
Receivables from administrative units and non-commercial enterprises	15.133	4.765	25.372	4.772	15.052	49,93%
Receivables from multilateral development banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and brokerage houses	6.997.303	-	7.227.877	-	2.297.744	31,79%
Receivables from corporates	15.574.635	11.795.506	15.479.760	5.604.036	24.872.261	117,97%
Retail receivables	2.245.737	1.948.396	2.230.534	995.769	2.280.653	70,69%
Receivables secured by mortgages on property	361.721	79.156	361.496	38.147	130.846	32,74%
Receivables secured by mortgages on commercial property	612.889	228.089	612.889	137.955	499.358	66,51%
Past due receivables	9.573	-	9.573	-	4.916	51,35%
Receivables defined in high risk category by BRSA	-	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-
Other receivables	3.710.773	-	3.710.773	-	1.885.946	50,82%
Equity share investments	-	-	-	-	-	-
<b>Total</b>	<b>67.080.591</b>	<b>14.070.444</b>	<b>67.080.591</b>	<b>6.789.748</b>	<b>32.027.063</b>	<b>43,36%</b>

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	<b>Risk Classes/Risk Weighted Current Period</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>35% secured by Property mortgage</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>Others</b>	<b>Total risk amount (post-CCF and CRM)</b>
<b>1</b>	Receivables from central governments or central banks	76.393.294	-	-	-	-	-	-	-	-	-	76.393.294
<b>2</b>	Receivables from regional or local governments	266	-	-	-	-	-	-	-	-	-	266
<b>3</b>	Receivables from administrative units and non-commercial enterprises	8.668	-	-	-	-	-	433.999	-	-	-	442.667
<b>4</b>	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
<b>5</b>	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
<b>6</b>	Receivables from banks and brokerage houses	-	-	5.369.047	-	739.331	-	546.952	-	-	-	6.655.330
<b>7</b>	Receivables from corporates	972.740	-	290.880	-	1.543.976	-	26.301.031	-	-	-	29.108.627
<b>8</b>	Retail receivables	226.511	-	97.007	-	-	8.639.549	-	-	-	-	8.963.067
<b>9</b>	Receivables secured by mortgages on property	-	-	-	785.356	2.123	-	-	-	-	-	787.479
<b>10</b>	Receivables secured by mortgages on commercial property	-	-	-	-	1.146.626	-	590.735	-	-	-	1.737.361
<b>11</b>	Past due receivables	-	-	-	-	18.553	-	11.731	-	-	-	30.284
<b>12</b>	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	3.308.878	5.820.551	87.686	9.199.949
<b>13</b>	Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-
<b>14</b>	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
<b>15</b>	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
<b>16</b>	Other receivables	-	-	-	-	-	-	-	-	-	-	-
<b>17</b>	Equity share investments	496.703	-	1.883.731	-	-	5.663	3.306.391	-	-	-	5.692.488
<b>18</b>	<b>Total</b>	<b>78.098.182</b>	<b>-</b>	<b>7.640.665</b>	<b>785.356</b>	<b>3.450.609</b>	<b>8.645.212</b>	<b>31.190.839</b>	<b>3.308.878</b>	<b>5.820.551</b>	<b>87.686</b>	<b>139.010.812</b>

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	<b>Risk Classes/Risk Weighted Prior Period</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>35% secured by Property mortgage</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>Others</b>	<b>Total risk amount (post-CCF and CRM)</b>
<b>1</b>	Receivables from central governments or central banks	37.349.088	-	-	-	-	-	-	-	-	-	37.349.088
<b>2</b>	Receivables from regional or local governments	1.723	-	-	-	80.575	-	-	-	-	-	82.298
<b>3</b>	Receivables from administrative units and non-commercial enterprises	15.092	-	-	-	-	-	15.052	-	-	-	30.144
<b>4</b>	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
<b>5</b>	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
<b>6</b>	Receivables from banks and brokerage houses	-	-	6.018.558	-	230.574	-	978.745	-	-	-	7.227.877
<b>7</b>	Receivables from corporates	599.375	-	320.331	-	1.194.463	-	13.782.919	-	5.168.499	18.209	21.083.796
<b>8</b>	Retail receivables	132.496	-	76.451	-	-	3.010.318	5.868	1.170	-	-	3.226.303
<b>9</b>	Receivables secured by mortgages on property	17.616	-	19.092	362.935	-	-	-	-	-	-	399.643
<b>10</b>	Receivables secured by mortgages on commercial property	-	-	-	-	502.972	-	247.872	-	-	-	750.844
<b>11</b>	Past due receivables	-	-	-	-	9.313	-	260	-	-	-	9.573
<b>12</b>	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
<b>13</b>	Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-
<b>14</b>	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
<b>15</b>	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
<b>16</b>	Other receivables	-	-	-	-	-	-	-	-	-	-	-
<b>17</b>	Equity share investments	1.095.695	-	911.415	-	-	-	1.703.663	-	-	-	3.710.773
<b>18</b>	<b>Total</b>	<b>39.211.085</b>	<b>-</b>	<b>7.345.847</b>	<b>362.935</b>	<b>2.017.897</b>	<b>3.010.318</b>	<b>16.734.379</b>	<b>1.170</b>	<b>5.168.499</b>	<b>18.209</b>	<b>73.870.339</b>

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**Information on financial structure and risk management (Continued)****VIII. Explanations regarding risk management (Continued)****d. Counterparty credit risk****d.1. Qualitative disclosure on counterparty credit risk**

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

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

**d.2. Counterparty credit risk (CCR) approach analysis**

	<b>Current Period</b>	<b>Replacement cost</b>	<b>Potential Future exposure</b>	<b>EEPE<sup>(1)</sup></b>	<b>Alpha used for computing regulatory exposure at default</b>	<b>EAD post-CRM</b>	<b>RWA</b>
1	Standardised Approach - CCR (for derivatives)	4.004	23.685		-	27.689	27.689
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
<b>6</b>	<b>Total</b>						<b>27.689</b>

<sup>(1)</sup> Effective Expected Positive Exposure

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**Information on financial structure and risk management (Continued)****VIII. Explanations regarding risk management (Continued)****d. Counterparty credit risk (Continued)****d.2. Counterparty credit risk (CCR) approach analysis (Continued)**

	Prior Period	Replacement cost	Potential Future exposure	EEPE <sup>(1)</sup>	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	17.320	64.757		-	114.908	28.929
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
<b>6</b>	<b>Total</b>						<b>28.929</b>

<sup>(1)</sup> Effective Expected Positive Exposure**d.3. Capital requirement for credit valuation adjustment (CVA)**

	Current Period		Prior Period	
	EAD post-CRM	RWA	EAD post-CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation	-	-	-	-
1 (i) VaR component (including the 3×multiplier)		-		-
2 (ii) Stressed VaR component (including the 3×multiplier)		-		-
3 All portfolios subject to the Standardised CVA capital obligation	27.689	27.689	114.908	28.929
<b>4 Total subject to the CVA capital obligation</b>	<b>27.689</b>	<b>27.689</b>	<b>114.908</b>	<b>28.929</b>

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## Information on financial structure and risk management (Continued)

## VIII. Explanations regarding risk management (Continued)

## d. Counterparty credit risk (Continued):

## d.4. CCR exposures by risk class and risk weights

Current Period										
Risk Classes	Risk Weighted	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure <sup>(*)</sup>
Receivables from central governments or central banks		-	-	-	-	-	-	-	-	-
Receivables from regional or local governments		-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises		-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks		-	-	-	-	-	-	-	-	-
Receivables from international organizations		-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses		-	-	-	-	-	27.689	-	-	27.689
Receivables from corporates		-	-	-	-	-	-	-	-	-
Retail receivables		-	-	-	-	-	-	-	-	-
Receivables secured by mortgages on property		-	-	-	-	-	-	-	-	-
Past due receivables		-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA		-	-	-	-	-	-	-	-	-
Securities collateralized by mortgages		-	-	-	-	-	-	-	-	-
Securitisation positions		-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates		-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds		-	-	-	-	-	-	-	-	-
Equity share investments		-	-	-	-	-	-	-	-	-
Other receivables		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	<b>27.689</b>	-	-	<b>27.689</b>

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

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**Information on financial structure and risk management (Continued)****VIII. Explanations regarding risk management (Continued)****d. Counterparty credit risk (Continued):****d.4. CCR exposures by risk class and risk weights (Continued)**

<b>Prior Period</b>	<b>Risk Weighted</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>Other</b>	<b>Total credit exposure<sup>(1)</sup></b>
Receivables from central governments or central banks		6.561	-	-	-	-	-	-	-	6.561
Receivables from regional or local governments		-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises		-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks		-	-	-	-	-	-	-	-	-
Receivables from international organizations		-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses		-	-	94.896	7.001	-	-	-	-	6.561
Receivables from corporates		-	-	-	-	-	6.450	-	-	6.561
Retail receivables		-	-	-	-	-	-	-	-	-
Receivables secured by mortgages on property		-	-	-	-	-	-	-	-	-
Past due receivables		-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA		-	-	-	-	-	-	-	-	-
Securities collateralized by mortgages		-	-	-	-	-	-	-	-	-
Securitisation positions		-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates		-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds		-	-	-	-	-	-	-	-	-
Equity share investments		-	-	-	-	-	-	-	-	-
Other receivables		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>6.561</b>	<b>-</b>	<b>94.896</b>	<b>7.001</b>	<b>-</b>	<b>6.450</b>	<b>-</b>	<b>-</b>	<b>114.908</b>

<sup>(1)</sup> Total credit risk represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.

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None (December 31, 2022:None).

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

None (December 31, 2022:None).

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

None (December 31, 2022:None).

**e. Information to be announced to public on Securitization**

None (December 31, 2022:None).

**f. Market risk****f.1. Qualitative disclosure on market risk**

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

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



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

**f.2. Market risk under standardised approach**

		Current Period RWA	Prior Period RWA
<b>Outright products</b>			
1	Profit rate risk (general and specific)	1.120.447	579.309
2	Equity share (general and specific)	-	-
3	Foreign exchange risk	2.199.503	259.477
4	Commodity risk	406.608	267.245
<b>Options</b>			
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
<b>9</b>	<b>Total</b>	<b>3.726.558</b>	<b>1.106.031</b>

**g. Operational risk**

Capital requirement for operational risk is calculated annually by using the Basic Indicator Method in accordance with Article 24 of the Regulation on the Measurement and Assessment of Capital Adequacy of Banks.

Current Period	2 PP Value	1 PP Tutar	CP Value	Total number of years for which gross income is positive	Rate (%)	Total
Gross Income	801.333	6.232.412	13.930.529	6.988.091	15	1.048.214
Amount subject to Operational Risk (Total*12,5)						
Current Period	2 PP Value	1 PP Tutar	CP Value	Total number of years for which gross income is positive	Rate (%)	Total
Gross Income	500.377	801.333	6.232.412	2.511.374	15	376.706
Amount subject to Operational Risk (Total*12,5)						

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**Information on financial structure and risk management (Continued)****VIII. Explanations regarding risk management (Continued)****h. Qualitative disclosure on profit rate risk arising from banking books****h.1. Important assumptions including the nature of profit rate risk arising from banking books and the early repayment of loans and movements in deposits other than time deposits with measurement frequency of the profit rate risk**

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

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

**h.2. Economic value differences arising from profit rate fluctuations in accordance with Regulation on Measurement and Assessment of Profit Rate Risk arising from Banking Books by Standard Shock Method****Current Period**

Currency	Applied Shock (+/-x basis point)	Gains/(Losses)	Gains/Equity (Losses/Equity) (%)
TRY	(+) 500bp	(376.964)	-2,38
TRY	(-) 400bp	342.087	2,16
USD Dolar	(+) 200bp	(63.222)	-0,40
USD Dolar	(-) 200bp	72.869	0,46
EUR	(+) 200bp	60.526	0,38
EUR	(-) 200bp	(66.314)	-0,42
<b>Total (For Negative Shocks)</b>	-	<b>348.642</b>	<b>2,20</b>
<b>Total (For Positive Shocks)</b>	-	<b>(379.660)</b>	<b>(2,40)</b>

**Prior Period**

Currency	Applied Shock (+/-x basis point)	Gains/(Losses)	Gains/Equity (Losses/Equity) (%)
TRY	(+) 500bp	(529967)	(5,55)
TRY	(-) 400bp	499974	5,23
USD Dolar	(+) 200bp	(49947)	(0,52)
USD Dolar	(-) 200bp	64.836	0,68
EUR	(+) 200bp	101.384	1,06
EUR	(-) 200bp	(107421)	(1,12)
<b>Total (For Negative Shocks)</b>	-	<b>457.389</b>	<b>4,79</b>
<b>Total (For Positive Shocks)</b>	-	<b>(478.530)</b>	<b>(5,01)</b>

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**Information on financial structure and risk management (Continued)****IX. Explanations regarding business segments**

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

<b>Current Period</b>	<b>Retail</b>	<b>Commercial and Corporate</b>	<b>Treasury</b>	<b>Undistributed</b>	<b>Total</b>
<b>Total Assets</b>	<b>4.205.570</b>	<b>62.693.608</b>	<b>11792897</b>	<b>4.054.378</b>	<b>188.882.526</b>
<b>Total Liabilities</b>	<b>65.817.628</b>	<b>113.821.225</b>	<b>7.190.680</b>	<b>2.052.993</b>	<b>188.882.526</b>
Net profit share income/(expense)	824.232	4.688.338	982.696	(208.700)	6.286.566
Net fees and commissions income/(expense)	519.594	1.796.913	(23.463)	(11.884)	2.281.160
Other operating income/(expense)	1.947.858	2.008.531	(2.941)	(4.509.777)	(556.329)
Provision expenses	(74.335)	(267.470)	(87.957)	(64)	(429.826)
Profit/(loss) before tax	3.217.349	8.226.312	868.335	(4.730.425)	7.581.571
Provision for tax	-	-	-	(2.452.037)	(2.452.037)
<b>Net profit/(loss) for the period</b>	<b>3.217.349</b>	<b>8.226.312</b>	<b>868.335</b>	<b>(7.182.462)</b>	<b>5.129.534</b>

(\*) The distribution difference in the retail, commercial and corporate segments stems from fund allocation and fund collection methods of the Bank.

<b>Prior Period</b>	<b>Retail</b>	<b>Commercial and Corporate</b>	<b>Treasury</b>	<b>Undistributed</b>	<b>Total</b>
<b>Total Assets</b>	<b>2.963.819</b>	<b>39.103.109</b>	<b>56.564.347</b>	<b>1.595.660</b>	<b>100.226.935</b>
<b>Total Liabilities</b>	<b>48.236.244</b>	<b>35.857.392</b>	<b>7.812.211</b>	<b>8.321.088</b>	<b>100.226.935</b>
Net profit share income/(expense) (*)	486.592	2.659.158	712.796	59.627	3.918.173
Net fees and commissions income/(expense)	148.152	241.741	(10.182)	(79.002)	300.709
Other operating income/(expense)	1.540.904	(554.805)	(808.377)	115.433	293.155
Provision expenses	(37.518)	(608.423)	(115.137)	(26.516)	(787.594)
Profit/(loss) before tax	2.138.130	1.737.671	(220.900)	69.542	3.724.443
Provision for tax	-	-	-	(914.494)	(914.494)
<b>Net profit/(loss) for the period</b>	<b>2.138.130</b>	<b>1.737.671</b>	<b>(220.900)</b>	<b>(844.952)</b>	<b>2.809.949</b>

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**SECTION FIVE****Explanations and notes on the unconsolidated financial statements****I. Explanations and footnotes regarding the asset accounts of the balance sheet:****1. a. Cash and balances with the Central Bank of Republic of Turkey (CBRT):**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Foreign currency	774.30	319.727	63.660	188.870
CBRT	17.215.441	49.495.840	1.498.475	23.081.139
Other <sup>(*)</sup>	108.898	3.026.500	82.652	1.167.784
<b>Total</b>	<b>17.401.769</b>	<b>52.842.067</b>	<b>1.644.787</b>	<b>24.437.793</b>

(\*) As of December 31, 2023 it includes precious metal deposit account amounting to TL 186.469 (December 31, 2022: TL 42.641) and money in transit account amounting to TL 2.948.829 (December 31, 2022: TL 1.207.795)

**b. Information related to CBRT:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	13.772.897	22.032.535	1.498.475	9.358.541
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Reserve requirements	3.442.544	27.463.305	-	13.722.598
<b>Total</b>	<b>17.215.441</b>	<b>49.495.840</b>	<b>1.498.475</b>	<b>23.081.139</b>

The Bank establishes required reserves at the CBRT for Turkish currency and foreign currency liabilities in accordance with the CBRT's Communiqué No. 2005/1 on Reserve Requirements. Required reserves can be kept in Turkish Lira, US Dollar and/or Euro and standard gold according to the "Communiqué on Required Reserves" at the CBRT.

As of December 31, 2023, the Bank's valid rates for Turkish currency required reserves are between 0% and 30%, depending on the maturity structure for participation funds and other liabilities; The applicable rates for foreign currency required reserves are between 5% and 30% for participation funds and other liabilities, depending on the maturity structure.

**2. a. Information on banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	42.328	443.525	2.447	482.017
Foreign	50	13.391.989	-	4.403.367
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>42.378</b>	<b>13.835.514</b>	<b>2.447</b>	<b>4.885.384</b>

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**Explanations and notes on the unconsolidated financial statements (Continued)****I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):****b. Information on foreign bank accounts:**

	Current Period		Prior Period	
	Unrestricted Period	Restricted Period	Unrestricted Period	Restricted Period
European Union Countries	2.840.346	-	1.562.962	-
USA, Canada	633.078	-	1.227.373	-
OECD Countries <sup>(*)</sup>	4.831	-	-	-
Off-shore Banking Regions	-	-	-	-
Other	9913.734	-	1.613.032	-
<b>Total</b>	<b>13.391.989</b>	<b>-</b>	<b>4.403.367</b>	<b>-</b>

<sup>(\*)</sup> OECD countries except EU countries, USA and Canada.**3. Financial assets measured at fair value through profit or loss****a. Information on financial assets at fair value through profit/loss subject to repurchase agreements and given as collateral/blocked:**

As of December 31, 2023, there is no repurchase agreements in financial assets at fair value through profit and loss (December 31, 2022: None).

The amount subject to guaranteed/blocked is TL 887467 (December 31, 2022: TL 744.345).

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

	Current Period	Prior Period
Debt securities	3.255.346	2.221.047
Quoted on a stock exchange	1.699.889	1.037.169
Unquoted on a stock exchange <sup>(*)</sup>	1.555.457	1.183.878
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted on a stock exchange	-	-
Impairment provision (-)	4.034	3.086
<b>Total</b>	<b>3.251.312</b>	<b>2.217.961</b>

<sup>(\*)</sup> Includes debt securities that are listed on the stock exchange but are not traded at the end of the relevant period.

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**Explanations and notes on the unconsolidated financial statements (Continued)****I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):****4. Information on Financial Assets at fair value through other comprehensive income:****a. Information on financial assets valued at fair value through other comprehensive income subject to repurchase transactions, given as a guarantee or blocked:**

As of 31 December 2023, there is no amount subject to sale transactions with promises of repurchase in assets reflected in other comprehensive income financial statements. (December 31, 2022: None). The amount of those blocked given as collateral is TL 3.274.518 (December 31, 2022: TL 2.184.200).

**b. Financial assets valued at fair value through other comprehensive income:**

	Current Period	Prior Period
Debt securities	12.145.754	10.481.318
Quoted on a stock exchange <sup>(1)</sup>	8.080.774	7.916.788
Unquoted on a stock exchange	4.064.980	2.564.530
Share certificates	7.659	7.659
Quoted on a stock exchange <sup>(1)</sup>	-	-
Unquoted on a stock exchange	7.659	7.659
Impairment provision (-)	26.836	47.592
<b>Total</b>	<b>12.126.577</b>	<b>10.441.385</b>

<sup>(1)</sup> Includes debt securities that are listed on the stock exchange but are not traded at the end of the relevant period.

**5. Information on derivative financial assets****a. Positive differences related to the derivative financial assets**

	Current Period		Prior Period	
	TL	FC	TL	FC
Swap Transactions	84	-	3.264	12.406
Forward Transactions	2.854	1.066	1.652	275
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>2.938</b>	<b>1.066</b>	<b>4.916</b>	<b>12.681</b>

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## Explanations and notes on the unconsolidated financial statements (Continued)

## I. Explanations and footnotes regarding the asset accounts of the balance sheet: (Continued)

## 6. Information on loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans to Bank Partners	1.201.000	-	1.273.002	-
Loans to Legal Person Partners	1.201.000	-	1.273.002	-
Loans to Real Person Partners	-	-	-	-
Indirect Loans to Bank Partners	3.637	-	2.355	-
Loans to Bank Members	3.637	-	2.355	-
<b>Total</b>	<b>1.204.637</b>	<b>-</b>	<b>1.275.357</b>	<b>-</b>

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

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

Cash Loans Current Period	Standard Loans	Loans Not subject to restructured loans	Loans Under Close Monitoring	
			Restructured Loans Loans with Revised Contract Terms	Refinance
<b>Loans</b>	66.772.054	<b>345.887</b>	<b>181.519</b>	-
Export loans	-	-	-	-
Import loans	4.744.240	7.575	-	-
Business loans	45.508.742	164.942	181.519	-
Consumer loans	2.769.781	1.699	-	-
Credit cards	-	-	-	-
Loans given to financial sector	6.345.775	-	-	-
Other <sup>(1)</sup>	7403.516	171.671	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>66.772.054</b>	<b>345.887</b>	<b>181.519</b>	<b>-</b>

<sup>(1)</sup>The details of other loans are as follows:

Installment Commercial Loans	5.808.797
Loans Extended Abroad	127.382
Other Investment Loans	1.606.919
Other <sup>(1)</sup>	32.089

**Total** 7.575.187

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## Explanations and notes on the unconsolidated financial statements (Continued)

## I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):

## 6. Information on loans (Continued)

## b1. Detail table on the first and second group loans including restructured loans (Continued):

(\*) Details of other loans are as follows:

Cash Loans Prior Period	Standard Loans	Loans Not subject to restructured loans	Loans Under Close Monitoring	
			Loans with Revised Contract Terms	Restructured Loans Refinance
<b>Loans</b>	<b>43.578.249</b>	<b>35.147</b>	<b>95.567</b>	-
Export loans	-	-	-	-
Import loans	3.335.018	307	-	-
Business loans	26.375.121	15.166	95.567	-
Consumer loans	1.163.239	783	-	-
Credit cards	-	-	-	-
Loans given to financial sector	6.631.080	-	-	-
Other <sup>(*)</sup>	6.073.791	18.891	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>43.578.249</b>	<b>35.147</b>	<b>95.567</b>	-

(\*) The details of other loans are as follows:

Installment commercial loans	4.888.469
Foreign loans	43.842
Other investment loans	1.160.191
Other <sup>(*)</sup>	180
<b>Total</b>	<b>6.092.682</b>

(\*) Consists of compensated non-cash loan amounts.



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**Explanations and notes on the unconsolidated financial statements (Continued)****I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):****6. Information on loans (Continued)****b2. Explanations on expected loss provisions for standard and closely monitored loans:**

<b>Current Period</b>	<b>Standard Loans</b>	<b>Loans Under Close Monitoring</b>
Expected loss of provision for 12 Months	354.090	-
Substantial increase in credit risk	-	29.137
<b>Prior Period</b>	<b>Standard Loans</b>	<b>Loans Under Close Monitoring</b>
Expected loss of provision for 12 Months	552.189	-
Substantial increase in credit risk	-	21.734

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

<b>Cash Loans</b>	<b>Restructured</b>		
	<b>Standard Qualified Loans</b>	<b>Those Not Included in the Scope of Restructuring</b>	<b>Restructured</b>
<b>Current period</b>			
Short Term Loans	35.738.341	214.978	91.577
Medium and Long Term Loans	31.033.713	130.909	89.942
<b>Total</b>	<b>66.772.054</b>	<b>345.887</b>	<b>181.519</b>

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## Explanations and notes on the unconsolidated financial statements (Continued)

## I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):

## 6. Information on loans (Continued)

## d. Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards:

Current Period	Short-term	Medium and long-term	Total
<b>Consumer loans-TL</b>	<b>29.773</b>	<b>2.738.346</b>	<b>2.768.119</b>
Housing loans	11.877	2.596.558	2.608.435
Vehicle loans	5.470	120.900	126.370
Consumer loans	12.426	20.888	33.314
Other	-	-	-
<b>Consumer loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Retail credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Retail credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>139</b>	<b>3.498</b>	<b>3.637</b>
Housing loans	-	2.061	2.061
Vehicle loans	139	1.273	1.412
Consumer loans	-	164	164
Other	-	-	-
<b>Personnel loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without-installment	-	-	-
<b>Overdraft account-TL(Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft account-FC(Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>29.912</b>	<b>2.741.844</b>	<b>2.771.756</b>

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## Explanations and notes on the unconsolidated financial statements (Continued)

## I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):

## 6. Information on loans (Continued)

## d. Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards (Continued)

Prior Period	Short-term	Medium and long-term	Total
<b>Consumer loans-TL</b>	<b>57983</b>	<b>1.098.696</b>	<b>1.156.679</b>
Housing loans	42.344	966.909	1.009.253
Vehicle loans	3.722	92.157	95.879
Consumer loans	11.917	39.630	51.547
Other	-	-	-
<b>Consumer loans-FC indexed</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Retail credit cards-TL</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Retail credit cards-FC</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>24</b>	<b>2.331</b>	<b>2.355</b>
Housing loans	-	1.527	1.527
Vehicle loans	-	601	601
Consumer loans	24	203	227
Other	-	-	-
<b>Personnel loans-FC indexed</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Personnel credit cards-FC</b>	-	-	-
With installment	-	-	-
Without-installment	-	-	-
<b>Overdraft account-TL(Real Person)</b>	-	-	-
<b>Overdraft account-FC(Real Person)</b>	-	-	-
<b>Total</b>	<b>58.007</b>	<b>1.101.027</b>	<b>1.159.034</b>

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## Explanations and notes on the unconsolidated financial statements (Continued)

## I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):

## 6. Information on loans (Continued)

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

Current Period	Short-term	Medium and long-term	Total
<b>Commercial installment loans-TL</b>	<b>2.069.630</b>	<b>3.501.720</b>	<b>5.571.350</b>
Business loans	155.018	166.685	321.703
Vehicle loans	1.624.565	2.058.795	3.683.360
Consumer loans	290.047	1.276.240	1.566.287
Other	-	-	-
<b>Commercial installment loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment Loans-FC</b>	<b>20.841</b>	<b>197.230</b>	<b>218.071</b>
Business loans	-	23.065	23.065
Vehicle loans	18.409	112.867	131.276
Consumer loans	2.432	61.298	63.730
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Overdraft account-TL (Legal Entity)</b>	<b>17488</b>	<b>-</b>	<b>17488</b>
<b>Overdraft account-FC(Legal Entity)</b>	<b>1.888</b>	<b>-</b>	<b>1.888</b>
<b>Total</b>	<b>2.109.847</b>	<b>3.698.950</b>	<b>5.808.797</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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## Explanations and notes on the unconsolidated financial statements (Continued)

## I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):

## 6. Information on loans (Continued)

## e. Information on commercial loans with installments and corporate credit cards: (Continued)

Prior Period	Short-term	Medium and long-term	Total
<b>Commercial installment loans-TL</b>	<b>1.562.386</b>	<b>2.944.839</b>	<b>4.507.225</b>
Business loans	99.111	418.452	517.563
Vehicle loans	1.152.172	1.253.937	2.406.109
Consumer loans	311.103	1.272.450	1.583.553
Other	-	-	-
<b>Commercial installment loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment Loans-FC</b>	<b>9.256</b>	<b>314.997</b>	<b>324.253</b>
Business loans	-	16.111	16.111
Vehicle loans	9.256	135.535	144.791
Consumer loans	-	163.351	163.351
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Overdraft account-TL (Legal Entity)</b>	<b>3.111</b>	<b>-</b>	<b>3.111</b>
<b>Overdraft account-FC(Legal Entity)</b>	<b>53.880</b>	<b>-</b>	<b>53.880</b>
<b>Total</b>	<b>1.628.633</b>	<b>3.259.836</b>	<b>4.888.469</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):****6. Information on loans (Continued)****f. Allocation of loans by customers:**

	Current Period	Prior Period
Public	5.232.563	3.344.569
Private	62.066.897	40.364.394
<b>Total</b>	<b>67.299.460</b>	<b>43.708.963</b>

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

The distribution of loans excluding non-performing loans is as follows:

	Current Period	Prior Period
Domestic loans	65.692.541	42.548.772
Foreign loans	1.606.919	1.160.191
<b>Total</b>	<b>67.299.460</b>	<b>43.708.963</b>

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

Loans given to subsidiaries and affiliates are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Direct loans to subsidiaries and affiliates	1.201.000	-	-	-
Indirect loans given to subsidiaries and affiliates	-	-	-	-
<b>Toplam</b>	<b>1.201.000</b>	<b>-</b>	<b>-</b>	<b>-</b>

**i. Default provisions for loans (Third Stage) provisions:**

	Current Period	Prior Period
ii) Loans and Receivables with Limited Collectability	20.019	35.433
Doubtful Loans and Other Receivables	23.905	18.045
Uncollectible Loans and Receivables	139.163	26.393
<b>Total</b>	<b>183.087</b>	<b>79.871</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):****6. Information on loans (Continued)****h. Information on non-performing loans and receivables (net):****h.1. Non-performing loans and receivables which are restructured or rescheduled:**

None (December 31, 2022: None).

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

Current Period	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Closing balance of prior period	35.852	27.204	30.320
Additions in the current period (+)	205.681	125.511	122.876
Transfers from other categories of non-performing loans (+)	-	76.412	61.424
Transfers to other categories of non-performing loans (-)	76.412	61.424	-
Collections in the current period (-)	122.141	127.744	54.683
Write offs (-)	-	-	-
Sale (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	42.980	39.959	159.937
Provision (-)	20.019	23.905	139.163
<b>Net balance at the balance sheet</b>	<b>22.961</b>	<b>16.054</b>	<b>20.774</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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## Explanations and notes on the unconsolidated financial statements (Continued)

## I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):

## 6. Information on loans (Continued)

## h.2. Movements of non-performing loans: (Continued)

Prior Period	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Closing balance of prior period	8.312	13.071	174.144
Additions in the current period (+)	86.909	12.753	5.199
Transfers from other categories of non-performing loans (+)	-	41.874	24.418
Transfers to other categories of non-performing loans (-)	41.874	24.418	-
Collections in the current period (-)	17.397	14.020	3.526
Write offs (-)	-	-	168.069
Sale (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	35.950	29.260	32.166
Provisions (-)	35.433	18.045	26.393
<b>Net balance at the balance sheet</b>	<b>517</b>	<b>11.215</b>	<b>5.773</b>

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

Current period	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Doubtful Loans	Loss Loans
End of period balance	-	11.228	16.121
Provision Amount (-)	-	6.917	11.926
<b>Total</b>	<b>-</b>	<b>4.311</b>	<b>4.195</b>
Prior period	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Doubtful Loans	Loss Loans
End of period balance	-	-	-
Provision Amount (-)	-	-	-



## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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

## Explanations and notes on the unconsolidated financial statements (Continued)

## I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):

## 6. Information on loans (Continued)

## h.4. Gross and net non-performing loans and other receivables per customer categories:

	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
<b>Current Period (net)</b>	<b>22.961</b>	<b>16.054</b>	<b>20.754</b>
Loans to individuals and corporates (gross)	42.980	39.959	15.9937
Provision (-)	20.019	23.905	139.163
<b>Loans to individuals and corporates (net)</b>	<b>22.961</b>	<b>16.054</b>	<b>20.774</b>
Banks (gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other Loans (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period (Net)</b>	<b>517</b>	<b>11.215</b>	<b>5.773</b>
Loans to Real Persons and Legal Entities (Gross)	35.950	29.260	32.166
Specific provision (-)	35.433	18.045	26.393
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>517</b>	<b>11.215</b>	<b>5.773</b>
Banks (Gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other loans and receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):****6. Information on loans (Continued)****h.5 Information on profit share accrual accruals and valuation differences calculated for non-performing loans by banks allocating expected credit losses according to TFRS 9 and their equivalents**

	III. Grup Limited Collection Loans	IV. Grup Doubtful Loans	V. Grup Loss Loans
<b>Current Period (Net)</b>	<b>1.469</b>	<b>1.049</b>	<b>1.488</b>
Dividend Accruals and Rediscounts and Valuation Differences	2.416	2.637	8.124
Provisions (-)	947	1.588	6.636
<b>Prior Period (Net)</b>	<b>62</b>	<b>818</b>	<b>338</b>
Dividend Accruals and Rediscounts and Valuation Differences	102	2.057	1.845
Provisions (-)	40	1.239	1.507

**i. Liquidation policy for uncollectible loans and receivables:**

The Bank initiates a legal process for the collection of receivables arising from credit transactions. The debtor's and debtor related's assets' together with process of cash conversion of the collaterals which constitute of the Bank receivables will be processed by the Bank and in addition to this process the Bank will try to collect and liquidate its receivables through administrative ways.

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

In accordance with Article 8 of the "Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Reserved for them", loans classified under "Fifth Group Loans of Loss" and which does not have reasonable expectations regarding the recovery of loans with a lifetime expected due to the default of the debtor or the provision of special provisions can be deducted from the records within the scope of TFRS 9 as of the first reporting period following their classification in this group. Deducting loans from records is an accounting practice that has no effect on withdrawal.

It is an accounting practice to deduct loans that do not have the possibility to collect from the records within the scope of the above provision, does not mean that result in giving up the right to receivable.

The general policy of the Bank is to write-off the receivables which are deemed to be impossible to collect during the legal follow-up process from the assets in accordance with the decision taken by the top management of the bank. There is no cancellation of the loans brought because it is believed that it will not be possible to collect it in 2023. (December 31, 2022: None).

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):****7. Information on Financial Assets Measured at Amortized Cost****a. Information on government debt securities measured at amortized cost**

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities	16.692.053	10.440.441
<b>Total</b>	<b>16.692.053</b>	<b>10.440.441</b>

**b. Information on investment securities measured at amortized cost**

	Current Period	Prior Period
Debt Securities	16.692.053	10.440.441
Quoted on a stock Exchange	9.592.906	1.904.621
Unquoted	7.099.147	8.535.820
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Impairment Provision (-)	-	-
<b>Total</b>	<b>16.692.053</b>	<b>10.440.441</b>

**c. Information on the movements of financial assets valued at amortized cost during the year:**

	Current Period	Prior Period
Balance at beginning of period	10.440.441	2.713.586
Foreign currency differences on monetary assets <sup>(*)</sup>	3.751.612	1.533.167
Purchases during period	2.500.000	6.209.920
Disposals through sales and redemptions	-	(16.232)
Impairment provision (-)	-	-
<b>Closing Balance</b>	<b>16.692.053</b>	<b>10.440.441</b>

(\*) This amount includes TL 1490.267 (December 31, 2022: TL 737.115) income accrual.

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## Explanations and notes on the unconsolidated financial statements (Continued)

## I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):

**8. Information on lease receivables (net):****a. Presentation of remaining maturities of funds lent under finance lease method:**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	131.241	118.085	61.689	58.166
1 to 4 years	298.224	255.068	460.014	377.536
More than 4 years	11.400	9.673	55.961	50.580
<b>Total</b>	<b>440.865</b>	<b>382.826</b>	<b>577.844</b>	<b>486.282</b>

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

	Current Period	Prior Period
Finance lease receivables (gross)	440.865	577.844
Unearned finance lease receivable (-)	58.039	91.562
<b>Receivable from finance leases (net)</b>	<b>382.826</b>	<b>486.282</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):****8. Information on lease receivables (net): (Continued)****c. General explanation on finance lease contracts:**

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

**Information on leasing receivables:**

Finance Lease	Standard Loans	Leasing Receivables Under Close Monitoring		
		Leasing receivables not subject to restructured loans	Restructured or rescheduled	
			Leasing Receivables with Revised Contract Terms	Refinance
<b>Current Period</b>				
Finance lease receivables (Net)	382.826	-	-	-
<b>Prior Period</b>				
Finance lease receivables (Net)	486.282	-	-	-

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

Financial assets held for sale consist of tangible assets acquired due to receivables.

	Current Period	Prior Period
Opening balance	5.242	8.000
Additions	4.164	4.360
Disposals	1.123	(7118)
Transfers	-	-
Impairment (-)	-	-
<b>Closing balance</b>	<b>8.283</b>	<b>5.242</b>

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**Explanations and notes on the unconsolidated financial statements (Continued)****I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):****10. Information on associates****a. Associates (net):****a.1 Information on unconsolidated associates:**

The Bank became a shareholder of Katılım Finans Kefalet A.Ş., which was established with the aim of creating a guarantee system in accordance with the principles and principles of Participation Banking, with a participation fee of 22.500 TL on April 30, 2023. The total capital of the company is 600.000 TL and the Bank's total participation amount is 90.000 TL, which corresponds to 15%. The remaining 67.500 TL will be paid within 2 years. There is a member of the board of directors in the company to represent the Bank's shares.

Title	Address (City/Country)	If the Parent Bank's Share Ratio is Different Voting Rate (%)	Share Ratio of Other Partners (%)
Katılım Finans Kefalet A.Ş.	İstanbul/Türkiye	15%	85%

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

None (December 31, 2022: None).

**b. Information on subsidiaries (net)****b.1 Information on unconsolidated subsidiaries**

Emlak Menkul Değerler A.Ş., which is owned by the Bank by 50%, has been reported to be bankrupt in the Audit Report prepared by Court of Account dated 31 October 2018. Emlak Menkul Değerler A.Ş. has not been consolidated as of 31 December 2023 and 31 December 2022.

**b.2 Information on consolidated subsidiaries**

Emlak Varlık Kiralama A.Ş., which is a 100% subsidiaries of the Bank, was established and registered to the trade registry in 5 August 2019 with the permission taken from "Banking Regulation and Supervision Agency" and "Capital Markets Board of Turkey". Emlak Varlık Kiralama A.Ş. has been founded to operate lease certificate according to rulings of Capital Markets Board of Turkey which was dated 7 June 2013 and numbered 28760 serial: 3 no: 61.1 published in Official Gazette. Emlak Varlık Kiralama A.Ş. was established and began to operate on 5 August 2019 with TL 50 capital amount paid by the Main Shareholder Bank.

Emlak Katılım Varlık Kiralama A.Ş., 100% subsidiaries of the Bank was established and registered to the trade registry in 20 January 2020 with the permission taken from "Banking Regulation and Supervision Agency" and "Capital Markets Board of Turkey". Within the framework of the CMB's Communiqué on Lease Certificates (III-61.1) published in the Official Gazette dated June 7, 2013 and numbered 28760, Emlak Katılım Varlık Kiralama A.Ş. was established on December 16, 2019, with a capital of TL 50 and started its activity.

Name	Adress (City/Country)	Operating Subject	Bank's share percentage (%)	Direct and Indirect Share Percentages (%)
Emlak Varlık Kiralama A.Ş.	Istanbul/TURKEY	Issuance Of Lease Certificate	100	100
Emlak Katılım Varlık Kiralama A.Ş.	Istanbul/TURKEY	Issuance Of Lease Certificate	100	100

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**Explanations and notes on the unconsolidated financial statements (Continued)****I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):****10. Information on associates (Continued)****b. Information on subsidiaries (net) (Continued)****b.2 Information on consolidated subsidiaries (Continued)**

The values stated in the table below are those of Emlak Varlık Kiralama A.Ş and Emlak Katılım Varlık Kiralama A.Ş's financial statements dated December 31, 2023 which have undergone reviewed.

Name	Total Assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income/loss	Prior period income/loss	Fair Value
1	7.225.012	17909	-	1.642.207	-	13.717	3.846	-
2	9932.223	50	-	1.967.200.	-	-	-	-

**b.2.1 Movement information on subsidiaries**

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

**b.2.2 Information on investments in joint-ventures**

None (31 December 2022: None).

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## Explanations and notes on the unconsolidated financial statements (Continued)

## I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):

## 11. Information on tangible assets:

Current Period	Immovables <sup>(*)</sup>	Leased tangible assets	Vehicles	Other TA	Total
<b>Cost</b>					
<b>Opening Balance: January 1, 2023</b>	<b>274.238</b>	-	<b>76.793</b>	<b>277.823</b>	<b>628.854</b>
Additions	464.198	-	105.625	69.108	638.931
Revaluation differences	-	-	-	-	-
Disposals	(800)	-	(1.019)	-	(1.819)
Impairment losses(-)/ Reversal of impairment	-	-	-	-	-
Transfers	-	-	-	-	-
<b>Ending Balance: December 31, 2023</b>	<b>737.636</b>	-	<b>181.399</b>	<b>346.931</b>	<b>1.265.966</b>
<b>Accumulated depreciation (-)</b>					
<b>Opening balance: January 1, 2023</b>	<b>67.955</b>	-	<b>20.089</b>	<b>108.522</b>	<b>196.566</b>
Depreciation expense	62.284	-	19.451	64.584	146.319
Reversal of depreciation of the disposed assets	-	-	133	92	225
Transfers	-	-	-	-	-
<b>Ending balance: December 31, 2023</b>	<b>130.239</b>	-	<b>39.673</b>	<b>173.198</b>	<b>343.110</b>
<b>Total cost at the end of the year</b>	<b>737.636</b>	-	<b>181.399</b>	<b>346.931</b>	<b>1.265.966</b>
<b>Total accumulated depreciation at the end of the year</b>	<b>(130.239)</b>	-	<b>(39.673)</b>	<b>(173.198)</b>	<b>(343.110)</b>
<b>Closing net book values</b>	<b>607.397</b>	-	<b>141.726</b>	<b>173.733</b>	<b>922.856</b>

<sup>(\*)</sup>As of December 31, 2023, historical value of movables and real estates that are accounted for as a right of use is amounting to TL 737.636 (December 31, 2022: TL 274.238), in accordance with the "IFRS 16 Leases" standard, and the depreciation amount is TL 130.239. (December 31, 2022: TL 67.995)



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**Explanations and notes on the unconsolidated financial statements (Continued)****I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):****11. Information on tangible assets: (Continued)**

Prior Period	Immovables <sup>(1)</sup>	Leased tangible assets	Vehicles	Other TA	Total
<b>Cost</b>					
<b>Opening Balance: January 1, 2022</b>	<b>199.754</b>	-	<b>24.470</b>	<b>210.911</b>	<b>435.135</b>
Additions	74.484	-	52.323	69.339	196.146
Revaluation differences	-	-	-	-	-
Disposals	-	-	-	(2.427)	(2.427)
Impairment losses(-)/Reversal of impairment	-	-	-	-	-
Transfers	-	-	-	-	-
<b>Ending Balance: December 31, 2022</b>	<b>274.238</b>	-	<b>76.793</b>	<b>277.823</b>	<b>628.854</b>
<b>Accumulated depreciation (-)</b>					
<b>Opening balance: January 1, 2022</b>	<b>32.190</b>	-	<b>11.716</b>	<b>60.831</b>	<b>104.737</b>
Depreciation expense	35.765	-	8.373	4.7913	92.051
Reversal of depreciation of the disposed assets	-	-	-	(222)	(222)
Transfers	-	-	-	-	-
<b>Ending balance: December 31, 2022</b>	<b>67.955</b>	-	<b>20.089</b>	<b>108.522</b>	<b>196.566</b>
<b>Total cost at the end of the year</b>	<b>274.238</b>	-	<b>76.793</b>	<b>277.823</b>	<b>628.854</b>
<b>Total accumulated depreciation at the end of the year</b>	<b>(67.955)</b>	-	<b>(20.089)</b>	<b>(108.522)</b>	<b>(196.566)</b>
<b>Closing net book values</b>	<b>206.283</b>	-	<b>56.704</b>	<b>169.301</b>	<b>432.288</b>

<sup>(1)</sup>As of December 31, 2022, historical value of movables and real estates that are accounted for as a right of use is amounting to TL 274.238 (December 31, 2021: TL 199.754), in accordance with the "IFRS 16 Leases" standard, and the depreciation amount is TL 67.955 (December 31, 2021: TL 32.190)

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## Explanations and notes on the unconsolidated financial statements (Continued)

## I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):

**12. Information on intangible assets:**

Current Period	Intangible Assets
<b>Cost</b>	
Opening balance: January 1, 2023	151.026
Additions	163.405
Disposals	-
<b>Ending balance: December 31, 2023</b>	<b>314.431</b>
<b>Accumulated depreciation(-)</b>	
Opening balance: January 1, 2023	(50.613)
Depreciation expense	(13.454)
Reversal of depreciation of the disposed assets	-
<b>Ending balance: December 31, 2023</b>	<b>(64.067)</b>
<b>Total cost at the end of the year</b>	<b>314.431</b>
<b>Total accumulated depreciation at the end of the year</b>	<b>(64.067)</b>
<b>Closing Net Book Value</b>	<b>250.364</b>

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## Explanations and notes on the unconsolidated financial statements (Continued)

## I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):

## 12. Information on intangible assets: (Continued)

Prior Period	Intangible Assets
<b>Cost</b>	
Opening balance: January 1, 2022	65.558
Additions	85.468
Disposals	-
<b>Ending balance: December 31, 2022</b>	<b>151.026</b>
<b>Accumulated depreciation(-)</b>	
Opening balance: January 1, 2022	(42.096)
Depreciation expense	(8.517)
Reversal of depreciation of the disposed assets	-
<b>Ending balance: December 31, 2022</b>	<b>(50.613)</b>
<b>Total cost at the end of the year</b>	<b>151.026</b>
<b>Total accumulated depreciation at the end of the year</b>	<b>(50.613)</b>
<b>Closing Net Book Value</b>	<b>100.413</b>

## 13. Information on investment property:

None (December 31, 2022: None).

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**Explanations and notes on the unconsolidated financial statements (Continued)****I. Explanations and footnotes regarding the asset accounts of the balance sheet (Continued):****14. Information related to deferred tax asset:****Information related to deferred tax asset of the Bank:**

	Current Period	Prior Period
Lease certificates rediscount income	1.060.819	660.802
Prepaid wages and commissions and unearned income	110.388	71.391
Expected Loss Provisions	187412	197527
Securities valuation differences	72.000	6.511
Provisions for retirement premium and vacation pay liabilities	96.952	34.569
Derivative financial instruments	8.160	3449
IFRS 16 allowance	19.999	12.503
Other debt and expense provisions	1.288.910	1.699.84
<b>Deferred tax asset</b>	<b>2.844.640</b>	<b>1.156.736</b>
Securities valuation differences	307.628	479.028
Derivative instruments	769	1.296
Profit share rediscount	796.854	12.886
Difference between book value and tax value of tangible fixed assets	26.200	-
Other	-	209
<b>Deferred tax liability</b>	<b>1.131.451</b>	<b>493.419</b>
<b>Deferred tax asset (Net)</b>	<b>1.713.189</b>	<b>663.317</b>

<sup>(1)</sup> It also includes the recognized deferred tax asset in accordance with the Tax Procedure Law General Communiqué numbered 555, which came into force on 30 December 2023.

**15. Breakdown of items in other assets except commitments presented in off-balance sheet, which exceed 10% of the balance sheet total and breakdown of items which constitute at least 20% of grand total**

As of the balance sheet date, the Bank's total other assets are 2.487.679 TL (31 December 2022: 1.342.024 TL) and do not exceed 10% of the total liabilities.

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**Explanations and notes on the unconsolidated financial statements (Continued)****II. Explanations and footnotes regarding the liability accounts of the balance sheet:****1. Information on funds collected:****a. Information on maturity structure of funds collected:**

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
<b>I. Real Persons Current Accounts Non-Trade TL</b>	<b>781.376</b>	-	-	-	-	-	-	-	<b>781.376</b>
<b>II. Real Persons Participation Accounts Non-Trade TL(*)</b>	-	<b>9.436.238</b>	<b>3.687.463</b>	<b>883.373</b>	<b>190.795</b>	<b>713.409</b>	<b>227.127</b>	-	<b>15.138.405</b>
<b>III. Current Account other-TL</b>	<b>6.319.101</b>	-	-	-	-	-	-	-	<b>6.319.101</b>
Public Sector	95.068	-	-	-	-	-	-	-	95.068
Commercial Institutions	3.824.771	-	-	-	-	-	-	-	3.824.771
Other Institutions	1	-	-	-	-	-	-	-	1
Commercial and Other Institutions	36.755	-	-	-	-	-	-	-	36.755
Banks and Participation Banks	2.362.506	-	-	-	-	-	-	-	2.362.506
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	2.362.506	-	-	-	-	-	-	-	2.362.506
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	<b>21.335.831</b>	<b>10.912.720</b>	<b>509.179</b>	<b>19.617</b>	<b>2.040.700</b>	-	-	<b>34.818.047</b>
Public Sector	-	5.997.846	1.334.736	244.220	-	6.063	-	-	7.582.865
Commercial Institutions	-	12.512.878	5.327.649	139.351	14.952	1.591.822	-	-	19.586.652
Other Institutions	-	1.699.819	37316	-	-	-	-	-	1.737.135
Commercial and Other Institutions	-	1.022.832	2.803.886	125.608	4.665	442.815	-	-	4.399.806
Banks and Participation Banks	-	102.456	1.409.133	-	-	-	-	-	1.511.589
<b>V. Real Persons Current Accounts Non- Trade FC</b>	<b>26.522.486</b>	-	-	-	-	-	-	-	<b>26.522.486</b>
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	<b>3.493.552</b>	<b>248.923</b>	<b>42.297</b>	<b>61.886</b>	<b>33.363</b>	<b>10.344</b>	-	<b>3.890.365</b>
<b>VII. Other Current Accounts FC</b>	<b>55.255.620</b>	-	-	-	-	-	-	-	<b>55.255.620</b>
Residents in Turkey-Corporate	17.684.685	-	-	-	-	-	-	-	17.684.685
Residents Abroad-Corporate	36.804.911	-	-	-	-	-	-	-	36.804.911
Banks and Participation Banks	766.024	-	-	-	-	-	-	-	766.024
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	766.024	-	-	-	-	-	-	-	766.024
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other-FC</b>	-	<b>3.661.601</b>	<b>570.150</b>	<b>55.690</b>	<b>135</b>	<b>855</b>	-	-	<b>4.288.431</b>
Public sector	-	153.936	-	-	-	-	-	-	153.936
Commercial institutions	-	2.821.103	507.954	55.690	135	855	-	-	3.385.737
Other institutions	-	6.013	1.963	-	-	-	-	-	7.976
Commercial and Other Institutions	-	680.549	60.233	-	-	-	-	-	740.782
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
<b>IX. Precious Metals Deposits</b>	<b>2.034.626</b>	<b>1.089.434</b>	<b>389.630</b>	<b>22.634</b>	<b>1.508</b>	<b>2.953</b>	-	-	<b>3.540.785</b>
<b>X. Participation Accounts Special Fund Pools TL</b>	-	<b>269.058</b>	<b>254.212</b>	-	<b>404.524</b>	<b>14.508</b>	-	-	<b>942.302</b>
Residents in Turkey	-	269.058	254.212	-	404.524	14.508	-	-	942.302
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation Accounts Special Fund Pools – FC</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	<b>90.913.209</b>	<b>39.285.714</b>	<b>16.063.098</b>	<b>1.513.173</b>	<b>678.465</b>	<b>2.805.788</b>	<b>237.471</b>	-	<b>151.496.918</b>

The participation account balance is 3.393.717 TL "Exchange Rate Protected Turkish Lira Time Deposit" opened within the scope of the announcement of the Ministry of Treasury and Finance of the Republic of Turkey dated 24 December 2021, the product published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696, "Foreign Exchange Convertible Exchange Rate Protected Turkish Lira" also includes the balances of 5.629.942 TL opened within the scope of "Lira Time Deposit" and 7.524.046 TL opened within the scope of the product "Yuvam Accounts" published in the Official Gazette dated 1 February 2022 and numbered 31737.

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**Explanations and notes on the unconsolidated financial statements (Continued)****II. Explanations and footnotes regarding the liability accounts of the balance sheet (Continued)****1. Information on funds collected (Continued):****a. Information on maturity structure of funds collected (Continued):**

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
<b>I. Real Persons Current Accounts Non-Trade TL</b>	<b>603.060</b>	-	-	-	-	-	-	-	<b>603.060</b>
<b>II. Real Persons Participation Accounts Non-Trade TL</b>	-	<b>2.753.986</b>	<b>4.186.617</b>	<b>1.396.878</b>	<b>176.120</b>	<b>85.103</b>	<b>166.189</b>	-	<b>8.764.893</b>
<b>III. Current Account other-TL</b>	<b>5.520.675</b>	-	-	-	-	-	-	-	<b>5.520.675</b>
Public Sector	94.986	-	-	-	-	-	-	-	94.986
Commercial Institutions	5.119.251	-	-	-	-	-	-	-	5.119.251
Other Institutions	-	-	-	-	-	-	-	-	-
Commercial and Other Institutions	20.105	-	-	-	-	-	-	-	20.105
Banks and Participation Banks	286.333	-	-	-	-	-	-	-	286.333
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	286.333	-	-	-	-	-	-	-	286.333
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	<b>13.033.699</b>	<b>3.444.170</b>	<b>1.497.705</b>	<b>1.366.908</b>	<b>123.474</b>	-	-	<b>19.465.956</b>
Public Sector	-	5.865.629	94.9950	1.056.924	3.117	-	-	-	7.875.620
Commercial Institutions	-	6.898.559	2.344.662	373.842	1.359.274	123.474	-	-	11.099.811
Other Institutions	-	125.552	31.418	2.034	-	-	-	-	159.004
Commercial and Other Institutions	-	14.3959	118.140	64.905	4.517	-	-	-	331.521
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
<b>V. Real Persons Current Accounts Non- Trade FC</b>	<b>13.656.496</b>	-	-	-	-	-	-	-	<b>13.656.496</b>
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	<b>2.497.226</b>	<b>350.410</b>	<b>20.179</b>	<b>35.765</b>	<b>28.097</b>	-	-	<b>2.931.677</b>
<b>VII. Other Current Accounts FC</b>	<b>23.413.338</b>	-	-	-	-	-	-	-	<b>23.413.338</b>
Residents in Turkey-Corporate	9.819.271	-	-	-	-	-	-	-	9.819.271
Residents Abroad-Corporate	13.583.612	-	-	-	-	-	-	-	13.583.612
Banks and Participation Banks	10.455	-	-	-	-	-	-	-	10.455
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	10.455	-	-	-	-	-	-	-	10.455
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other-FC</b>	-	<b>1.701.301</b>	<b>275.985</b>	<b>152.140</b>	<b>24.115</b>	<b>519</b>	-	-	<b>2.154.060</b>
Public sector	-	3.670	74	-	-	-	-	-	3.744
Commercial institutions	-	696.248	177.986	152.140	24.115	519	-	-	1.051.008
Other institutions	-	6.842	-	-	-	-	-	-	6.842
Commercial and Other Institutions	-	994.541	97.925	-	-	-	-	-	1.092.466
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
<b>IX. Precious Metals Deposits</b>	<b>1.297.229</b>	<b>602.867</b>	<b>198.260</b>	<b>12.683</b>	<b>14.023</b>	<b>1.975</b>	-	-	<b>2.127.037</b>
<b>X. Participation Accounts Special Fund Pools TL</b>	-	<b>108.383</b>	<b>427.210</b>	<b>503</b>	<b>50.577</b>	<b>586.673</b>	-	-	<b>586.673</b>
Residents in Turkey	-	108.383	427.210	503	50.577	-	-	-	586.673
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation Accounts Special Fund Pools – FC</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	<b>44.490.798</b>	<b>20.697.462</b>	<b>8.882.652</b>	<b>3.080.088</b>	<b>1.667.508</b>	<b>239.168</b>	<b>166.189</b>	-	<b>79.223.865</b>

The participation account balance is 3.294.695 TL "Exchange Rate Protected Turkish Lira Term Deposit" opened within the scope of the announcement of the Ministry of Treasury and Finance of the Republic of Turkey dated 24 December 2021, the product published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696, "Foreign Exchange Convertible Exchange Rate Protected Turkish Lira" also includes the balances of 6.689.223 TL opened within the scope of "Turkish Lira Time Deposit" and 2.920.463 TL opened within the scope of the product "Yuvam Accounts" published in the Official Gazette dated 1 February 2022 and numbered 31737.

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**Explanations and notes on the unconsolidated financial statements (Continued)****II. Explanations and footnotes regarding the liability accounts of the balance sheet (Continued):****1. Information on funds collected: (Continued)****b. Saving deposits and other deposits accounts insured by Saving Deposit Insurance Fund:****b.1 Exceeding the limit of Insurance Fund:**

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

	Under the guarantee of Insurance		Exceeding the guarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Real persons' current and participation accounts not subject to trading transactions	3.892.726	1.872.374	46.003.044	26.084.753
Turkish Lira accounts	1.722.154	1.054.203	15.134.112	8.785.745
Foreign currency accounts	2.170.572	818.171	30.868.932	17.299.008
Foreign branches' deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

Information on legal persons' current and participation accounts under the guarantee of insurance and exceeding the limit of Insurance Fund:

	Under the guarantee of Insurance		Exceeding the guarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Legal persons' current and participation accounts	2.342.310	967.011	86.433.036	41.922.324
Turkish Lira accounts	1.122.028	553.920	28.429.929	16.227.368
Foreign currency accounts	1.220.282	413.091	58.003.107	25.694.956
Foreign branches' deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

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

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**Explanations and notes on the unconsolidated financial statements (Continued)****II. Explanations and footnotes regarding the liability accounts of the balance sheet (Continued):****1. Information on funds collected: (Continued)****b. Saving deposits and other deposits accounts insured by Saving Deposit Insurance Fund: (Continued)****b.2 Funds collected which are not under the guarantee of insurance fund:**

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

	Current Period	Prior Period
Foreign Branches' Profit Sharing Accounts and Other Accounts	-	-
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board Of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	2.263	9.763
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Turkey in order to engage solely in Off-Shore Banking Activities	-	-

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

	Current Period	Prior Period
Foreign Branches' Profit Sharing Accounts and Other Accounts	-	-
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board Of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	17944	50.577
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Turkey in order to engage solely in Off-Shore Banking Activities	-	-

**2. Information on received loans:****a.1. Information on the type of loan received**

	Current Period		Prior Period	
	TL	FC	TL	FC
Syndication loans	-	-	-	-
Wakale loans	242.905	1.004.966	149.324	382.736
Loans obtained from Issued Lease certificates (Sukuk)	9931.931	-	6.254.164	-
Other	-	-	-	366.829
<b>Total</b>	<b>10.174.836</b>	<b>1.004.966</b>	<b>6.403.488</b>	<b>749.565</b>



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**Explanations and notes on the unconsolidated financial statements (Continued)****II. Explanations and footnotes regarding the liability accounts of the balance sheet (Continued):****2. Information on received loans: (Continued)****a.2 Information on banks and other financial institutions:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	10.174.836	472.290	6.403.488	364.003
Loans from foreign banks, institutions and funds	-	532.676	-	385.562
<b>Total</b>	<b>10.174.836</b>	<b>1.004.966</b>	<b>6.403.488</b>	<b>749.565</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	5.952.220	547.638	4.488.132	405.945
Medium and Long-Term	4.222.616	457.328	1.915.356	343.620
<b>Total</b>	<b>10.174.836</b>	<b>1.004.966</b>	<b>6.403.488</b>	<b>749.565</b>

**a.4 Additional disclosures on concentration areas of Bank's liabilities**

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

**3. Information on derivative financial liabilities held for trading:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	2.612	-	2.261	-
Swap Transactions	24.587	-	-	11.536
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>27.199</b>	<b>-</b>	<b>2.261</b>	<b>11.536</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****II. Explanations and footnotes regarding the liability accounts of the balance sheet (Continued):****4. Lease payables:**

	Current Period		Prior Period	
	FC	TL	FC	FC
Less than 1 year	83.294	-	50.502	-
Between 1-5 years	330.463	-	173.057	-
Over 5 years	93.562	-	54.689	-
<b>Total</b>	<b>507.319</b>	<b>-</b>	<b>278.248</b>	<b>-</b>

**5. Information on hedging derivative financial liabilities:**

None (December 31, 2022: None).

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

As of the balance sheet date, the Bank's severance pay provision amounting to 32.146 TL (31 December 2022: 38.248 TL) and leave wages provision amounting to 25.761 TL (31 December 2022: 10.027 TL) (31 December 2022: 90.000 TL) for a total of 501.000 TL (31 December 2022: 90.000 TL), December 2022: 138.275 TL) has provision for employee rights.

The bank reflected the severance pay provision in the financial statements using the actuarial valuation method specified in TAS 19. In this context, the following actuarial assumptions were used in calculating total liabilities.

	Current Period	Prior Period
Discount rate (%)	24,60	10,60
Estimated increase rate of salary ceiling (%)	21,56	8,80
	<b>Current Period</b>	<b>Prior Period</b>
Prior period ending balance	38.248	8.170
Change in the period	25.471	6.356
Actuarial (gain)/loss	(31.573)	23.722
<b>Balance at the end of the period</b>	<b>32.146</b>	<b>38.248</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****II. Explanations and footnotes regarding the liability accounts of the balance sheet (Continued):****6. Information on provisions: (Continued)****b. Other Provisions:**

	Current Period	Prior Period
Provisions allocated from profit shares to be distributed to profit sharing accounts	281.150	103.969
Free provisions allocated for possible losses (*)	2.850.432	642.414
Provisions for cases on trial	4.552	4.354
Impairment provision	3.275	4.059
Non-cash loans first and second stage expected loss provisions	131.301	152.633
<b>Total</b>	<b>3.270.710</b>	<b>907.429</b>

(\*) The bank's management allocated TL 2.850.432 outside of the requirements of the BRSA Accounting and Financial Reporting Legislation, which includes free provision. (December 31, 2022: TL 642.414)

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

None (December 31, 2022: None).

**7. Information on taxes payable:****a. Information on Tax Liability****a.1. Explanations on current tax liability:**

As of December 31, 2023, the Bank does not have any tax debt remaining after deducting the corporate taxes paid. (December 31, 2022: None).

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

	Current Period	Prior Period
Corporate Tax Payable	1.082.213	1.215.294
BSMV	83.987	31.817
Income tax deducted from wages	21.857	33.449
Income Tax on Securities	28.205	10.447
Foreign Exchange Transaction Tax	69.303	45.618
Value Added Tax Payable	11.876	4.546
Real Estate Capital Gains Tax	1.335	770
Other	2.021	3.098
<b>Total</b>	<b>1.300.797</b>	<b>1.345.039</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****II. Explanations and footnotes regarding the liability accounts of the balance sheet (Continued):****7. Information on taxes payable: (Continued)****a.3. Information on premiums:**

	Current Period	Prior Period
Social security premiums-employee	3	87
Social security premiums-employer	2	59
Unemployment insurance-employee	12.392	8.296
Unemployment insurance-employer	18.158	12.148
Bank pension fund premium- employees	-	-
Bank pension fund premium- employer	-	-
Pension fund membership fees and provisions-employees	3.422	1.888
Pension fund membership fees and provisions- employer	1.702	941
Other	-	-
<b>Total</b>	<b>35.679</b>	<b>23.419</b>

**8. Information on liabilities for non-current assets related to held for sale and discontinued operations**

None (December 31, 2022: None).

**9. Detailed explanations regarding the number of subordinated loans used by the Bank, their maturity, dividend ratio, the institution from which the loan was obtained and the option to convert into shares, if any:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowing Instruments to be Included in Additional Capital Calculation	-	7.078.467	-	4.110.376
Subordinated Loans	-	7.078.467	-	4.110.376
Subordinated Debt Instruments	-	-	-	-
Debt Instruments to be Included in the Contribution Capital Calculation	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
<b>Total</b>	<b>-</b>	<b>7.078.467</b>	<b>-</b>	<b>4.110.376</b>

As of December 31, 2023 the Bank has a subordinated debt that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR) and a subordinated debt that creditor is Türkiye Varlık Fonu A.Ş. with an ISIN code of TRT250232F15, starting date of 9 March 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31.688.489 (Full Euro). The related borrowing instrument has no option to pay dividends and convert to share certificates.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****II. Explanations and footnotes regarding the liability accounts of the balance sheet (Continued):****10. Breakdown of items in other liabilities which exceed 10% of the balance sheet total and breakdown of items which constitute at least 20% of grand total:**

As of the balance sheet date, the Bank's total other liabilities are 3.012.947 TL (31 December 2022: 1.009.560 TL) and do not exceed 10% of the total liabilities.

**11. Information on shareholders' equity:****a. Presentation of paid-in capital:**

	Current Period	Prior Period
Common stock	1.026.915	1.026.915
Preferred stock	-	-

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

The Bank's registered capital system did not apply as of 31 December 2023 and 31 December 2022.

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

There is no capital increase in the current period.

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

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

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

There are no capital commitments (December, 31 2022: None).

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

The Bank's profits are kept in shareholders' equity through transfer to reserves. Moreover, the Bank's shareholders' equity is invested in liquid and earning assets.

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

There is no privilege given to stocks representing the capital.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****II. Explanations and footnotes regarding the liability accounts of the balance sheet (Continued):****11. Information on shareholders' equity: (Continued)****h. Information on marketable securities valuation reserve:**

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference (*)	671.615	108.884	1.520.003	22.224
Foreign exchange difference	-	-	-	-
<b>Total</b>	<b>671.615</b>	<b>108.884</b>	<b>1.520.003</b>	<b>22.224</b>

(\*) The amount represents the net balance after deferred tax liability.

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

The Bank's Creditor Institution as of December 31, 2023 is Türkiye Varlık Vakfı Yönetimi A.Ş. with ISIN code TRT240424F22, with a starting date of April 24, 2019, with a five-year repayment option at the earliest and a maturity value of 200.000.000 Euros (Full Euros) and the Creditor Institution is Turkey Wealth Fund Management A.Ş. There are two subordinated debt instruments in total amounting to 31.688.489 Euros (Full Euro) with a starting date of March 9, 2022, with a ten-year repayment option at the earliest and with a maturity date of 31.688.489 Euros (Full Euro). The financial liability in question is reflected in the records at its fair value and its cost value. The difference between the fair value and the fair value was accounted for in the 'Other Capital Reserves' account in shareholders' equity at the date of initial acquisition.

In addition, regarding this transaction, current public securities with 0% return were classified as 'financial assets carried at amortized cost' in line with the decision taken by the Bank Management and were included in the balance sheet with the amount discounted by the public security return rates. The difference between the initial acquisition date cost value and the discounted amount is accounted for in the 'Other Capital Reserves' account within shareholders' equity.

In accordance with the decision of the Bank's Ordinary General Assembly held on August 4, 2023, it was decided to transfer 140.498 TL of the 2022 period decision, which is 2.809949 TL, to legal reserves and the remaining amount to extraordinary reserves.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****III. Explanations and footnotes regarding off-balance sheet accounts:****1. Explanations on off balance sheet:****a. Type and amount of irrevocable loan commitments:**

	Current Period	Prior Period
Guaranteed Loan Allocation Commitments	9.126.506	4.307.375
Forward Asset Value Purchase and Sale Commitments	8.510.140	4.369.088
Our Payment Commitments for Cheques	313.805	170.002
Tax and Fund Obligations Resulting from Export Commitments	-	-
Credit Card Spending Limit Commitments	-	-
Participation Capital Commitments	67.500	-
Other Irrevocable Commitments	524.822	1.364.944
<b>Total</b>	<b>18.542.773</b>	<b>10.211.409</b>

**b. Type and amount of possible losses and commitments arising from off-balance sheet items:****b.1. Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit:**

	Current Period	Prior Period
Guarantees	19.279.232	9.845.271
Letters of credit	18.155	200.437
Bank loans	591.907	429.301
Other guaranties and sureties	-	-
<b>Total</b>	<b>19.889.294</b>	<b>10.475.009</b>

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

	Current Period	Prior Period
Temporary letters of guarantees	549.398	523.772
Advance letters of guarantees	11.488.909	854.173
Letters of guarantees given to customs	1.914.180	334.379
Definitive Letters of Guarantee	749.671	5.651.877
Letters of Guarantee Given for the Guarantee of Cash Loans	41.058	2.475.291
Other	4.536.016	5.779
<b>Total</b>	<b>19.279.232</b>	<b>9.845.271</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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## Explanations and notes on the unconsolidated financial statements (Continued)

## III. Explanations and footnotes regarding off-balance sheet accounts: (Continued)

## 1. Explanations on off balance sheet: (Continued)

## c. Within the Non-cash Loans:

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

	Current Period	Prior Period
Non-cash loans given against cash loans	4.536.016	2.475.291
With original maturity of 1 year or less	89.679	206.803
With original maturity of more than 1 year	4.446.337	2.268.488
Other non-cash loans	15.353.278	7.999.718
<b>Total</b>	<b>19.889.294</b>	<b>10.475.009</b>

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

	Current Period			
	TL	(%)	FC	(%)
<b>Agricultural</b>	<b>204.487</b>	<b>1,32</b>	<b>(1)</b>	<b>-</b>
Farming and stockbreeding	60.331	0,39	-	-
Forestry	144.156	0,93	(1)	-
Fishery	-	-	-	-
<b>Manufacturing</b>	<b>3.700.318</b>	<b>23,97</b>	<b>1.410.682</b>	<b>31,70</b>
Mining	10.650	0,07	-	-
Production	2.971.307	19,25	1.271.667	28,58
Electricity, gas and water	718.361	4,65	139.015	3,12
<b>Construction</b>	<b>4.831.498</b>	<b>31,29</b>	<b>419.397</b>	<b>9,42</b>
<b>Services</b>	<b>5.830.995</b>	<b>37,77</b>	<b>1.776.313</b>	<b>39,91</b>
Wholesale and retail trade	3.943.018	25,54	918.941	20,65
Hotel, food and beverage services	124.776	0,81	4.902	0,11
Transportation and telecommunication	326.164	2,11	728.043	16,36
Financial Institutions	5.076	0,03	22.160	0,50
Real estate and renting services	21.514	0,14	3.457	0,08
Self-employment services	223.475	1,45	-	-
Education services	748.775	4,85	45.564	1,02
Health and social services	438.197	2,84	53.246	1,20
<b>Other</b>	<b>871.318</b>	<b>5,65</b>	<b>844.287</b>	<b>18,96</b>
<b>Total</b>	<b>15.438.616</b>	<b>100</b>	<b>4.450.678</b>	<b>100</b>



## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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## Explanations and notes on the unconsolidated financial statements (Continued)

## III. Explanations and footnotes regarding off-balance sheet accounts (Continued):

## 1. Explanations on off balance sheet (Continued):

## c. Within the Non-cash Loans (Continued):

## c.2. Sectoral risk concentration of non-cash loans (Continued):

	Prior Period			
	TL	(%)	FC	(%)
<b>Agricultural</b>	<b>154.962</b>	<b>2,16</b>	<b>1.795</b>	<b>0,05</b>
Farming and stockbreeding	300	-	-	-
Forestry	154.662	2,16	1.795	0,05
Fishery	-	-	-	-
<b>Manufacturing</b>	<b>1.603.247</b>	<b>22,37</b>	<b>1.408.056</b>	<b>42,58</b>
Mining	58.961	0,82	-	-
Production	1.452.500	20,26	1.335.765	40,40
Electricity, gas and water	91.786	1,28	72.291	2,19
<b>Construction</b>	<b>2.308.052</b>	<b>32,20</b>	<b>399.337</b>	<b>12,08</b>
<b>Services</b>	<b>2.513.432</b>	<b>35,06</b>	<b>1.134.294</b>	<b>34,30</b>
Wholesale and retail trade	1.657.571	23,12	531.343	16,07
Hotel, food and beverage services	44.996	0,63	-	-
Transportation and telecommunication	265.923	3,71	459.846	13,91
Financial Institutions	2.748	0,04	16.070	0,49
Real estate and renting services	15.725	0,22	4.241	0,13
Self-employment services	82.786	1,15	-	-
Education services	225.191	3,14	74.659	2,26
Health and social services	218.492	3,05	48.135	1,46
<b>Other</b>	<b>588.665</b>	<b>8,21</b>	<b>363.169</b>	<b>10,98</b>
<b>Total</b>	<b>7.168.358</b>	<b>100</b>	<b>3.306.651</b>	<b>100,00</b>

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## Explanations and notes on the unconsolidated financial statements (Continued)

## III. Explanations and footnotes regarding off-balance sheet accounts (Continued):

## 1. Explanations on off balance sheet (Continued):

## c. Within the Non-cash Loans (Continued):

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

Current Period	I st Group		II nd Group	
	TL	FC	TL	FC
<b>Non-cash loans</b>	<b>15.426.191</b>	<b>4.450.678</b>	<b>12.425</b>	<b>-</b>
Letters of guarantee	15.414.941	3.851.866	12.425	-
Bank loans	11.250	6.905	-	-
Letters of credit	-	591.907	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	-	-	-	-
<b>Prior Period</b>	<b>I st Group</b>		<b>II nd Group</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Non-cash loans</b>	<b>2.993.110</b>	<b>3.136.467</b>	<b>30.874</b>	<b>-</b>
Letters of guarantee	7.131.703	2.680.614	4.243	-
Bank loans	3.701	196.736	-	-
Letters of credit	-	429.301	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	-	-	-	-

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**Explanations and notes on the unconsolidated financial statements (Continued)****III. Explanations and footnotes regarding off-balance sheet accounts: (Continued)****3. Explanations on derivative transactions:**

	Derivative transactions according to purpose December 31, 2023	Derivative transactions according to purpose December 31, 2022
<b>Trading Derivatives</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>11.064.818</b>	<b>10.231.101</b>
Currency Forwards-Purchases, sales	490.875	912.033
Currency Swaps-Purchases, sales	10.573.943	9.319.068
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
<b>Profit share Rate Related Derivative Transactions (II)</b>	<b>-</b>	<b>-</b>
Profit share rates forwards-Purchase, sales	-	-
Profit share rates swaps-Purchases, sales	-	-
Profit share rates options-Purchases, sales	-	-
Profit share rates futures-Purchases, sales	-	-
<b>Other Trading Derivatives (III)</b>	<b>-</b>	<b>-</b>
<b>A. Total Trading Derivatives (I + II + III)</b>	<b>11.064.818</b>	<b>10.231.101</b>
<b>Hedging Derivatives</b>	<b>-</b>	<b>-</b>
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
<b>B. Total Hedging Derivatives</b>	<b>-</b>	<b>-</b>
<b>Total Derivatives Transactions (A+B)</b>	<b>11.064.818</b>	<b>10.231.101</b>

**4. Explanations on credit derivatives and risk beared due to these:**

None (31 December 2022: None).

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

The Bank has set aside a provision of 4.552 TL (31 December 2022: 4.354 TL) for the lawsuits filed against it by various persons and institutions, which have a high probability of realization and may require a cash outflow, and the said provision is shown under the "Other Provisions" note numbered II.6.b in the Fifth section.

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

The Bank does not engage in placement activities on behalf of real and legal persons, foundations, pension insurance funds and other institutions.

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## Explanations and notes on the unconsolidated financial statements (Continued)

## IV. Explanations and footnotes regarding the statement of profit or loss:

## 1. Information on profit share income:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share received from loans				
Short Term Loans	6.229.961	754.023	2.497.502	244.533
Medium and Long Term Loans	3.539.537	369.114	2.234.902	299.835
Profit Share on Non-Performing Loans	3.186	357	2.389	28
<b>Total</b>	<b>9.772.684</b>	<b>1.123.494</b>	<b>4.734.793</b>	<b>544.396</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	764.274	-	974.72	-
Domestic Banks	6.923	-	278	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
<b>Total</b>	<b>771.197</b>	<b>-</b>	<b>97.750</b>	<b>-</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	364.982	56.370	88.026	24.977
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	2.622.799	214.086	2.052.998	94.343
Financial Assets Measured at Amortized Cost	1.370.745	257.809	452.189	160.753
<b>Total</b>	<b>4.358.526</b>	<b>528.265</b>	<b>4.358.526</b>	<b>280.073</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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## Explanations and notes on the unconsolidated financial statements (Continued)

## IV. Explanations and footnotes regarding the statement of profit or loss: (Continued)

## d. Information on profit share income received from associates and subsidiaries:

	Current Period		Prior Period	
	TL	FC	TL	FC
Dividends received from subsidiaries and affiliates	20.670	-	37480	-
<b>Total</b>	<b>20.670</b>	<b>-</b>	<b>37480</b>	<b>-</b>

## 2. Explanations on profit share expenses:

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

Current Period	Profit Sharing Accounts						Accumulated participation accounts	Total
	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 years	More than 1 years		
<b>TL</b>								
Funds collected from banks through current and profit sharing accounts	49.619	114.831	9.133	-	-	-	-	173.583
Real persons' non-trading profit sharing accounts	59.820	1.520.590	413.327	-	3.174	227.630	-	2.224.541
Public sector profit sharing accounts	1.018.961	403.044	95.576	-	1.500	334	-	1.519.415
Commercial sector profit sharing accounts	437.786	2.704.638	295.202	-	22.120	177.012	-	3.636.758
Other institutions profit sharing accounts	7.040	222.676	1.176	-	-	-	-	230.892
<b>Total</b>	<b>1.573.226</b>	<b>4.965.779</b>	<b>814.414</b>	<b>-</b>	<b>26.794</b>	<b>404.976</b>	<b>-</b>	<b>7.785.189</b>
<b>FC</b>								
Banks	-	-	-	-	-	-	-	-
Real persons' non-trading profit sharing accounts	6.341	17.881	812	-	7.400	251	-	32.685
Public sector profit sharing accounts	4.455	149	-	-	-	-	-	4.604
Public sector profit sharing accounts	15.881	22.158	291	-	9.143	-	-	47.473
Other institutions profit sharing accounts	16	37	-	-	-	-	-	53
Precious metals deposits	3.011	-	-	-	-	-	-	3.011
<b>Total</b>	<b>29.704</b>	<b>40.225</b>	<b>1.103</b>	<b>-</b>	<b>16.543</b>	<b>251</b>	<b>-</b>	<b>87.826</b>
<b>Grand Total</b>	<b>1.602.930</b>	<b>5.006.004</b>	<b>815.517</b>	<b>-</b>	<b>43.337</b>	<b>405.227</b>	<b>-</b>	<b>7.873.015</b>

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## Explanations and notes on the unconsolidated financial statements (Continued)

## IV. Explanations and footnotes regarding the statement of profit or loss: (Continued)

## 2. Explanations on profit share expenses: (Continued)

## a. Distribution of profit share expense on funds collected based on maturity of funds collected: (Continued)

Prior Period Account Name	Profit Sharing Accounts						Accumulated participation accounts	Total
	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 years	More than 1 years		
<b>TL</b>								
Funds collected from banks through current and profit sharing accounts	4.534	80.875	-	-	-	-	-	85.409
Real persons' non-trading profit sharing accounts	27.241	514.730	109.435	-	1.181	40.814	-	693.401
Public sector profit sharing accounts	479.517	96.766	60.927	-	5.868	195	-	643.273
Commercial sector profit sharing accounts	285.590	910.833	189.831	-	8.262	104.180	-	1.498.696
Other institutions profit sharing accounts	7.989	85.391	5.538	-	-	-	-	98.918
<b>Total</b>	<b>804.871</b>	<b>1.688.595</b>	<b>365.731</b>	<b>-</b>	<b>15.311</b>	<b>145.189</b>	<b>-</b>	<b>3.019.697</b>
<b>FC</b>								
Banks	-	6.204	-	-	-	-	-	6.204
Real persons' non-trading profit sharing accounts	11.177	54.868	4.559	-	5.046	392	-	76.042
Public sector profit sharing accounts	-	2.693	-	-	-	-	-	2.693
Public sector profit sharing accounts	11.088	151.118	35.165	-	1.616	-	-	198.987
Other institutions profit sharing accounts	1.761	2.680	-	-	-	-	-	4.441
Precious metals deposits	2.855	-	-	-	-	-	-	2.855
<b>Total</b>	<b>26.881</b>	<b>217.563</b>	<b>39.724</b>	<b>-</b>	<b>6.662</b>	<b>392</b>	<b>-</b>	<b>291.222</b>
<b>Grand Total</b>	<b>831.752</b>	<b>1.906.158</b>	<b>405.455</b>	<b>-</b>	<b>21.973</b>	<b>145.581</b>	<b>-</b>	<b>3.310.919</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

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

## Explanations and notes on the unconsolidated financial statements (Continued)

## IV. Explanations and footnotes regarding the statement of profit or loss: (Continued)

## 2. Explanations on profit share expenses: (Continued)

## e. Information on profit share expense paid to funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	76.747	67.707	26.733	28.479
CBRT	-	-	-	-
Domestic banks	76.747	36.254	26.733	13.009
Foreign banks	-	31.453	-	15.470
Head offices and branches abroad	-	-	-	-
Other institutions	1.967.200	280.109	728.624	173.962
<b>Total</b>	<b>2.043.947</b>	<b>347.816</b>	<b>755.357</b>	<b>202.441</b>

## f. Profit share expense paid to associates and subsidiaries:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share expense given to associates and subsidiaries	1.967.200	-	728.302	-
<b>Total</b>	<b>1.967.200</b>	<b>-</b>	<b>728.302</b>	<b>-</b>

## g. Profit share expenses paid to marketable securities issued:

None (December 31, 2022: None).

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****IV. Explanations and footnotes regarding the statement of profit or loss (Continued):****3. The Other Items in Net Fees and Commission Income/Expenses, which constitute at least 20% of the total of other items, if the total of other items in income statement exceed 10% of the total of income statement**

<b>Other Fees and Commissions Received</b>	<b>Current Period</b>	<b>Prior Period</b>
Service package revenues	1.344.480	150.588
Remittance Commissions	512.421	113.306
Fees and commissions from correspondents	228.003	27.086
Import commissions	45.350	14.633
Appraisal fees	22.623	7.516
Insurance and brokerage commissions	50.658	8.218
Early closing commission income	15.476	6.020
Limit allocation commission	7.106	8.633
Fees and commissions from member merchant pos	7.646	1.814
Safe deposit box revenues	1.251	848
Other commission and service income received	38.142	18.176
<b>Total</b>	<b>2.273.156</b>	<b>202.183</b>
<b>Other Fees and Commissions Given</b>	<b>Current Period</b>	<b>Prior Period</b>
Expenses and commissions given to correspondents	78.693	20.223
Fees and commissions for Swift, EFT and money transfer	63.758	105.299
Commissions given to credits used	5.905	2.720
Fees and commissions given for loans used	2.340	1.087
Fees and commissions paid to member workplaces	366	235
Other commissions and fees	12.536	6.073
<b>Total</b>	<b>163.598</b>	<b>135.637</b>

**4. Information on dividend income:**

None (December 31, 2022: None).



## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

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

## Explanations and notes on the unconsolidated financial statements (Continued)

## IV. Explanations and footnotes regarding the statement of profit or loss (Continued):

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

	Current Period	Prior Period
<b>Income</b>	<b>21.060.342</b>	<b>11.285.906</b>
Income from capital market transactions	46.209	14.414
Income from derivative financial instruments	1.109.649	1.585.983
Foreign exchange income	19904.484	9.685.509
<b>Loss (-)</b>	<b>16.332.596</b>	<b>9.424.636</b>
Loss on capital market transactions	1.259	1.546
Loss on derivative financial instruments	1.919.298	956.645
Foreign exchange losses	14.412.039	8.466.445
<b>Trading income/loss (net)</b>	<b>4.727.746</b>	<b>1.861.270</b>
<b>6. Explanations related to other operating income:</b>		
	<b>Current Period</b>	<b>Prior Period</b>
Provision cancellations for previous years	582.642	113.828
Income from sales of assets	5.127	29.157
Other income	54.744	9.267
Lease income	8	8
<b>Total</b>	<b>642.521</b>	<b>152.260</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

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

**Explanations and notes on the unconsolidated financial statements (Continued)****IV. Explanations and footnotes regarding the statement of profit or loss (Continued):****7. Expected loss provision expenses and other provision expenses:**

	Current Period	Prior Period
<b>Expected Credit Loss</b>	<b>429.826</b>	<b>787.594</b>
12 month expected credit loss (stage 1)	288.960	690.040
Significant increase in credit risk (stage 2)	18.941	22.259
Non-performing loans (stage 3)	121.925	75.295
<b>Marketable Securities Impairment Expense</b>	<b>1.773</b>	<b>3.065</b>
Financial Assets at Fair Value through Profit or Loss	1.773	3.065
Financial Assets at Fair Value through Other Comprehensive Income	-	-
<b>Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease</b>	<b>-</b>	<b>-</b>
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Investments Held to Maturity	-	-
<b>Other (*)</b>	<b>2.331.805</b>	<b>685.663</b>
<b>Total</b>	<b>2.763.404</b>	<b>1.476.322</b>

(\*) It consists of 834 TL of litigation provisions, 2,208,018 TL of free reserves set aside outside the requirements of BRSAA Accounting and Financial Reporting Legislation, and 122,953 TL of provision expenses set aside for profits to be distributed to participation accounts.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****IV. Explanations and footnotes regarding the statement of profit or loss (Continued):****8. Information on other operating expenses:**

	Current Period	Prior Period
Provision for retirement pay liability <sup>(1)</sup>	23.651	6.356
Accumulated allowance amount <sup>(1)</sup>	21.321	-
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	164.405	95.790
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	13.454	8.517
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and assets of discontinued operations	-	-
Other operating expenses	1.535.595	209.578
Lease expenses related to TFRS 16 exemptions	2.823	1.898
Operating Maintenance expenses	49.827	22.438
Advertisement expenses	118.272	73.151
Other expenses <sup>(1)</sup>	1.364.673	112.091
Loss on sale of assets	-	-
Other <sup>(2)</sup>	297.515	101.404
<b>Total</b>	<b>2.055.941</b>	<b>421.645</b>

<sup>(1)</sup> The amount of severance pay and accumulated vacation provisions shown in other provisions in the profit or loss statement, which are not included in other operating expenses, are also included in this table.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****IV Explanations and footnotes regarding the statement of profit or loss (Continued):****8. Information on other operating expenses (Continued):**

(1) Details of "Other Expenses" balance under Other Operating Expenses are as follows:

	Current Period	Prior Period
Charity and donations	57.069	23.260
Communication expenses	57.571	18.886
Cleaning expenses	27.759	18.449
Heating, lighting and water expenses	24.644	4.852
Representation and hosting expenses	15.387	9.615
Vehicle expenses	635	8.399
Securities insurance expenses	10.388	974
Stationery expenses	3.901	2.837
Expenses for participating in common expenses	2.690	1.253
Litigation and court expenses	1.077.681	628
Other	86.948	22.938
<b>Total</b>	<b>1.364.673</b>	<b>112.091</b>

(2) Other balance details are as below table:

	Current Period	Prior Period
Taxes, Duties, Charges and Funds	180.568	474.72
Audit and Consultancy Fees	45.385	15.895
Participation Share Expenses	9.810	4.624
Saving Deposit Insurance Fund	38.960	12.666
Other	22.792	20.747
<b>Total</b>	<b>297.515</b>	<b>101.404</b>

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

6.286.566 TL (December 31, 2022: 3.918.173 TL) of the Bank's pre-tax profit consists of net dividend income. 2.281.160 TL (December 31, 2022: 300.709 TL) consists of net fee and commission income. and other the total of operating expenses amounts to 2.010.969 TL (December 31, 2022: 415.289 TL).

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**Explanations and notes on the unconsolidated financial statements (Continued)****IV Explanations and footnotes regarding the statement of profit or loss (Continued):****10. Explanations on tax provision for continued and discontinued operations:**

As of 31 December 2023, the Bank has deferred tax income of 2.940.957 TL (31 December 2022: 1.349.214 TL) and deferred tax expense of 2.065.460 TL (31 December 2022: 288.676 TL). As of December 31, 2023, the Bank's current tax provision is 3.327.534 TL (December 31, 2022: 1.975.032 TL).

Since the Bank does not have any discontinued operations, there is no tax provision regarding this. (December 31, 2022: None).

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

The Bank has no discontinued operations. As a result of deducting the period tax provision expense of 2.452.037 TL (31 December 2022: 914.194 TL) from the continuing operating profit of 7.581.571 TL (31 December 2022: 3.734.443 TL), the net profit for the period is 5.129.534 TL (31 December 2022: 914.194 TL), amounted to 2.809.949 TL).

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

None. (December 31, 2022: None).

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

None. (December 31, 2022: None).

**c. Profit/loss attributable to minority rights:**

None.

**13. Fees for Services Received from Independent Auditor/Independent Audit Firm**

In accordance with the decision of the POA dated March 26, 2021, the fee information for the reporting period regarding the services received from the independent auditor or independent audit firm is given in the table below. These fees also include audit fees of the Bank's subsidiaries. The fee information given in the table is excluding VAT.

	Current Period	Prior Period
Independent audit fee for the reporting period	7.608	1.134
Fees for tax consultancy services	-	-
Fee for other assurance services	-	-
Fee for other services other than independent audit	-	-
<b>Total</b>	<b>7.608</b>	<b>1.134</b>

**V. Explanations and footnotes regarding the statement of changes in equity**

There is no dividend amount declared after the balance sheet date but before the announcement of the financial statements.

Dividend distribution will be decided at the General Assembly meeting, and the General Assembly has not yet been held as of the date of finalization of the attached financial statements.

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**Explanations and notes on the unconsolidated financial statements (Continued)****VI. Explanations and footnotes regarding the cash flow statement****1. Components of cash and cash equivalents and accounting policy applied in their determination**

Cash, cash deposit, money in transit and purchased bank checks and T.R. Demand deposits in banks including the Central Bank are classified as "Cash"; Interbank money market placements and time deposits in banks with an original maturity of less than three months are defined as "Cash equivalent assets".

Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
<b>Cash</b>	<b>39.337.987</b>	<b>1.729.354</b>
Cash in TL/foreign currency	583.626	275.301
Cash in transit	2.948.929	610.394
CBRT	35.805.432	843.659
<b>Cash equivalents</b>	<b>13.877.892</b>	<b>1.533.115</b>
Domestic banks	485.853	256.446
Foreign banks	13.392.039	1.276.669
<b>Total cash and cash equivalents</b>	<b>53.215.879</b>	<b>3.262.469</b>

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

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

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

The "Other" item amounting to 21.130.203 TL (31 December 2022: 8.015.918 TL) included in the "Operating profit before changes in assets and liabilities within the scope of banking activity" consists mainly of provision expense and other operating expenses.

The item "Net increase/decrease in other payables" amounting to 1.689.969 TL (31 December 2022: 1.045.750 TL) included in the "Change in assets and liabilities subject to banking activities" includes liabilities from leasing transactions, other foreign resources and taxes, duties, and fees to be paid, and changes in premiums.

The effect of the change in foreign exchange rates on cash and cash equivalent assets was determined to be approximately 5.823.987 TL (31 December 2022: 1.017.920 TL) in the accounting period ending on 31 December 2023

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## Explanations and notes on the unconsolidated financial statements (Continued)

## VII. Explanations regarding the risk group the Bank belongs to

## 1. The volume of transactions related to the risk group that the Bank belongs to, credit and fund transactions collected at the end of the period, income and expenses for the period

## a. Current Period

Risk Group of the Bank <sup>(*)</sup>	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the beginning of period	1.273.002	-	2.355	-	-	-
Balance at the end of period	1.201.000	-	3.637	-	-	-
<b>Dividend and Commission Income Received<sup>(*)</sup></b>	<b>20.670</b>	<b>-</b>	<b>364</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>(\*)</sup> It is defined in Article 49 of the Banking Law No. 5411 and Article 4 of the "Regulation on Credit Transaction of Banks" published on 1 November 2006.

## b. Prior Period

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the beginning of period	714.824	-	973	-	-	-
Balance at the end of period	1.273.002	-	2.355	-	-	-
<b>Dividend and Commission Income Received</b>	<b>37.480</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>(\*)</sup> Defined in Article 49 of the Banking Law No. 5411 and Article 4 of the "Regulation on Credit Transactions of Banks" published on 1 November 2006.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**Explanations and notes on the unconsolidated financial statements (Continued)****VII. Explanations regarding the risk group the Bank belongs to (Continued)****c. Information on current and profit sharing accounts of the Bank's risk group**

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Current and profit sharing accounts</b>						
Balance at the beginning of period	51.265	128.021	-	-	-	-
Balance at the end of period	17944	51.265	-	-	-	-
<b>Profit share expense</b>	<b>4.195</b>	<b>14.180</b>	-	-	-	-

**d. Information on forward and option agreements and other similar agreements with the risk group of the Bank**

The Bank does not have any forward foreign exchange purchase/sale contracts with the risk group it is included.

**e. Information on the benefits provided to the top management of the bank**

The total amount of the remuneration and benefits provided to the top management of the Bank for the accounting period ended December 31, 2023 is TL 24.872 (December 31, 2022: TL 17.396).

**VIII. Disclosures regarding the Bank's domestic, foreign, off-shore branches or subsidiaries and foreign representative offices****1. Information on the domestic and foreign branches and representative offices of the Bank:**

	Number	Number of personnel	Country	Total Assets (Thousand TL)	Statutory Share Capital
Domestic Branches(*)	101	1494			
Foreign Representation Office	-	-			
Foreign Branches	-	-		-	-
Off-Shore Branches	-	-		-	-

(\*)The number of head office personnel is included in the number of domestic branch employees.

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

The Bank has not open branches abroad in 2023. The Bank has opened 10 branches in different regions in the country.

**IX. Explanations and footnotes regarding post-balance sheet matters:**

None.



**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**

## **NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

### **SECTION SIX**

#### **OTHER EXPLANATIONS**

##### **I. Other explanations on operations of the Bank**

None.

### **SECTION SEVEN**

#### **INDEPENDENT AUDITOR'S REPORT**

##### **I. Explanations on the Independent Auditor's Report**

The unconsolidated financial statements and footnotes of the Bank, which were disclosed to the public as of 31 December 2023 and for the period ending on the same date, were subject to independent audit by the independent audit firm titled PwC Bağımsız Denetim ve SMMM A.Ş. and dated 7 March 2024. The independent audit report is presented before the financial statements.

##### **II. Explanations and footnotes prepared by the independent auditor**

None.

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**

# CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AT DECEMBER 31, 2023 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL  
STATEMENTS, RELATED DISCLOSURES AND AUDIT REPORT ORIGINALLY ISSUED IN  
TURKISH - SEE SECTION THREE NOTE I.A)

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş. INDEPENDENT AUDITOR'S REPORT



## To the General Assembly of Türkiye Emlak Katılım Bankası Anonim Şirketi

### A. Audit of the Consolidated Financial Statements

#### 1. Qualified Opinion

We have audited the accompanying consolidated financial statements of Türkiye Emlak Katılım Bankası Anonim Şirketi (the “Bank”) and its subsidiaries (collectively referred to as the “Group”), which comprise the statement of consolidated balance sheet as at 31 December 2023, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, except for the effect of the matter on the consolidated financial statements described in the Basis for Qualified Opinion paragraph below, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards (“TFRS”) for those matters not regulated by the aforementioned regulations.

#### 2. Basis for Qualified Opinion

As explained in Section Five Part II. 6.b of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 31 December 2023 include a free provision amounting to TL 2.850.432 thousand which consist of TL 642.414 thousand provided in prior periods and TL 2.208.108 thousand recognized in the current year and related deferred tax amounting to TL 855.130 thousand which consist of TL 160.603 thousand provided in prior periods and TL 694.527 thousand recognized in the current year by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

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

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş. INDEPENDENT AUDITOR'S REPORT

### 3. Key Audit Matters

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

<b>Key Audit Matters</b>	<b>How the key audit matter was addressed in the audit</b>
<p><b>Expected credit losses for loans and receivables</b></p> <p>The Group has total expected credit losses provision for loans and receivables amounting to TL 567.120 thousand in respect to total loans and receivables amounting to TL 67925.162 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as at 31 December 2023. Explanations and notes regarding the provision for impairment of loans are represented in Notes VII of Section Three, II of Section Four, VIII of Section Four and 1.6 of Section Five of the accompanying consolidated financial statements as at 31 December 2023.</p> <p>The Group recognizes provision for impairment in accordance with "IFRS 9 Financial Instruments" ("IFRS 9") requirements and the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750. The Group exercises significant decisions using subjective judgement, interpretation and assumptions over when and how much to record as loan impairment.</p>	<p>Within our audit procedures, we assessed policies and procedures together with the overall governance established by the Group with respect to classification of loans and receivables and the calculation of expected credit losses in accordance with the applicable regulations. We tested the design and the operating effectiveness of relevant systems and processes implemented in accordance with these principles.</p> <p>We checked appropriateness of matters considered in methodology applied by the Group with IFRS 9 for calculation of the provision amount through stage classification of loans and receivables. For forward looking assumptions made by the Group's management in its expected credit losses calculations, we held discussions with management and evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed reasonability and tested model segmentation, lifetime probability of default model, exposure at default calculation, loss given default model and the approaches to reflecting macroeconomic expectations with our financial risk experts. We have assessed interpretation of expert opinion regarding reasonable and supportable forward looking expectations (including macroeconomic factors)</p>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

# INDEPENDENT AUDITOR'S REPORT

<b>Key Audit Matters</b>	<b>Konunun Denetimde Nasıl Ele Alındığı</b>
<p>Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as historical loss experiences, current conditions, macro-economic expectations; the significance of the loans and receivables balances, the classification of loans and receivables as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans and receivables. Therefore, this area is considered as key audit matter.</p>	<p>Our procedures also included the following:</p> <ul style="list-style-type: none"> <li>· Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology and the performance of the impairment models used.</li> <li>· We checked the suitability and accuracy of the data used in the expected credit loss approach to determine the Group's impairment allowance.</li> <li>· We checked accuracy of resultant expected credit losses calculations on a sample basis.</li> <li>· To assess appropriateness of the Group's determination of staging for credit risk in the framework of existing regulations, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample.</li> <li>· We evaluated the adequacy of the disclosures made in the consolidated financial statements regarding the provision for impairment of loans and receivables.</li> </ul>

#### 4. Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2022 were audited by another independent audit firm that expressed a qualified opinion in consequence of free provision and related deferred tax in the financial statements in audit report dated 10 March 2023.

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

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

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

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

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

# INDEPENDENT AUDITOR'S REPORT

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

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

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

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

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş. INDEPENDENT AUDITOR'S REPORT

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

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

### B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

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

Talar Gül, SMMM  
Independent Auditor

Istanbul, 14 March 2024

### Additional Paragraph for Convenience Translation

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

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.'NİN**  
**CONSOLIDATED FINANCIAL REPORT OF TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

Parent Bank's headquarter address:	Barbaros Mahallesi, Begonya Sk. No:9A, 34746 Ataşehir/İstanbul
Parent Bank's phone number and facsimile:	00 90 216 266 26 26 - 00 90 216 275 25 25
Parent Bank's website:	www.emlakkatilim.com.tr
Electronic mail contact info:	bilgi@emlakkatilim.com.tr

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

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

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

The subsidiaries whose financial statements have been consolidated in this consolidated financial report are as follows:

**Subsidiaries**

- Emlak Varlık Kiralama A.Ş.
- Emlak Katılım Varlık Kiralama A.Ş.

**Prof. Dr. Mehmet Emin BİRPINAR**

Chairman of the Board of  
Directors

**Onur GÖK**

General Manager

**Mehmet Nuri YAZICI**

Chairman of the Audit  
Committee

**Ramazan GÜNGÖR**

Member of the Audit  
Committee

**Tuğba GEDİKLİ**

Chief Financial Officer

**Hakan ULUS**

Official Reporting Manager

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

Name-Surname/Title:	Hakan ULUS/Official Reporting Manager
Telephone:	0 (216) 275 24 74
Facsimile:	0 (216) 275 25 25



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## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.****NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

**SECTION ONE****GENERAL INFORMATION****I. History of the Parent Bank Including Its Incorporation Date, Initial Legal Status and Amendments to Legal Status**

Türkiye Emlak Katılım Bankası A.Ş. ("The Parent Bank") was incorporated in Ankara June 3, 1926 with the name of Emlak ve Eytam Bankası, in accordance with instructions of Mustafa Kemal Atatürk. The aim of establishment of the Parent Bank is to support public construction, to provide necessary loan and to protect orphan's right. The Parent Bank had restructured on 1 December 1946 and after this date the title of the Parent Bank had changed as Türkiye Emlak Kredi Bankası Anonim Ortaklığı. The Parent Bank had merged with Anadolu Bankası A.Ş. and assumed the title of Türkiye Emlak Bankası A.Ş. as of 6 January 1988.

Denizcilik Bankası A.Ş. had transferred to Türkiye Emlak Bankası A.Ş. with the all of its assets and liabilities on 29 November 1992 and maritime loans were also collected at this Bank.

During the period in which the Türkiye Emlak Bankası A.Ş. operates, in addition to its banking activities has become serious brand in the construction of qualified housing projects in line with the its establishment purpose, and has produced important housing projects in many provinces of Türkiye, especially in İstanbul, Ankara and İzmir. İstanbul-Ataköy, Ataşehir, Bahçeşehir, Mimaroba, Sinanoba, Ankara-Bilkent, Elvankent, Konutkent, İzmir-Gaziemir and Mavişehir projects are included in the Parent Bank's important projects.

The Parent Bank has entered into a restructuring process with the Law about Türkiye Cumhuriyeti Ziraat Bankası A.Ş., Türkiye Halk Bankası A.Ş. and Türkiye Emlak Bankası A.Ş. no. 4603 dated November 21, 2000, and the transition from the public law status to the status of private law has achieved.

According to BRSA's decision dated July 6, 2001, Türkiye Emlak Bankası A.Ş. was transferred to Türkiye Cumhuriyeti Ziraat Bankası A.Ş. with its assets and liabilities. In this regard, No. 4684 Certain Laws and Delegated Legislation Law Amending the Law No. 4603 and Article 2 of the Law about Türkiye Cumhuriyeti Ziraat Bank, Türkiye Halk Bankası A.Ş. and Türkiye Emlak Bank A.Ş. attached Provisional Article 3 of the Law (3) In accordance with the provisions of paragraph, the permission of Türkiye Emlak Katılım Bankası A.Ş. to accept deposits and perform banking operations came to an end on July 6, 2001.

The Parent Bank's all assets including banking services, branches, deposits, and commitments and liabilities arising from and banking services were transferred to Ziraat and Halk Bank with the protocol held on July 7, 2001. From this date, the Parent Bank's permission for banking activities and collection of deposit removed.

Board of Liquidation, Board of Directors and Board of Supervisors of the Parent Bank had established with the extraordinary general assembly held on December 14, 2001, and liquidation process had actually started with the personnel on temporary duty sent by Türkiye Cumhuriyeti Ziraat Bankası A.Ş. As a result of the Parent Bank's repayment of its debts to the Treasury Department and all other debts after the end of 16 years with the Law of "Some Receivables and Re-Structuring and Certain Laws and Decree Law Amending No. 7020 with the following regulation made in the Law of Türkiye Cumhuriyeti Ziraat Bankası A.Ş., Türkiye Halk Bankası A.Ş. and Türkiye Emlak Bank A.Ş. No. 4603, the liquidation of the Parent Bank has been removed, as of May 27, 2017.

After the liquidation of the Parent Bank, in the General Assembly held on December 3, 2018, the new Articles of Association approved and the status was determined as participation bank. The title of the Parent Bank was registered as Türkiye Emlak Katılım Bankası A.Ş. on December 10, 2018.

The Parent Bank has obtained the operating permission with the decision of the Banking Regulation and Supervision Board dated February 26, 2019 and numbered 8262 published in the Official Gazette dated February 27, 2019 and numbered 30699 and commenced operations as of March 21, 2019

The Parent Bank together with its consolidated ownerships is referred to as the "Group" in the accompanying consolidated financial statements. The Parent Bank head office is located in İstanbul and there are 101 branches (including 1 e-branch) of The Parent Bank as of December 31, 2023. (December 31, 2022: 80). The Parent Bank is operating with 1.494 staff as of 31 December 2023 (December 31, 2022: 1.297).

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.****NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

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

The Parent Bank's share is TL 1.026.915 and 99,99% of the Parent Bank's share are owned by Ministry of Treasury and Finance. Except by Ministry of Treasury and Finance, T. Emlak Bankası A.Ş. Emekli ve Yardım Sandığı Vakfı and 33 real person have shares amounting to TL 80,57 (full) and TL 3,38 (full), respectively.

TL 1.026.915 portion of the capital amounting to TL 1.026.915 has been paid and TL 2.82 (full) portion has not been paid by the 33 real person.

The part of the capital belonging to the Ministry of Treasury and Finance is represented by the Ministry of Environment and Urbanization.

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

<b>Name and Surname</b>	<b>Administrative Function and Responsibility</b>	<b>Educational Degree</b>
Prof. Dr. Mehmet Emin BİRPINAR	Chairman of BOD	Doctorate
Mahmut KAÇAR <sup>(*)</sup>	Vice Chairman of the Board of Directors	Bachelor
Hasan SUVER	Member of BOD	Master
Mahmut GÜRCAN <sup>(**)</sup>	Member of BOD	Bachelor
Mehmet Nuri YAZICI	Member of BOD and Chairman of the Audit Committee	Bachelor
Prof. Dr. Murat BALCI	Member of BOD	Doctorate
Ramazan GÜNGÖR <sup>(*)</sup>	Member of BOD and Audit Committee	Bachelor
Onur GÖK <sup>(**)</sup>	Member of BOD and General Manager	Master
Tuğba GEDİKLİ	Asst. General Manager Responsible for Finance	Bachelor
Ali Kemal KÜÇÜKCAN	Asst. General Manager Responsible for Treasury and International Banking	Master
Şenol ALTUNDAŞ <sup>(****)</sup>	Asst. General Manager Responsible for Sales and Marketing	Master
Nihat BULUT	Asst. General Manager Responsible for Credit Risk Management	Bachelor
Bülent KARACALAR <sup>(****)</sup>	Asst. General Manager Responsible for Credit Allocation	Bachelor
Serkan UMAN <sup>(****)</sup>	Asst. General Manager Responsible for IT and Digital Banking	Master
Yusuf OKUR	Asst. General Manager Responsible for Operations	Bachelor
Uğur KARA	Asst. General Manager Responsible for Human Resources	Master

The Parent Bank Chairman and Members of the Board of Directors, Audit Committee Members, General Manager and Deputy General Managers do not have any shares in the Bank.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

**GENERAL INFORMATION(Continued)****IV. Information on the Parent Bank's qualified shareholders**

The Parent Bank's paid in capital amounting to TL 1.026.915 consists of 102.691.549916 number of shares with a nominal value of TL 0,01 (full) for each share.

Name/Commercial name	Share Amount	Share Ratio	Paid Shares	Unpaid Shares
Ministry of Treasury and Finance	1.026.915	99,999999%	1.026.915	-
Other	-	0,00001%	-	-

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

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

Briefly, the fields of activity of the Parent Bank are specified in the Articles of Association as follows;

- To buy or sell money or capital market instruments on the spot or in the term according to the legislation and interest-free banking principles and to mediate their purchase and sale, to operate in stock exchanges,
- Within the principles of interest-free banking; to allocate funds to the economy, to use loans in cash and non-cash in all types and forms,
- To make financial leasing transactions, to make operational leasing transactions,
- To make all kinds of payment and collection transactions, payment such as travel checks, credit cards the activities of the vehicles, to provide merchant services (POS), consultancy and advising, providing safe deposit services,
- Buying, acquiring, building any kind of real estate and transferring, renting them to other people when necessary and making all kinds of savings on them,
- For Companies and organizations (including insurance companies); giving services of representation, substitution and being agentship,
- To support Agricultural Credit Cooperatives and SMEs, to carry out activities to support urban transformation,
- To carry out portfolio management and management operations,
- Providing custody services,
- The Parent Bank extends non-cash funds in the type of letter of guarantee, loan of acceptance, letter of credit.

The field of activity of the Parent Bank is not limited to the transactions written in the articles above. If it is deemed beneficial for the Parent Bank to carry out any other transaction than these transactions, it will depend on the decision of the Board of Directors upon the proposal of the Board of Directors, the approval of the necessary legal authorities and the approval of the decision by the Ministry of Customs and Trade. In this way, the approved decision is added to the Articles of Association.

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

### GENERAL INFORMATION(Continued)

#### VI. Differences Between The Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and Short Explanation About The Institutions Subject To Line-By-Line Method or Proportional Consolidation and Institutions Which Are Deducted From Equity or Not Included in These Three Methods

The Parent Bank and its subsidiaries Emlak Varlık Kiralama A.Ş. and Emlak Katılım Varlık Kiralama A.Ş. consolidated financial statements with full consolidation method.

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

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

### SECTION TWO

#### THE CONSOLIDATED FINANCIAL STATEMENTS

- I. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
- II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET
- III. CONSOLIDATED STATEMENT OF PROFIT OR LOSS
- IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
- V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
- VI. CONSOLIDATED STATEMENT OF CASH FLOWS

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)**  
**AS OF DECEMBER 31, 2023**

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

	Note (Fifth Section-I)	THOUSAND TL CURRENT PERIOD (31/12/2023)			THOUSAND TL PRIOR PERIOD (31/12/2022)		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>ASSETS</b>							
<b>I. FINANCIAL ASSETS (NET)</b>		<b>25.230.481</b>	<b>72.995.979</b>	<b>98.226.460</b>	<b>9.579.432</b>	<b>32.751.849</b>	<b>42.331.281</b>
<b>1.1 Cash and cash equivalents</b>		<b>174.373.71</b>	<b>66.608.196</b>	<b>84.045.567</b>	<b>1.646.250</b>	<b>29.281.090</b>	<b>30.927.340</b>
1.1.1 Cash and Balances with Central Bank	(1)	174.017.69	52.842.067	70.243.836	1.644.787	24.437.793	26.082.580
1.1.2 Banks	(2)	42.378	13.835.514	13.877.892	2.447	4.885.384	4.887.831
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4 Expected Loss Provisions (-)		6.776	69.385	76.161	984	42.087	43.071
<b>1.2 Financial Assets Measured at Fair Value Through Profit/Loss (FVTPL)</b>	(3)	<b>1.420</b>	<b>2.048.892</b>	<b>2.050.312</b>	<b>1.496</b>	<b>943.463</b>	<b>944.959</b>
1.2.1 Government Debt Securities		1.420	2.017.761	2.019.181	1.496	943.463	944.959
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	31.131	31.131	-	-	-
<b>1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI)</b>	(4)	<b>7.788.752</b>	<b>4.337.825</b>	<b>12.126.577</b>	<b>7926.770</b>	<b>2.514.615</b>	<b>10.441.385</b>
1.3.1 Government Debt Securities		7.781.093	4.337.825	12.118.918	7.919.111	2.514.615	10.433.726
1.3.2 Equity Securities		7.659	-	7.659	7.659	-	7.659
1.3.3 Other Financial Assets		-	-	-	-	-	-
<b>1.4 Derivative Financial Assets</b>	(5)	<b>2.938</b>	<b>1.066</b>	<b>4.004</b>	<b>4.916</b>	<b>12.681</b>	<b>17.597</b>
1.4.1 Derivative Financial Assets Measured at FVTPL		2.938	1.066	4.004	4.916	12.681	17.597
1.4.2 Derivative Financial Assets Measured at FVOCI		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)</b>		<b>55.286.670</b>	<b>28.763.425</b>	<b>84.050.095</b>	<b>37.583.957</b>	<b>16.495.311</b>	<b>54.079.268</b>
<b>2.1 Loans</b>	(6)	<b>45.848.320</b>	<b>21.694.016</b>	<b>67.542.336</b>	<b>31.374.318</b>	<b>12.432.021</b>	<b>43.806.339</b>
<b>2.2 Lease Receivables</b>	(8)	<b>262.580</b>	<b>120.246</b>	<b>382.826</b>	<b>373.586</b>	<b>112.696</b>	<b>486.282</b>
<b>2.3 Other Financial Assets Measured at Amortized Cost</b>	(7)	<b>9.592.906</b>	<b>7.099.147</b>	<b>16.692.053</b>	<b>6.300.593</b>	<b>4.139.848</b>	<b>10.440.441</b>
2.3.1 Government Debt Securities		9.592.906	7.099.147	16.692.053	6.300.593	4.139.848	10.440.441
2.3.2 Other Financial Assets		-	-	-	-	-	-
<b>2.4 Expected Loss Provisions (-)</b>	(6)	<b>417.136</b>	<b>14.998.4</b>	<b>567.120</b>	<b>464.540</b>	<b>189.254</b>	<b>653.794</b>
<b>III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(9)	<b>8.283</b>	<b>-</b>	<b>8.283</b>	<b>5.242</b>	<b>-</b>	<b>5.242</b>
3.1 Asset Held for Sale		8.283	-	8.283	5.242	-	5.242
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>IV. PARTNERSHIP INVESTMENTS</b>	(10)	<b>22.500</b>	<b>-</b>	<b>22.500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4.1 Associates (Net)</b>		<b>22.500</b>	<b>-</b>	<b>22.500</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		22.500	-	22.500	-	-	-
<b>4.2 Subsidiaries (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.2.1 Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
<b>4.3 Joint Ventures (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (NET)</b>	(11)	<b>922.856</b>	<b>-</b>	<b>922.856</b>	<b>432.288</b>	<b>-</b>	<b>432.288</b>
<b>VI. INTANGIBLE ASSETS (NET)</b>	(12)	<b>250.364</b>	<b>-</b>	<b>250.364</b>	<b>100.413</b>	<b>-</b>	<b>100.413</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		250.364	-	250.364	100.413	-	100.413
<b>VII. INVESTMENT PROPERTY (NET)</b>	(13)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. DEFERRED TAX ASSETS</b>	(14)	<b>1.718.345</b>	<b>-</b>	<b>1.718.345</b>	<b>664.594</b>	<b>-</b>	<b>664.594</b>
<b>X. OTHER ASSETS</b>	(15)	<b>2.477.451</b>	<b>10.439</b>	<b>2.487.890</b>	<b>1.338.254</b>	<b>3.874</b>	<b>1.342.128</b>
<b>TOTAL ASSETS</b>		<b>85.916.950</b>	<b>101.769.843</b>	<b>187.686.793</b>	<b>49.704.180</b>	<b>49.251.034</b>	<b>98.955.214</b>

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

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)**  
**AS OF DECEMBER 31, 2023**

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

LIABILITIES	Note (Fifth Section-I)	THOUSAND TL CURRENT PERIOD (31/12/2023)			THOUSAND TL PRIOR PERIOD (31/12/2022)		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>I. FUNDS COLLECTED</b>	(1)	57981.289	93.497.685	151.478.974	34.889.415	44.282.608	79.172.023
<b>II. FUNDS BORROWED</b>	(2)	242.905	1.004.966	1.247.871	149.370	749.565	898.935
<b>III. MONEY MARKET FUNDS</b>		-	-	-	-	-	-
<b>IV. SECURITIES ISSUED (Net)</b>		8.730.931	-	8.730.931	5.031.689	-	5.031.689
<b>V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VI. DERIVATIVE FINANCIAL LIABILITIES</b>		27.199	-	27.199	2.261	11.536	13.797
6.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(3)	27.199	-	27.199	2.261	11.536	13.797
6.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5)	-	-	-	-	-	-
<b>VII. LEASE PAYABLES (NET)</b>	(4)	507.319	-	507.319	278.248	-	278.248
<b>VIII. PROVISIONS</b>	(6)	3.536.924	292.693	3.829.617	938.875	106.829	1.045.704
8.1 General Provisions		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		558.907	-	558.907	138.275	-	138.275
8.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4 Other Provisions		2.978.017	292.693	3.270.710	800.600	106.829	907.429
<b>IX. CURRENT TAX LIABILITY</b>	(7)	1.336.476	-	1.336.476	1.368.458	-	1.368.458
<b>X. DEFERRED TAX LIABILITY</b>	(8)	-	-	-	-	-	-
<b>XI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(9)	-	-	-	-	-	-
11.1 Held for Sale Purpose		-	-	-	-	-	-
11.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XII. SUBORDINATED DEBT INSTRUMENTS</b>	(10)	-	7.078.467	7.078.467	-	4.110.376	4.110.376
12.1 Loans		-	7.078.467	7.078.467	-	4.110.376	4.110.376
12.2 Other Debt Instruments		-	-	-	-	-	-
<b>XIII. OTHER LIABILITIES</b>	(11)	751.278	2.266.416	3.017.694	563.335	444.632	1.007.967
<b>XIV. SHAREHOLDERS' EQUITY</b>	(12)	10.323.361	108.884	10.432.245	6.005.793	22.224	6.028.017
14.1 Paid-in capital		1.026.915	-	1.026.915	1.026.915	-	1.026.915
14.2 Capital Reserves		39.272	-	39.272	33.186	-	33.186
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserve		39.272	-	39.272	33.186	-	33.186
14.3 Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		2.987	-	2.987	(19.114)	-	(19.114)
14.4 Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		671.615	108.884	780.499	1.520.003	22.224	1.542.227
14.5 Profit Reserves		3.434.584	-	3.434.584	630.721	-	630.721
14.5.1 Legal Reserves		428.286	-	428.286	287.788	-	287.788
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		3.006.298	-	3.006.298	342.933	-	342.933
14.5.4 Other Profit Reserves		-	-	-	-	-	-
14.6 Income or (Loss)		5.147.988	-	5.147.988	2.814.082	-	2.814.082
14.6.1 Prior Periods' Income or (Loss)		4.133	-	4.133	287	-	287
14.6.2 Current Period Income or (Loss)		5.143.855	-	5.143.855	2.813.795	-	2.813.795
<b>TOTAL LIABILITIES</b>		<b>83.437.682</b>	<b>104.249.111</b>	<b>187.686.793</b>	<b>49.227.444</b>	<b>49.727.770</b>	<b>98.955.214</b>



**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET**  
**AS OF DECEMBER 31, 2023**

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

STATEMENT OF OFF BALANCE SHEET		Note (Fifth Section-III)	THOUSAND TL			THOUSAND TL		
			CURRENT PERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
			TL	FC	TOTAL	TL	FC	TOTAL
<b>A.</b>	<b>OFF BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>30.623.995</b>	<b>18.872.890</b>	<b>49.496.885</b>	<b>13.582.886</b>	<b>17.334.633</b>	<b>30.917.519</b>
<b>I.</b>	<b>GUARANTEES AND SURETIES</b>	<b>(1)</b>	<b>15.438.616</b>	<b>4.450.678</b>	<b>19.889.294</b>	<b>7.168.358</b>	<b>3.306.651</b>	<b>10.475.009</b>
1.1	Letters of Guarantees		15.427.366	3.851.866	19.279.232	7.164.657	2.680.614	9.845.271
1.1.1	Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		15.427.366	3.851.866	19.279.232	7.164.657	2.680.614	9.845.271
1.2.	Bank Loans		11.250	6.905	18.155	3.701	196.736	200.437
1.2.1.	Import Letter of Acceptances		11.250	6.905	18.155	3.701	196.736	200.437
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letter of Credits		-	591.907	591.907	-	429.301	429.301
1.3.1.	Documentary Letter of Credits		-	591.907	591.907	-	429.301	429.301
1.3.2.	Other Letter of Credits		-	-	-	-	-	-
1.4.	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2.	Other Endorsements		-	-	-	-	-	-
1.6.	Other Guarantees		-	-	-	-	-	-
1.7.	Other Collaterals		-	-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>	<b>(1)</b>	<b>9.525.408</b>	<b>9.017.365</b>	<b>18.542.773</b>	<b>5.577.597</b>	<b>4.633.812</b>	<b>10.211.409</b>
2.1.	Irrevocable Commitments		9.525.408	9.017.365	18.542.773	5.577.597	4.633.812	10.211.409
2.1.1.	Asset Purchase and Sale Commitments		17597	8.492.543	8.510.140	67720	4.301.368	4.369.088
2.1.2.	Share Capital Commitment to Associates and Subsidiaries		67500	-	67500	-	-	-
2.1.3.	Loan Granting Commitments		9.126.506	-	9.126.506	4.307.375	-	4.307.375
2.1.4.	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5.	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6.	Payment Commitment for Cheques		313.805	-	313.805	170.002	-	170.002
2.1.7.	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.8.	Commitments for Credit Card Expenditure Limits		-	-	-	-	-	-
2.1.9.	Commitments for Promotions Related with Credit Cards and Banking Activities		-	-	-	-	-	-
2.1.10.	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11.	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12.	Other Irrevocable Commitments		-	524.822	524.822	1.032.500	332.444	1.364.944
2.2.	Revocable Commitments		-	-	-	-	-	-
2.2.1.	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-

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

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET**  
**AS OF DECEMBER 31, 2023**

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

STATEMENT OF OFF BALANCE SHEET		Note (Fifth Section-III)	THOUSAND TL			THOUSAND TL		
			CURRENT PERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
			TL	FC	TOTAL	TL	FC	TOTAL
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>5.659.971</b>	<b>5.404.847</b>	<b>11.064.818</b>	<b>836.931</b>	<b>9.394.170</b>	<b>10.231.101</b>
3.1.	Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1.	Fair Value Hedge		-	-	-	-	-	-
3.1.2.	Cash Flow Hedge		-	-	-	-	-	-
3.1.3.	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2.	Held for Trading Transactions	(3)	5.659.971	5.404.847	11.064.818	836.931	9.394.170	10.231.101
3.2.1.	Forward Foreign Currency Buy/Sell Transactions		256.594	234.281	490.875	463.718	448.315	912.033
3.2.1.1.	Forward Foreign Currency Transactions-Buy		128.879	117.149	246.028	225.427	231.190	456.617
3.2.1.2.	Forward Foreign Currency Transactions-Sell		127.715	117.132	244.847	238.291	217.125	455.416
3.2.2.	Other Forward Buy/Sell Transactions		54.03.377	5.170.566	10.573.943	373.213	8.945.855	9.319.068
3.3.	Other		-	-	-	-	-	-
<b>B.</b>	<b>CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>648.260.645</b>	<b>57.007.019</b>	<b>705.267.664</b>	<b>329.532.626</b>	<b>27.260.409</b>	<b>356.793.035</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>30.723.306</b>	<b>13.172.276</b>	<b>43.895.582</b>	<b>22.338.186</b>	<b>7.653.917</b>	<b>29.992.103</b>
4.1.	Assets Under Management		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		7.639.437	1.464.484	9.103.921	5.748.785	679.660	6.428.445
4.3.	Cheques Received for Collection		9.227.575	91.562	9.319.137	4.744.393	240.789	4.985.182
4.4.	Commercial Notes Received for Collection		1.398.913	-	1.398.913	650.398	-	650.398
4.5.	Other Assets Received for Collection		-	-	-	-	-	-
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		24.325	-	24.325	10.638	-	10.638
4.8.	Custodians		12.433.056	11.616.230	24.049.286	11.183.972	6.733.468	17.917.440
<b>V.</b>	<b>PLEDGED ITEMS</b>		<b>617.537.339</b>	<b>43.834.743</b>	<b>661.372.082</b>	<b>307.194.440</b>	<b>19.606.492</b>	<b>326.800.932</b>
5.1.	Marketable Securities		817.400	-	817.400	572.427	-	572.427
5.2.	Guarantee Notes		-	-	-	-	-	-
5.3.	Commodity		10.073.899	3.175.397	13.249.296	5.801.967	377.970	6.179.937
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		89.186.170	-	89.186.170	374.774.19	-	374.774.19
5.6.	Other Pledged Items		517.459.870	40.659.346	558.119.216	263.342.627	19.228.522	282.571.149
5.7.	Pledged Items-Depository		-	-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>			<b>678.884.640</b>	<b>75.879.909</b>	<b>754.764.549</b>	<b>343.115.512</b>	<b>44.595.042</b>	<b>387.710.554</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

### AS OF DECEMBER 31, 2023

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

STATEMENT OF PROFIT AND LOSS		Note (Fifth Section-IV)	THOUSAND TL	THOUSAND TL
			CURRENT PERIOD (01/01/2023-31/12/2023)	PRIOR PERIOD (01/01/2022-31/12/2022)
<b>I.</b>	<b>PROFIT SHARE INCOME</b>	(1)	<b>16.659.286</b>	<b>8.296.024</b>
1.1	Profit Share on Loans		10.896.178	5.279.189
1.2	Income Received from Reserve Deposits		764.274	97472
1.3	Income Received from Banks		6.923	278
1.4	Income Received from Money Market Placements		-	340
1.5	Income Received from Marketable Securities Portfolio		4.886.791	2.871.049
1.5.1	Financial Assets at Fair Value Through Profit and Loss		421.352	110.766
1.5.2	Financial Assets at Fair Value through Other Comprehensive Income		2.836.885	2.147.341
1.5.3	Financial Assets Measured at Amortised Cost		1.628.554	612.942
1.6	Finance Lease Income		91.230	44.666
1.7	Other Profit Share Income		13.890	3.030
<b>II.</b>	<b>PROFIT SHARE EXPENSE (-)</b>	(2)	<b>10.372.716</b>	<b>4.377.851</b>
2.1	Expense on Profit Sharing Accounts		7868.820	3.296.739
2.2	Profit Share Expense on Funds Borrowed		424.563	229.496
2.3	Profit Share Expense on Money Market Borrowings		12.621	60.868
2.4	Expense on Securities Issued		1971.391	740.245
2.5	Lease Profit Share Expense		95.321	50.034
2.6	Other Profit Share Expenses		-	469
<b>III.</b>	<b>NET PROFIT SHARE INCOME (I - II)</b>		<b>6.286.570</b>	<b>3.918.173</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>2.296.116</b>	<b>305.663</b>
4.1	Fees and Commissions Received		24.599.77	44.469
4.1.1	Non-Cash Loans		171.865	79.677
4.1.2	Other	(3)	2.288.112	361.792
4.2	Fees and Commissions Paid (-)		163.861	135.806
4.2.1	Non-Cash Loans		263	169
4.2.2	Other	(3)	163.598	135.637
<b>V.</b>	<b>DIVIDEND INCOME</b>	(4)	<b>-</b>	<b>-</b>
<b>VI.</b>	<b>NET TRADING INCOME</b>	(5)	<b>4.727.742</b>	<b>1.861.270</b>
6.1	Capital Market Transaction Gains/(Losses)		44.946	12.868
6.2	Gains/(Losses) from Derivative Financial Instruments		(80.649)	629.338
6.3	Foreign Exchange Gains/(Losses)		5.492.445	1.219.064
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(6)	<b>651.682</b>	<b>154.657</b>
<b>VIII.</b>	<b>TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>	(6)	<b>13.962.110</b>	<b>6.239.763</b>
<b>IX.</b>	<b>PROVISION FOR EXPECTED LOSS (-)</b>	(7)	<b>429.826</b>	<b>787.594</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	(7)	<b>2.333.578</b>	<b>688.728</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>1.582.049</b>	<b>616.358</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	(8)	<b>2.016.269</b>	<b>417.582</b>
<b>XIII.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>7.600.388</b>	<b>3.729.501</b>
<b>XIV.</b>	<b>INCOME RESULTED FROM MERGERS</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>PROFIT/LOSS FROM PARTNERSHIPS USING THE EQUITY METHOD</b>		<b>-</b>	<b>-</b>
<b>XVI.</b>	<b>PROFIT/LOSS BEFORE TAXES (XIII+...+XV)</b>		<b>-</b>	<b>-</b>
<b>XVII.</b>	<b>PROVISION FOR TAXES (±)</b>		<b>7.600.388</b>	<b>3.729.501</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	(10)	<b>2.456.533</b>	<b>915.706</b>
18.1	Current Tax Provision		3.332.030	1.976.244
18.2	Deferred Tax Expense (+)		2.065.460	288.676
18.3	Deferred Tax Income (-)		294.095	1.349.214
<b>XIX.</b>	<b>NET OPERATING PROFIT/LOSS AFTER TAXES (XVI+XVII)</b>	(9)	<b>5.143.855</b>	<b>2.813.795</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
20.1	Income from Assets Held for Sale		-	-
20.2	Income from Sale of Associates, Subsidiaries and Joint-Ventures		-	-
20.3	Income from Other DisContinued Operations		-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
21.1	Expenses on Assets Held for Sale		-	-
21.2	Expenses on Sale of Associates, Subsidiaries and Joint-Ventures		-	-
21.3	Expenses from Other DisContinued Operations		-	-
<b>XXII.</b>	<b>PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XIX-XX)</b>		<b>-</b>	<b>-</b>
<b>XXIII.</b>	<b>PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)</b>	(9)	<b>-</b>	<b>-</b>
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense (+)		-	-
23.3	Deferred Tax Income (-)		-	-
<b>XXIV.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)</b>		<b>-</b>	<b>-</b>
<b>XXV.</b>	<b>NET PROFIT/LOSS (XVIII+XXIII)</b>		<b>5.143.855</b>	<b>2.813.795</b>
25.1	Group's Income/Loss (-)		5.143.855	2.813.795
25.2	Minority Shares Profit/Loss (-)		-	-
	Earnings Per Share		5,0090	2,7401

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

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME AS OF DECEMBER 31, 2023**

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

	THOUSAND TL	THOUSAND TL
	CURRENT PERIOD (01/01/2023-31/12/2023)	PRIOR PERIOD 01/01/2022-31/12/2022)
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
<b>I. CURRENT PERIOD PROFIT/LOSS</b>	<b>5.143.855</b>	<b>2.813.795</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>(739.627)</b>	<b>1.479.200</b>
<b>2.1 Other Income/Expense Items not to be Recycled to Profit or Loss</b>	<b>22.101</b>	<b>(17.703)</b>
2.1.1 Revaluation Surplus on Tangible Assets	-	-
2.1.2 Revaluation Surplus on Intangible Assets	-	(23.722)
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses	31.573	-
2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss	-	-
2.1.5 Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	(9.472)	6.019
<b>2.2 Other Income/Expense Items to be Recycled to Profit or Loss</b>	<b>(761.728)</b>	<b>1.496.903</b>
2.2.1 Translation Differences	-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Fair Value through Other Comprehensive Income	<b>(1.088.189)</b>	<b>1.966.717</b>
2.2.3 Gains/losses from Cash Flow Hedges	-	-
2.2.4 Gains/Losses on Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Income/Expense Items to be Recycled to Profit or Loss	-	-
2.2.6 Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	326.461	(469.814)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>4.404.228</b>	<b>4.292.995</b>

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**AS OF DECEMBER 31, 2023**

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

CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves (*)	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			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity Except for Minority Interests
					1	2	3	4	5	6				
<b>I. Balances at Beginning Period</b>	<b>1.026.915</b>	-	-	<b>33.186</b>	-	<b>(19.114)</b>	-	-	<b>1.542.227</b>	-	<b>630.721</b>	<b>287</b>	<b>2.813.795</b>	<b>6.028.017</b>
<b>II. Correction made as per TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Adjusted Balances at Beginning of Period (I+II)</b>	<b>1.026.915</b>	-	-	<b>33.186</b>	-	<b>(19.114)</b>	-	-	<b>1.542.227</b>	-	<b>630.721</b>	<b>287</b>	<b>2.813.795</b>	<b>6.028.017</b>
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	<b>22.101</b>	-	-	<b>(761.728)</b>	-	-	-	<b>5.143.855</b>	<b>4.404.228</b>
<b>V. Capital Increase in Cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase from Internal Sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Adjustments to Paid-in Capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Other Changes</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>	-	-	-	<b>6.086</b>	-	-	-	-	-	-	<b>2.803.863</b>	<b>3.846</b>	<b>(2.813.795)</b>	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	6.086	-	-	-	-	-	-	<b>2.803.863</b>	-	<b>(2.809949)</b>	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	<b>3.846</b>	<b>(3.846)</b>	-
<b>Balances at end of the period (III+IV...+X+XI)</b>	<b>1.026.915</b>	-	-	<b>39.272</b>	-	<b>2.987</b>	-	-	<b>780.499</b>	-	<b>3.434.584</b>	<b>4.133</b>	<b>5.143.855</b>	<b>10.432.245</b>

1. Revaluation surplus on tangible and intangible assets,

2. Defined Benefit Plans' Actuarial Gains/Losses,

3. Other (Accumulated amounts of share of investments accounted for by the equity method that cannot be classified as profit/loss from other comprehensive income with other comprehensive income that will not be reclassified to other profit or loss),

4. Foreign Currency Translation Differences,

5. Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI,

6. Other (Accumulated amount of cash flow hedge gains/losses, equity attributable to equity holders of the Group for profit or loss from other comprehensive income and other comprehensive income to be reclassified to other profit or loss),

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**AS OF DECEMBER 31, 2023**

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

CHANGES IN SHAREHOLDERS' EQUITY	Prior Period (01.01.2022 - 31.12.2022)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves <sup>(1)</sup>	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			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity Except for Minority Interests	Total Shareholders' Equity
						1	2	3	4	5	6					
<b>I. Balances at Beginning Period</b>		<b>1.026.915</b>	-	-	<b>23.088</b>	-	<b>(1.411)</b>	-	-	<b>45.324</b>	-	<b>485.999</b>	<b>5.424</b>	<b>143.411</b>	<b>1.728.750</b>	<b>1.728.750</b>
<b>II. Correction made as per TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Adjusted Balances at Beginning of Period (I+II)</b>		<b>1.026.915</b>	-	-	<b>23.088</b>	-	<b>(1.411)</b>	-	-	<b>45.324</b>	-	<b>485.999</b>	<b>5.424</b>	<b>143.411</b>	<b>1.728.750</b>	<b>1.728.750</b>
<b>IV. Total Comprehensive Income</b>		-	-	-	-	-	<b>(17.703)</b>	-	-	<b>14.96.903</b>	-	-	-	<b>2.813.795</b>	<b>4.292.995</b>	<b>4.292.995</b>
<b>V. Capital Increase in Cash</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase from Internal Sources</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Adjustments to Paid-in Capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Liabilities</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Other Changes</b>		-	-	-	<b>10.098</b>	-	-	-	-	-	-	<b>(3.796)</b>	-	-	<b>6.302</b>	<b>6.302</b>
<b>XI. Profit Distribution</b>		-	-	-	-	-	-	-	-	-	-	<b>148.518</b>	<b>(5.137)</b>	<b>(143.411)</b>	<b>(30)</b>	<b>(30)</b>
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	148.518	(148.548)	-	(30)	(30)
11.3 Others		-	-	-	-	-	-	-	-	-	-	-	143.411	(143.113)	-	-
<b>Balances at end of the period (III+IV...+X+XI)</b>		<b>1.026.915</b>	-	-	<b>33.186</b>	-	<b>(19.114)</b>	-	-	<b>1.542.227</b>	-	<b>630.721</b>	<b>287</b>	<b>2.813.795</b>	<b>6.028.017</b>	<b>6.028.017</b>

1. Revaluation surplus on tangible and intangible assets,

2. Defined Benefit Plans' Actuarial Gains/Losses,

3. Other (Accumulated amounts of share of investments accounted for by the equity method that cannot be classified as profit/loss from other comprehensive income with other comprehensive income that will not be reclassified to other profit or loss),

4. Foreign Currency Translation Differences,

5. Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI,

6. Other (Accumulated amount of cash flow hedge gains/losses, equity attributable to equity holders of the Group for profit or loss from other comprehensive income and other comprehensive income to be reclassified to other profit or loss),

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## CONSOLIDATED STATEMENT OF CASH FLOWS

### AS OF DECEMBER 31, 2023

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

STATEMENT OF CASH FLOWS		THOUSAND TL	THOUSAND TL
		CURRENT PERIOD (01/01/2023-31/12/2023)	PRIOR PERIOD (01/01/2022-31/12/2022)
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1</b>	<b>Operating Profit Before Changes In Assets And Liabilities from Banking Operations</b>	<b>27.029.487</b>	<b>11.024.490</b>
1.1.1	Profit Share Income Received	15.821.757	7.802.433
1.1.2	Profit Share Expense Paid	(8.848.994)	(3.915.947)
1.1.3	Dividend Received	-	-
1.1.4	Fees and Commissions Received	2.459.977	4.414.669
1.1.5	Other Income	296.361	148.890
1.1.6	Collections from Previously Written off Loans	304.568	34.943
1.1.7	Payments to Personnel and Service Suppliers	(1.582.049)	(504.267)
1.1.8	Taxes Paid	(2.557.632)	(979.182)
1.1.9	Others	21.135.499	799.151
<b>1.2</b>	<b>Changes in Assets and Liabilities from Banking Operations</b>	<b>8.274.907</b>	<b>13.768.294</b>
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(896.630)	173.814
1.2.2	Net (Increase) Decrease in Due From Banks and Other Financial Institutions	(17183.251)	(9.198.918)
1.2.3	Net (Increase) Decrease in Loans	(16.241.720)	(18.551.689)
1.2.4	Net (Increase) Decrease in Other Assets	272.021	(793.151)
1.2.5	Net Increase (Decrease) in Bank Deposits	4.276.685	(3.095.505)
1.2.6	Net Increase (Decrease) in Other Deposits	404.06.011	43.772.672
1.2.7	Net Increase (Decrease) in Financial Liabilities Measured at Financial Assets at Fair Value Through Profit or Loss	-	-
1.2.8	Net Increase (Decrease) in Funds Borrowed	(348.936)	420.016
1.2.9	Net Increase (Decrease) in Matured Payables	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	(2.009.273)	(1.744.945)
<b>I.</b>	<b>Net Cash Flows from Banking Operations</b>	<b>35.304.394</b>	<b>24.792.784</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II.</b>	<b>Net cash flow from investing activities</b>	<b>(4.307.900)</b>	<b>(12.763.110)</b>
2.1	Cash Paid For Acquisition of Investments, Associates and Subsidiaries	(22.500)	-
2.2	Cash Obtained From Disposal of Investments, Associates and Subsidiaries	-	-
2.3	Purchases of Property and Equipment	(586.445)	(100.007)
2.4	Disposals of Property and Equipment	783	21.448
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(1.685.192)	(7.737.032)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income	798.810	1.441.051
2.7	Purchase of Financial Assets Measured at Amortised Cost	(2.500.000)	(6.209.920)
2.8	Sale of Financial Assets Measured at Amortised Cost	-	-
2.9	Other	(313.356)	(178.650)
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III.</b>	<b>Net Cash Flows from Financing Activities</b>	<b>(852.415)</b>	<b>937.750</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued	166.115.246	78.607.582
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	(166.941.418)	(77.636.966)
3.3	Issued Capital Instruments	-	-
3.4	Dividends Paid	-	-
3.5	Payments for Finance Leases	(26.243)	(32.866)
3.6	Other	-	-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>5.823.987</b>	<b>1.017.920</b>
<b>V.</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>35.968.066</b>	<b>13.985.344</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at the Beginning of the period</b>	<b>17.247.813</b>	<b>3.262.469</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the period</b>	<b>53.215.879</b>	<b>17.247.813</b>

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

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION**  
**AS OF DECEMBER 31, 2023**

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

STATEMENT OF PROFIT DISTRIBUTION	CURRENT PERIOD <sup>(1)</sup> December 31, 2023	PRIOR PERIOD December 31, 2022
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1. CURRENT YEAR INCOME	7600.388	3.729.501
1.2. TAX AND DUTIES PAYABLE (-)	2.456.533	915.706
1.2.1. Corporate tax (Income tax)	3.332.030	1.976.244
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and legal liabilities <sup>(**)</sup>	(875.497)	(1.060.538)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>5.143.855</b>	<b>2.813.795</b>
1.3. PRIOR YEAR LOSSES (-)	-	-
1.4. First legal reserves (-)	-	140.497
1.5. Other statutory reserves (-)	-	6.087
<b>B. DISTRIBUTABLE NET PERIOD INCOME [(A-(1.3+1.4+1.5))<sup>(*)</sup></b>	<b>5.143.855</b>	<b>2.667.211</b>
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1. To owners of ordinary shares	-	-
1.6.2. To owners of preferred shares	-	-
1.6.3. To owners of preferred shares (Preemptive rights)	-	-
1.6.4. To Profit sharing bonds	-	-
1.6.5. To owners of the profit/loss sharing certificates	-	-
1.7. DIVIDEND TO PERSONNEL (-)	-	-
1.8. DIVIDEND TO BOARD OF DIRECTIONS (-)	-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1. To owners of ordinary shares	-	-
1.9.2. To owners of preferred shares	-	-
1.9.3. To owners of preferred shares (Preemptive rights)	-	-
1.9.4. To profit sharing bonds	-	-
1.9.5. To owners of the profit/loss sharing Certificates	-	-
1.10. SECOND LEGAL RESERVE (-)	-	-
1.11. STATUS RESERVE (-)	-	-
1.12. EXTRAORDINARY RESERVE	-	2.667.211
1.13. OTHER RESERVE	-	-
1.14. SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION FROM RESERVES</b>		
2.1. DISTRIBUTED RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. SHARE TO SHAREHOLDERS (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of preferred shares	-	-
2.3.3. To owners of preferred shares (Preemptive rights)	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To owners of the profit/loss sharing certificates	-	-
2.4. SHARED TO PERSONNEL (-)	-	-
2.5. SHARE TO BOARD OF DIRECTIONS (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1. TO OWNERS OF ORDINARY SHARES <sup>(***)</sup> (Full TL)	5,00904	2,74005
3.2. TO OWNERS OF ORDINARY SHARES (%)	501	274
3.3. TO OWNERS OF PREFERRED SHARES	-	-
3.4. TO OWNERS OF PREFERRED SHARES (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1. TO OWNERS OF ORDINARY SHARES (Full TL)	-	-
4.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3. TO OWNERS OF PREFERRED SHARES	-	-
4.4. TO OWNERS OF PREFERRED SHARES (%)	-	-

<sup>(1)</sup> General Assembly of the Parent Bank is the authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of the preparation of these financial statements.

<sup>(\*\*)</sup> Deferred tax income has not been subjected to profit distribution.

<sup>(\*\*\*)</sup> Calculated by using the number of share certificates as of year-end.



TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

### SECTION THREE

#### ACCOUNTING POLICIES

##### I. Explanations on basis of presentation

##### a. The preparation of the financial statements and related notes and explanations in accordance with the "Turkish Accounting Standards and Regulation on the Principles and Procedures Regarding Banks" Accounting Application and Safeguarding of Documents

The Parent Bank prepares its financial statements in accordance with the "Regulation on the Procedures and Principles Regarding the Accounting Practices of Banks and Storage of Documents" published in the Official Gazette dated 1 November 2006 and numbered 26333 and other regulations published by the Banking Regulation and Supervision Board regarding the accounts and records of banks. "BRSA Accounting and Financial Reporting", which includes the circulars and explanations of the Regulation and Supervision Agency ("BRSA") and the provisions of the Turkish Financial Reporting Standards ("TFRS") put into effect by the Public Oversight Accounting and Auditing Standards Authority ("KGK") on matters not regulated by these. It is regulated in accordance with its legislation.

The format and contents of the consolidated financial statements to be disclosed to the public and their explanations and footnotes are in accordance with the "Communiqué on Financial Statements to be Announced to the Public by Banks and Related Disclosures and Footnotes" published in the Official Gazette dated 28 June 2012 and numbered 28337, and the communiqués that bring amendments and additions to this communiqué. It was prepared as. The Parent Bank keeps its accounting records in Turkish currency, in accordance with the Banking Law, Turkish Commercial Code and Turkish tax legislation. Financial statements have been prepared in TL on the basis of historical cost, except for financial assets, liabilities and revalued real estate that are shown at their fair values.

##### b. Accounting policies and valuation principles applied in the preparation of consolidated financial statements

The accounting policies followed and the valuation principles used in the preparation of financial statements are in accordance with the regulations, communiqués, explanations and circulars published by the BRSA regarding the principles of accounting and financial reporting, and TMS/TFRS put into effect by the KGK on matters not regulated by these (all "BRSA Accounting and Financial Reporting Legislation".) has been determined according to the principles included in the scope. Accounting policies for the current periods and valuation principles used are explained in footnotes II to XXIII. In the preparation of consolidated financial statements in accordance with TFRS, the Parent Bank's management is required to make assumptions and estimates about the assets and liabilities in the balance sheet and contingent assets and liabilities as of the balance sheet date. These assumptions and estimates are reviewed regularly, necessary corrections are made and the details of the effects of these adjustments are reflected in the income statement as explained in the relevant footnotes.

With its announcement dated 23 November 2023, KGK stated that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be prepared in accordance with the Financial Reporting Standard in High Inflation Economies ("TMS 29"). He explained that institutions or organizations authorized to regulate and supervise their own fields may determine different transition dates for the implementation of TMS 29 provisions. Based on this announcement of the KGK, BRSA, with its decision numbered 10744 dated 12 December 2023, decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TMS 29. In accordance with the BRSA's decision dated January 11, 2024 and numbered 10825; It has been decided that banks, financial leasing, factoring, financing, savings financing and asset management companies will switch to inflation accounting as of January 1, 2025. Accordingly, no inflation adjustment was made in the unconsolidated financial statements dated 31 December 2023 within the scope of TAS 29 Financial Reporting Standard in Highly Inflationary Economies.

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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

### ACCOUNTING POLICIES (Continued)

#### I. Explanations on basis of presentation (Continued)

##### c. Comparative information and classifications:

Significant changes in accounting policies are applied retrospectively and the financial statements of the previous period are restated. The financial statements of the Parent Bank are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. Comparative information is restated when necessary in order to comply with the presentation of the current period financial statements.

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

Significant changes in accounting policies are applied retrospectively and the financial statements of the previous period are restated. The financial statements of the Parent Bank are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. Comparative information is restated when necessary in order to comply with the presentation of the current period financial statements.

##### a. Information on consolidated associates:

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

##### b. Consolidation principles for subsidiaries

Subsidiaries (including special purpose entity) are all entities, in which the Group has power to control the financial and operating policies for the benefit of the Parent Bank, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself, or (b) although not having the power to exercise more than 50% of the using rights, otherwise having the power to exercise control over the financial and operating policies.

##### c. Consolidation principles for subsidiaries

Control is evident when the Parent Bank owns, either directly or indirectly, the majority of the share capital of the company or owns the privileged shares or owns the right of controlling the operations of the company in accordance with the agreements made with other shareholders or owns the right of appointment or the designation of the majority of the board of directors of the company.

Subsidiaries are consolidated with full consolidation method by considering the outcomes of their activities and the size of their assets and shareholders' equity in scope of the materiality principle.

Financial statements of the related subsidiaries are included in the consolidated financial statements beginning from the date control on their activities are transferred to the Group. Subsidiaries will be excluded from the scope of consolidation at the date that control is over. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In accordance with the full consolidation method, balance sheet, income statement and off balance sheet items of the subsidiaries have been 100% consolidated line by line with the balance sheet, income statement and off balance sheet of the Parent Bank. The book value of the investments of the Group in each subsidiary has been netted off with the portion of each subsidiary's capital that belongs to the Group. Unrealized gains and losses and balances resulting from the transactions among the subsidiaries included in consolidation have been eliminated. In order to determine the net income of the Group, minority shares in the net income of the consolidated subsidiaries have been identified and deducted from the net income of the subsidiary.

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.****NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

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

**ACCOUNTING POLICIES (Continued)****II. Explanations on strategy of using financial instruments and foreign currency transactions (Continued)***c. Consolidation principles for subsidiaries (Continued)*

Emlak Varlık Kiralama A.Ş. which is subsidiary of the Parent Bank was established and registered to the trade registry in 20 January 2020 with the permission taken from "Banking Regulation and Supervision Agency" and "Capital Markets Board of Türkiye". Emlak Varlık Kiralama A.Ş has been founded to operate lease certificate (III – 61.1) according to rulings of Capital Markets Board of Türkiye which was dated 7 June 2013 and numbered 28760 serial: 3 no: 61.1 published in Official Gazette. Emlak Varlık Kiralama A.Ş. was established on 5 August 2019 with TL 50 capital amount paid by the Parent Bank. It began to operate after the registration on 5 August 2019.

Emlak Katılım Varlık Kiralama A.Ş, 100% subsidiaries of the Parent Bank was established and registered to the trade registry in 20 January 2020 with the permission taken from "Banking Regulation and Supervision Agency" and "Capital Markets Board of Türkiye". Within the framework of the CMB's Communiqué on Lease Certificates (III-61.1) published in the Official Gazette dated June 7, 2013 and numbered 28760, Emlak Katılım Varlık Kiralama A.Ş. was established on December 16, 2019, with a capital of TL 50 and started its activity.

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

<b>Title</b>	<b>Operation Center (City/Country)</b>	<b>Main Activities</b>	<b>Effective Rates (%)</b>	<b>Direct and Indirect Rates (%)</b>
Emlak Varlık Kiralama A.Ş.	İstanbul/Türkiye	Lease Certificate Issue	100	100
Emlak Katılım Varlık Kiralama A.Ş.	İstanbul/Türkiye	Lease Certificate Issue	100	100

**III. Information on consolidated associates****a. Presentation of affiliates, subsidiaries and joint ventures that are not in the scope of consolidation in the consolidated financial statements**

Turkish Lira denominated associates and subsidiaries not included in the scope of consolidation are accounted for at cost value in accordance with "Turkish Accounting Standard for Separate Financial Statements" ("TAS 27") and recognized in the consolidated financial statements, after deducting provision for impairment, if any.

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

The derivative financial instruments of the Group consist of forward foreign currency, forward precious metal and swap agreements. The Group records the spot foreign currency transactions in asset purchase and sale commitments.

The Group's derivative instruments are classified, measured and accounted in accordance with "IFRS 9 Financial Instruments". Derivative instruments are initially recognized at fair value and subsequently measured at fair value.

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the "Derivative Financial Assets at Fair Value Through Profit or Loss", "Derivative Financial Assets at Fair Value Through Other Comprehensive Income" or "Derivative Financial Liabilities at Fair Value Through Profit or Loss" and "Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts on the balance sheet present the fair values of derivative transactions. The differences that occur in the fair value as a result of the valuation are accounted in the "Income/loss from derivative financial transactions" in the income statement.

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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

### ACCOUNTING POLICIES (Continued)

#### V. Explanations on profit share income and expenses

##### *Profit share income*

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

##### *Profit share expense*

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

#### VI. Explanations on fees, commission income and expenses

Fees and commissions are accounted for in accordance with "TFRS 15 Revenue from Contracts with Customers" except for fees and commissions that are integral part of the effective profit share rates of financial instruments measured at amortized costs.

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

Related to financial liabilities; loan fees and commission expenses which constitute the transaction cost and which are paid to other institutions and organizations are accounted under the prepaid expense account and reflected in the expense accounts according to the internal rate of return method.

#### VII. Explanations on financial assets and liabilities

The Group classifies its financial assets as "Financial Assets at Fair Value Reflected in Profit/Loss". It is classified and accounted for as "Financial Assets at Fair Value Reflected in Other Comprehensive Income" or "Financial Assets Measured at Amortized Cost". The relevant classification depends on the contractual cash flow characteristics of financial assets at initial recognition. The financial assets in question are recorded or excluded in accordance with the "Recognition and Derecognition" provisions in the third part of the TFRS 9 standard regarding the classification and measurement of financial instruments published by the POA in the Official Gazette dated 19 January 2017 and numbered 29953. Financial assets are measured at fair value when they are first recognized in the financial statements.

In the initial measurement of financial assets other than "Financial Assets at Fair Value Reflected in Profit/Loss", transaction costs are added to or deducted from the fair value.

The Group includes a financial asset in the statement of financial position only when it becomes a party to the contractual provisions regarding the financial instrument. When a financial asset is included in the financial statements for the first time, the characteristics of the financial asset's contractual cash flows are taken into account. When the Group makes a change, all financial assets affected by this change are reclassified and the reclassification is applied prospectively. In such cases, no adjustment is made for gains, losses or dividends previously recognized in the financial statements.

#### Financial assets at fair value through profit or loss

Financial assets whose fair value difference is reflected in profit/loss; They are grouped under two main headings: "Derivative Financial Assets" and "Financial assets classified as financial assets at fair value through profit/loss". Financial assets classified in this group are included in the financial statements at cost reflecting their fair value and are shown in the financial statements at their fair value in subsequent periods. Gains and losses resulting from the valuation are included in the profit/loss accounts.

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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### ACCOUNTING POLICIES (Continued)

#### VII. Explanations on financial assets and liabilities (Continued)

##### Financial assets valued at fair value through other comprehensive income:

Financial assets at fair value through other comprehensive income are initially recognized at cost; which reflects their fair values; including the transaction costs. After the initial recognition, financial assets valued at fair value through other comprehensive income are measured at fair value and the unrealized gains or losses resulting from the difference between the amortized cost and the fair value is recorded in "accumulated other comprehensive income or expense to be reclassified through profit or loss" under equity. In case of a disposal of financial assets valued at fair value through profit and loss, increases/decreases which have been recorded in the "accumulated other comprehensive income or expense to be reclassified through profit or loss" under the equity is transferred to income statement.

Financial assets at fair value through other comprehensive income which do not have a quoted market price in an active market and whose fair values can not be reliably measured are carried at cost, less impairment, if any.

In addition, the Group's securities portfolio includes financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, and consumer price indexed government bonds classified as financial assets measured at amortized cost. These securities are valued and accounted for using the effective interest method based on the real coupon rates, the reference inflation index on the issue date, and the index calculated by taking into account the estimated inflation rate. As stated in the CPI-Indexed Bonds Investor's Guide of the Undersecretariat of Treasury, the reference indices used in calculating the actual coupon payment amounts of these securities are based on the CPI of two months ago.

##### Financial assets and liabilities measured at amortized cost

Financial assets that are held for collection of contractual cash flows within the scope of business model where those cash flows represent solely payments of principal and profit share on certain dates are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs, which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective internal rate of return method. Profit share income obtained from financial assets measured at amortized cost is accounted in income statement.

##### Loans:

Loans are non-derivative financial assets with fixed or identifiable payments that are not quoted in an active market. These loans are initially recognized at acquisition cost reflecting their fair value plus transaction costs and subsequently measured at amortized cost using the "internal rate of return method".

The Bank periodically evaluates the provisions for loans and other receivables in accordance with TFRS 9 based on the results of these evaluations and, as a result of these evaluations, updates the staging rules and the parameters used in the calculation of the related provision balances, if deemed necessary.

#### VIII. Explanations on expected credit losses

As of January 1, 2020, the Group recognizes a loss allowance for expected credit losses on financial assets based on TFRS 9 "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" and the regulation published in the Official Gazette no. 29750 dated June 22, 2016 in connection with "Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans. In this context, as of December 31, 2019, the method of reserving credit provisions within the framework of the relevant legislation of the BRSA has changed by applying the expected credit losses model with the implementation of TFRS 9. The expected credit loss estimate contains unbiased, supportable information about current and future economic conditions.

The Group classifies the financial asset as stage 1 if the credit risk of a financial instrument does not materially increase since initial recognition to the financial statements and measures the amount of the impairment on the financial asset equal to 12-month expected credit losses at each reporting date. The purpose of impairment is to recognize lifetime expected credit losses in the financial statement for the credit risk of all financial instruments those materially increase since initial recognition to the financial statements with considering all supportable information individually or collectively including reasonable and prospective information.

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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### ACCOUNTING POLICIES (Continued)

#### VIII. Explanations on expected credit losses

##### Calculation of expected credit losses

The Group measures expected credit losses with the reasonable, objective and supportable information based on a probability-weighted including estimations about past events, current conditions as of the reporting date, without undue cost or effort. The Group has not developed an internal model for estimating these risk parameters due to insufficient historical data for modeling. The average annual default rates are used as the default probability (CR) parameter in the 12-month expected loan loss provision calculations, based on year-end data announced by participation banks after 2014. The average of the close monitoring reserve ratios is used as the PD parameter in the calculation of the lifetime expected loan loss provision, based on year-end data announced by participation banks after 2014. For LGD, the Group uses a 45% ratio in compliance with the basic IDD approach in Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach published by the BRSA with a reasonable approach. The calculation of expected credit losses consists of three main parameters: Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

##### Parameters used in calculating expected loss provisions

###### Probability of Default (PD)

PD represents the likelihood of a default over a specified time period. The Group uses two different default probability values when calculating the expected credit loss in accordance with TFRS 9:

- 12-Month default probability: Estimate the probability of default in 12 months after the reporting date
- Lifetime default probability: Estimation of the probability that the financial instrument will default to its expected lifetime

###### Loss Given Default (LGD)

LGD represents an estimate of the loss at the time of a potential default occurring during the life of a financial instrument. It is expressed as a ratio.

###### Exposure at Default (EAD)

In cash loans, it refers to the balance as of the report date. In non-cash loans and commitments, it is the value calculated by applying the conversion ratio to the loan. The loan conversion rate corresponds to the loan conversion rate used in the adjustment of possible risk increases between the current date and the default date.

The expected credit loss estimate contains unbiased, supportable information about current and future economic conditions. These financial assets are divided into the following three categories depending on the increase in credit risks observed since they were first included in the financial statements:

##### 12-Month Expected Loss Provision (Stage 1)

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

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.****NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

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**ACCOUNTING POLICIES (Continued)****VIII. Explanations on expected credit losses (Continued)****Significant Increase in Credit Risk (Stage 2)**

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

The Group classifies financial assets as stage 2 by considering the following criterias:

- Loans with overdue days exceeding 30 days but not exceeding 90 days
- Data received from the early warning system and the evaluation of the Parent Bank in this case,
- In order to determine whether the default risk of the customer has increased significantly since the first definition of the loan, the Parent Bank's management concludes that there is a significant increase in credit risk as a result of comparison with the risk of default in the loan,
- Loans whose reimbursement is totally collateralized and whose loans are below the net realizable value receivable amount.

According to the internal procedures of the Group if the following conditions exist, the relevant financial asset is included in the default:

- Credits with a delay of 90 days from the date of the last installment (In this case, the customer is monitored as default on the 91st day),
- Restructured loans and classified as a performing loan and overdue more than 30 days during the one-year monitoring period (In this case, the customer is followed as default on the 31st day),
- Restructured loans and classified as performing loan and that have been structured at least once more during the one-year monitoring period.

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

Financial instruments are offset when the Group has a legally enforceable right to net off the recognized amounts, and there is an intention to settle on net basis or realize the asset and settle the liability simultaneously. There are no such offset of financial assets and liabilities.

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

Securities subject to repurchase agreement are classified as at "fair value through profit or loss", "fair value through other comprehensive income" or "measured on amortised cost" according to the investment purposes of the Group and measured according to the portfolio to which they belong. Funds obtained from the related agreements are accounted under "Borrowings from Money Markets" in liabilities and the difference between the sale and repurchase price is accrued over the life of the agreements using the internal rate of return method. Profit share expense on such transactions is recorded under "Profit Share Expense on Money Market Borrowings" in the income statement. The Group has no securities lending transactions.

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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### ACCOUNTING POLICIES (Continued)

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

Assets held for sale (or disposal group) in accordance with TFRS 5 ("Assets Held for Sale and Discontinued Operations") are measured at the lower of the carrying amount of assets and fair value less any cost to be incurred for disposal. In order to classify an asset as held for sale, the possibility of sale should be highly probable and the asset (or disposal group) should be available for immediate sale in its present condition. Highly saleable condition requires a plan designed by an appropriate level of management regarding the sale of the asset to be disposed of together with an active program for the determination of buyers as well as for the completion of the plan. Also the asset shall be actively marketed in conformity with its fair value. In addition, the sale is expected to be recognized as a completed sale within one year after the classification date and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes in the plan or cancellation of the plan.

A discontinued operation is a part of the Group's business which has been disposed of or classified as held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Group has no discontinued operations.

#### XII. Explanations on goodwill and other intangible assets

Goodwill and other intangible assets are recorded at cost in accordance with TAS 38 "Turkish Accounting Standards for Intangible Assets".

As of December 31, 2023, there is no goodwill in the financial statements of the Group. (December 31, 2022: None).

The Group's intangible assets consist of software and intangible rights. The costs of the intangible assets purchased before December 31, 2004 have been restated from the purchasing dates to December 31, 2004 the date the hyperinflationary period is considered to be ended. Intangible assets purchased after this date have been recorded at their historical costs. Intangible assets are amortised by the Group over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Group's software have been determined as 3 to 4 years and other intangible assets' useful lives have been determined as 15 years.

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

#### XIII. Explanations on tangible assets

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



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**ACCOUNTING POLICIES (Continued)****XIII. Explanations on tangible assets (Continued)**

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets. There are no changes in the accounting estimates which are expected to have an impact in the current or subsequent periods.

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

	<b>Depreciation Rate (%)</b>
Computers	10-33
Furniture and Equipment	20
Other Moveables	7-33
Vehicles	20
Intangible Assets (Rights)	7-33
Buildings	2

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year-end.

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

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

**XIV. Explanations on leasing transactions**

The Group applies the TFRS 16 leases standard. The Group recognizes the right of use and the rent obligation on the financial statements at the effective date of the lease. The right of use is measured initially at cost value and subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for the re-measurement of the lease obligation. TAS 36 Impairment of Assets is applied in order to determine whether the real estates that are entitled to use have been impaired and to recognize the impairment loss.

With the TFRS 16 Leases Standard effective from January 1, 2019, the difference between operating leases and financial leases is eliminated and leases are presented as assets by the lessees under Tangible Assets and as liabilities under Liabilities from Leasing Transactions.

TFRS 16 introduces a single leasing accounting model for lessees. As a result, the Group, as a lessee,

has acquired the lease rights representing the lease rights representing the right to use the underlying asset and the lease payments to the financial statements. Accounting for the lessor is similar to the previous accounting policies.

The Group when valuing its leasing obligations, discounted its leasing payments using an alternative borrowing rate. The weighted-average rate applied is 18% for leasing agreements denominated in Turkish liras.

**Existence of right to use**

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

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

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**ACCOUNTING POLICIES (Continued)****XIV. Explanations on leasing transactions (Continued)****Existence of right to use (Continued)**

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

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

The Group applies depreciation provisions in TAS 16 Property, Plant and Equipment while depreciating the right to use assets.

**The lease obligations**

At the effective date of the lease, the Group measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the lease's implied profit share rate, if that rate is easily determined. If this ratio cannot be easily calculated, the Group employs its alternative borrowing dividend ratio.

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

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

- Increase the book value to reflect the interest on the lease obligation
- Reduces the book value to reflect the lease payments made and
- The book value is measured to reflect reassessments and restructuring, or reflect to fixed lease payments as of revised nature.

The profit share on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic profit share rate to the remaining balance of the lease liability.

**XV. Explanations on provisions and contingent liabilities**

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

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

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

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

**XVI. Explanations on liabilities regarding employee rights**

The Group fulfills its obligations for severance pay and leave rights under "TAS 19 - Provided to Employees Benefits" and in the balance sheet "Provision for Employee Benefits" account.

According to Türkiye's current labor laws, the Group may resign and resign as specified in the Labor Law by making a certain lump sum payment to employees who are dismissed for reasons other than liable behavior. Provision for severance pay, which is a probable liability under this law, is calculated over its present value using certain actuarial estimates and is reflected in the financial statements as actuarial losses and gains, in accordance with "TAS 19 - Employee Benefits" accounted for under equity.

The leave fee obligation means that all personnel are legally entitled to leave each year in excess of the cumulative total of unused vacation days found by subtracting the is calculated.

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.****NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

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**ACCOUNTING POLICIES (Continued)****XVI. Explanations on liabilities regarding employee rights (Continued)****Liability of T.C. Ziraat Bankası and T.Halk Bankası Members Pension and Relief Fund (TZHEMSAN)**

Some of the Group's personnel are the members of T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees' Pension Fund ("Fund") which was established by 20th provisional article of Social Security Law Act numbered 506. In accordance with 23rd provisional clause of the Banking Law numbered 5411, the pension fund established within Social Security Law is expected to be transferred to the Social Security Institution by three years following the declaration of the Banking Law numbered 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345 dated 30 November 2006. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Law numbered 5411 allowing pension funds to be transferred to Social Security Institution ("SSI") is annulled following the resolution of Constitutional Court declared in the Official Gazette dated 30 June 2007 numbered 26479 E.2005/139, K.2007/13 and K.2007/33.

With the publication of the reasoning of the decision, the Grand National Assembly of Türkiye ("GNAT") started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the "Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations" No 5754 ("the New Law") regulating the transfer of the funds were approved by the GNAT on 17 April 2008. The New Law was published in the Official Gazette dated 8 May 2008, numbered 26870 and came into force.

According to the new law Group pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9,80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

In accordance with 58th article and 7th provisional article of the Banking Law, restricting banks from transferring any funds to the pension funds in order to compensate the actuarial deficits effective from 1 January 2008, has been delayed up to 5 years. Based on the Council of Ministers' decree numbered 2011/1559 and issued in the Official Gazette numbered 27900, dated 9 April 2011, and 20th provisional article of law numbered 506, the deadline for transferring banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, exchange markets and the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for two years.

Besides, the phrase of "two years" in Clause (2), Article 1 of the temporary 20th provision of the law numbered 5510 is revised as "four years" with the law numbered 6283 amending on the Social Insurance and General Health Insurance Law, published in the Official Gazette numbered 28227, dated 8 March 2012. Based on the Council of Ministers' decree numbered 2014/6042 and issued in the Official Gazette numbered 28987 dated 30 April 2014, the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for one year.

Lastly, 51st article of Law No.6645 dated 23 April 2015, published on Official Gazette and the first paragraph of the transient 20th article of Law No.5510 related to the transfer of Group and Insurance Funds to Social Security Institution; "Council of Ministers is the authority to determine the date of transfer of banks, insurance and reinsurance companies, boards of trade, chambers of industry and stock markets or the participants of funds established for their constitute union personnel and the ones that were endowed salary or income and their beneficiaries within the scope of transient 20th article of Law No.506. As from the transfer date, the participants are considered as insured within the scope of clause (a), first paragraph and 4th article of this Law. Based on the decision of the Council of Ministers dated 24 February 2014; May 2015 was determined as the transfer period. As a result of the last amendment made in the first paragraph of the provisional article 20 of the Law No. 5510 and the Occupational Health and Safety Law No. 6645 published in the Official Gazette dated 23 April 2015 and numbered 29335; The Council of Ministers has been authorized to determine the transfer date and the President has been authorized to determine the transfer date in the repeated Official Gazette numbered 30473 on 9 July 2018.

The technical balance sheet report as of 31 December 2023 which is prepared in accordance with the new law and the allowance determined as 9,80%, concluded no technical deficit arises in the above-mentioned fund. Since the Group has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Group's financial statements.

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**ACCOUNTING POLICIES (Continued)****XVII. Explanations on taxation****Current tax:**

In the financial statements as of September 30, 2023, the corporate tax rate is applied 25%. The corporate tax rate has been permanently increased to 25% for banks, consumer finance companies, factoring and financial leasing companies, capital market institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in accordance with the publication of the Law No. 7394 in the Official Gazette dated April 15, 2022. However, with the Law No. 7456 published on July 15, 2023, the rate was increased to 30% to be applied to the cumulative tax base for the declarations to be submitted as of October 1, 2023. Starting from for the period of January 1, 2023- December 30, 2023 provisional corporate tax declaration, the corporate tax rate will be applied as 30% for the following periods. Dividends paid to the resident institutions are not subject to withholding tax in Türkiye. Withholding tax rate on the dividend payments other than these is 10%. Appropriation of the retained earnings to capital is not considered as profit distribution and accordingly is not subject to withholding tax.

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

75% portion of the capital gains derived from the sale of equity investments and 50% portion of the capital gains derived from the sale of immovable properties held for at least two years is tax exempt if such gains are added to paid-in capital or held in a special fund account under liability for five years. However, with the Law No. 7456 published on July 15, 2023, this exemption has been abolished for the real estates to be acquired after the publication date of the decision, and if the real estates acquired before this date are sold after the effective date of the decision, 25% of the real estate sales profit will be exempt from corporate tax.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods. In Türkiye, there is no procedure for a final and definite agreement on tax assessments.

Companies file their tax returns until the last day of the following fourth month after the closing of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings and carry out sectorial investigations.

As of the end of 2021 calendar year, the conditions required for inflation adjustment in corporate tax calculation have been realized in accordance with the reiterated article 298/A of the Tax Procedure Law (VUK). However, with the Law No. 7352 on the Amendment of the Tax Procedure Law and the Corporate Tax Law, published in the Official Gazette dated 29 January 2022 and numbered 31734, the temporary article 33 was added to the Tax Procedure Law No. 213, including the provisional tax periods. Financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods (for those designated as a special accounting period, as of the accounting periods ending in 2022 and 2023) and the provisional tax periods for the 2023 accounting period, regardless of whether the conditions for the repetitive inflation adjustment within the scope of Article 298 are met, it has been enacted that the 2023 financial statements will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, and the profit/loss differences arising from the inflation adjustment to be made will be shown in the previous years profit/loss account.

Assets within the scope of the provisional Article 32 of the Tax Procedure Law No. 213 were valued and taxed at a rate of 2%. The assets covered by the reiterated Article 298 are revalued with the revaluation rate announced in the relevant year and no tax is paid on the increase in value.

**Deferred tax**

Deferred tax assets or liabilities, according to principles of "Turkish Accounting Standards on Income Taxes" ("TAS 12"), are calculated as measuring the affect of the temporary difference that accrues between the amount of assets and liabilities figured in financial tables and the amount calculated according to tax legislation, by considering tax rate for releated period.

Deferred tax is been figured in financial tables by netting assets and liabilities. While deferred tax liability can be calculated for all taxable temporary difference, deferred tax assets only can be calculated on the condition that if high possiibility exists to take profit from difference occurs from deferred tax assets arises from reducable temporary differences to be profitable on taxes.

Deferred tax is calculated on the basis of the tax rates that are applicable to or are certain to have effect on the income statement for the period in which the asset is realized or the liability is settled and recorded as income or expense in the income statement. However, deferred tax is recognized directly in equity if the tax asset relates directly to equity in the same or different period. The bank 30% tax rate is used for temporary differences realized at the end of 2022 or after or expected to close.

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**ACCOUNTING POLICIES (Continued)****XVII. Explanations on taxation (Continued)****Transfer pricing**

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

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

**XVIII. Additional explanations on borrowings**

Funds provided from debt instruments issued by the Parent Bank through an asset leasing company are presented under "Securities Issued". Borrowings, except for funds collected, are recognized at amortized cost using the effective internal rate of return method in the following periods after the initial recognition.

**XIX. Explanations on issued share certificates**

None.

**XX. Explanations on acceptances and availed drafts**

The Group carries out the payments of avals and acceptances simultaneously with the payments of the customers. Avals and acceptances are shown in off-balance sheet liabilities as possible liabilities and commitments.

**XXI. Explanations on government grants**

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

**XXII. Explanations on segment reporting**

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

Segment reporting is disclosed in Section Four, Note IX.

**XXIII. Explanations regarding subsidiaries, affiliates and jointly controlled partnerships:**

Subsidiaries and affiliates denominated in Turkish currency are accounted for at cost in accordance with the "Turkish Accounting Standard for Individual Financial Statements" ("TMS 27") and are reflected in the consolidated financial statements after deducting the provision for impairment, if any.

**XXIV. Information on other issues:**

None.

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**SECTION FOUR****INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT****I. Explanations on consolidated equity items**

Equity amount and capital adequacy standard ratio are calculated within the framework of the "Regulation on Equity of Banks" and the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks". The Parent Bank's current period equity amount calculated as of December 31, 2023 is 15.374.501 TL and the capital adequacy standard ratio is 23.08%. The equity amount for 31 December 2022 is 9.559.625 TL and the capital adequacy standard rate is 28.23%. The Parent Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.

**a) Information on consolidated total capital items**

	Current Period 31 December 2023	Prior Period 31 December 2022
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1.026.915	1.026.915
Share issue premiums	-	-
Reserves	3.434.584	630.722
Gains recognized in equity as per TAS	705.872	1.440.881
Profit	5.147.988	2.814.082
Current Period Profit	5.143.855	2.813.795
Prior Period Profit	4.133	287
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>10.315.359</b>	<b>5.912.600</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1 <sup>st</sup> clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	-	19.114
Leasehold improvements	119.326	85.314
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	248.862	100.413
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	-	-

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanation on consolidated shareholder's equity items (Continued)****a) Information on consolidated shareholder's equity (Continued)**

	Current Period 31 December 2023	Prior Period 31 December 2022
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	723.628	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>1.091.816</b>	<b>204.841</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>9.223.543</b>	<b>5.707.759</b>

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanation on consolidated shareholder's equity items (Continued)****a) Information on consolidated shareholder's equity (Continued)**

	Current Period 31 December 2023	Prior Period 31 December 2022
<b>ADDITIONAL TIER 1 CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	5.709.739	3.498.078
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>5.709.739</b>	<b>3.498.078</b>
<b>Deductions from Additional Tier I Capital</b>		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions from Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
<b>Total Additional Tier I Capital</b>	<b>5.709.739</b>	<b>3.498.078</b>
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>14.933.282</b>	<b>9.205.837</b>
<b>TIER 2 CAPITAL</b>		
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)	444.659	371.657
<b>Contribution Capital Before Discounts</b>	<b>444.659</b>	<b>371.657</b>
<b>Deductions from Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-



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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanation on consolidated shareholder's equity items (Continued)****a) Explanation on consolidated shareholder's equity (Continued)**

	Current Period 31 December 2023	Prior Period 31 December 2022
<b>ADDITIONAL TIER 1 CAPITAL</b>		
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	-	-
<b>Total Tier II Capital</b>	<b>444.659</b>	<b>371.657</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>15.377.941</b>	<b>9.577.494</b>
<b>Deductions from Capital</b>	-	-
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	3.440	17.869
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanation on consolidated shareholder's equity items (Continued)****a) Explanation on consolidated shareholder's equity (Continued)**

	Current Period 31 December 2023	Prior Period 31 December 2022
<b>SHAREHOLDER'S EQUITY</b>		
Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)	15.374.501	9.559.625
Total Risk Weighted Amounts	66.615.195	33.858.202
<b>Capital Adequacy Ratios</b>		
Core Capital Adequacy Ratio (%)	13,85	16,86
Tier 1 Capital Adequacy Ratio (%)	22,42	27,19
Capital Adequacy Ratio (%)	23,08	28,23
<b>BUFFERS</b>		
Total buffer requirement (a+b+c)	2,5	2,5
a) Capital conservation buffer requirement (%)	2,5	2,5
b) Bank specific counter-cyclical buffer requirement (%)	-	-
c) Systemic important bank buffer ratio (%)	-	-
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 (%)	9,35	12,36
<b>Amounts Lower Than Excesses as per Deduction Rules</b>		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Limits related to provisions considered in Tier II calculation	-	-
Amount arising from deferred tax assets based on temporary differences	994.717	-
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	444.659	371.657
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	444.659	371.657
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

<sup>(1)</sup>The Group, provided subordinated loan from Türkiye Varlık Fonu Piyasa İstikrar ve Denge Alt Fonu with the approval of BRSA dated 22 April 2019, on 24 April 2019 amounting to 200 million (Full Euro) with no fixed term and no profit share within the scope of additional main capital and loan from Türkiye Varlık Fonu Piyasa İstikrar ve Denge Alt Fonu with the approval of BRSA dated March 8, 2022, on March 9, 2022 amounting to 31.688.489 Euro (Full Euro) with no fixed term and no profit share within the scope of additional main capital.

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### INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

#### I. Explanation on consolidated shareholder's equity items (Continued)

##### a) Explanation on consolidated shareholder's equity (Continued)

According to the Board Decision of the BRSA dated January 31, 2023 and numbered 10496; Board dated 28.04.2022 and numbered 9996 Capital of Banks, stated in its decision in accordance with the Regulation (Regulation) on the Measurement and Evaluation of Sufficiency, the basis for credit risk in the calculation of the amount; monetary and non-monetary assets valued at their historical cost valued amounts of non-currency items and related items in accordance with Turkish Accounting Standards The Central Bank of the Republic of Turkey (Central Bank) provided the foreign exchange buying rate for the date of 31.12.2021 when calculating the specific provision amounts; until a Board Decision to the contrary is taken, it is possible to continue by using the Central Bank's foreign exchange buying rate of 30.12.2022. As of December 31, 2023, the Parent Bank has used this opportunity in Capital Adequacy calculations.

In addition, according to the BRSA's Decision dated 16 April 2020 and numbered 8999; Turkish Republic Center of Banks Measuring the Capital Adequacy of Banks for their receivables from their management and issued in FX, and Amount subject to credit risk in accordance with Standard Approach within the scope of Regulation on Evaluation, it is possible to apply 0% risk weight in the calculation. As of December 31, 2023, the Parent Bank has used this opportunity in Capital Adequacy calculations.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanation on consolidated shareholder's equity items (Continued)****b) Information on consolidated debt instruments to be included in the equity calculation:**

Issuer	Türkiye Varlık Fonu Piyasa İstikrar Ve Denge Alt Fonu
Unique Identifier (CUSIP, ISIN etc.)	TRT240424F22
Governing Law(s) of the Instrument	Regulation on Banks' Equity Communique on Principles Regarding Borrowing Instruments to be Included in Bank' Equity Calculation
<b>Special Consideration in the Calculation of Equity</b>	
As of January 1, 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Subordinated Loan
Amount recognized in regulatory capital (as of most recent reporting date)	4.559.591
Par Value of Instrument	5.812.416
Accounting Classification	Subordinated Loan
Original date of Issuance	24.04.2019
Perpetual or dated	Undated
Maturity date	24.04.2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: 24.05.2024 Total Repayment Amount: EUR 200 million (full)
Subsequent call dates	-
<b>Profit Share/Dividends</b>	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Fully discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
<b>Convertible or Non-convertible</b>	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
<b>Write-down feature</b>	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy ratio falls below 5,125 %
If write-down, full or partial	At least to ensure that the core capital ratio exceeds 5,125 %
If write down, permanent or temporary	Permanent and Temporary
If temporary write-down, description of write-up mechanism	There is write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7
Details of incompliances with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanation on consolidated shareholder's equity items (Continued)****b) Information on consolidated debt instruments to be included in the equity calculation: (Continued)**

Issuer	Türkiye Varlık Fonu Piyasa İstikrar Ve Denge Alt Fonu
Unique Identifier (CUSIP, ISIN etc.)	TRT250232F15
Governing Law(s) of the Instrument	Regulation on Banks' Equity Communique on Principles Regarding Borrowing Instruments to be Included in Bank' Equity Calculation
<b>Special Consideration in the Calculation of Equity</b>	
As of January 1, 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Subordinated Loan
Amount recognized in regulatory capital (as of most recent reporting date)	521.368
Par Value of Instrument	920.933
Accounting Classification	Subordinated Loan
Original date of Issuance	09.03.2022
Perpetual or dated	Undated
Maturity date	09.03.2022
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: 09.03.2032 Total Repayment Amount: TL 500.000 million (full) EUR equivalent
Subsequent call dates	-
<b>Profit Share/Dividends</b>	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Full discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
<b>Convertible or Non-convertible</b>	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
<b>Write-down feature</b>	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy falls below 5,125 %
If write-down, full or partial	At least to ensure that the core capital ratio exceeds 5,125 %
If write down, permanent or temporary	Permanent and Temporary
If temporary write-down, description of write-up mechanism	There is write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7
Details of incompliances with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7

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### INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

#### I. Explanation on consolidated shareholder's equity items (Continued)

##### c. Explanations on consolidated reconciliation of equity items and balance sheet amounts:

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

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

Credit risk is defined as the probability of loss that the Group may be exposed to due to the failure of the loan customer to fulfill its obligations partially or completely on time by not complying with the contractual requirements.

Credit allocation authority is mainly in the Board of Directors, and this authority can be delegated to subcommittees in accordance with the Banking Law. The Board of Directors determines the loan policies and loan extension limits at the macro level. It establishes policies regarding loan issuance, approval and other administrative principles. Monitors compliance with policies, concentrations and limits and takes the necessary measures. It creates a suitable environment for the healthy and efficient functioning of the credit function. Sufficient personnel and software are provided, authorities, roles and limits are clearly determined and necessary controls are established. Credit risk is measured periodically analyzed and reported.

Preparations are made to use rating scores and scoring and rating models that generate default probability in order to measure the credit risk of customers according to their segments. The rating grades produced are used in making the decision to work with the customer and in determining working conditions. Credit limit allocations are made separately for the customer or credit group according to financial analysis and intelligence reports, customer ratings and segment. The allocated limits are reviewed in the periods specified in the commercial and individual loan policies, and the customer's intelligence and rating report is renewed. Attention is paid to sectoral balanced distribution of loans and the use of TL resources as TL and FX resources as FX without any currency mismatch. Credit restrictions specified in the Banking Law and relevant legislation are complied with. Although the credibility of the customer is essential, attention is paid to collateralization for risk reduction. Maximum care is taken to ensure that the loan and collateral maturity, currency type and independent value appraisal are made. Guarantees received are periodically evaluated and insured.

Provision is made for loan receivables that are in default in accordance with TFRS 9 "Regulation on the Determination of the Qualifications of Loans and Other Receivables by Banks and the Procedures and Principles Regarding the Provisions to be Allocated for These".

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****II. Explanations on consolidated credit risk (Continued):**

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

Risk Categories	Current Period Risk Amount	Average Risk Amount
1 Receivables from central governments or central banks	76.375.508	56.694.948
2 Receivables from regional or local governments	94.549	161.756
3 Receivables from administrative units and non-commercial enterprises	442.667	326.684
4 Receivables from multilateral development banks	-	-
5 Receivables from international organizations	-	-
6 Receivables from banks and brokerage houses	6.411.940	10.695.846
7 Receivables from corporates	29.274.530	23.894.089
8 Retail receivables	8.967.648	7.662.321
9 Receivables secured by mortgages on property	2.524.840	1.910.093
10 Past due receivables	30.284	19.585
11 Receivables defined in high risk category by BRSA	9.199.949	2.071.809
12 Securities collateralized by mortgages	-	-
13 Securitization positions	-	-
14 Short-term receivables from banks, brokerage houses and corporates	-	-
15 Investments similar to collective investment funds	-	-
16 Equity security investments	-	-
17 Other Receivables	5.692.499	5.668.953
<b>Total (*)</b>	<b>139.014.414</b>	<b>109.106.085</b>

(\*) Average risk amount was tested by taking the arithmetic average of monthly risk amounts for 2023.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****II. Explanations on consolidated credit risk (Continued):**

Risk Categories	Prior Period Risk Amount	Average Risk Amount
1 Receivables from central governments or central banks	37317894	23.814.341
2 Receivables from regional or local governments	256.026	119.693
3 Receivables from administrative units and non-commercial enterprises	19.898	50.916
4 Receivables from multilateral development banks	-	-
5 Receivables from international organizations	-	-
6 Receivables from banks and brokerage houses	7099.200	6.901.410
7 Receivables from corporates	27376.591	19.780.217
8 Retail receivables	4.194.133	4.484.206
9 Receivables secured by mortgages on property	1.281.855	1.335.252
10 Past due receivables	9.573	11.892
11 Receivables defined in high risk category by BRSA	-	-
12 Securities collateralized by mortgages	-	-
13 Securitization positions	-	-
14 Short-term receivables from banks, brokerage houses and corporates	-	-
15 Investments similar to collective investment funds	-	-
16 Equity security investments	-	-
17 Other Receivables	3.710.776	1.945.975
<b>Total<sup>(1)</sup></b>	<b>81.265.946</b>	<b>58.443.902</b>

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

The Group considers that long-term commitments are exposed to more credit risk than short-term commitments, and matters such as defining risk limits and obtaining collateral for long-term risks are addressed more extensively as compared to short-term risks.

The Group has credit lines in different countries within the scope of its banking activity and due inquires (economic, cyclical, etc.) are carried out during the allocation and revision of such credit lines.

For the banks where correspondent activity and international commodity transactions are intended to be carried out, credit limits are allocated by the related credit committees taking into account the size of the correspondent bank and the size of Bank itself and concentration of risk is avoided. The Group does not carry any serious risk in this respect.



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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****II. Explanations on consolidated credit risk (Continued):****Geographical distribution of risk amounts disaggregated by significant risk classes in important regions; Distribution of risks, disaggregated by risk classes, by sectors or counterparties, and distribution of all risks by remaining maturities:****Profile on significant risks in significant regions:**

	Risk Categories <sup>(*)</sup>																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
<b>Current Period</b>																		
1 Domestic	76.375.508	94.549	442.667	-	-	839939	28.534.854	8933.803	2.522.383	30.284	5.915.937	-	-	-	-	-	5.692.499	<b>129.382.423</b>
2 EU Countries	-	-	-	-	-	216.503	-	314	136	-	-	-	-	-	-	-	-	<b>216.953</b>
3 OECD Countries (**)	-	-	-	-	-	1.474.561	-	-	-	-	-	-	-	-	-	-	-	<b>1.474.561</b>
4 Off-shore Banking Regions	-	-	-	-	-	467.212	324.541	30.272	2.321	-	10.180	-	-	-	-	-	-	<b>834.526</b>
5 USA, Canada	-	-	-	-	-	400.644	-	2.856	-	-	-	-	-	-	-	-	-	<b>403.500</b>
6 Other Countries	-	-	-	-	-	3.013.081	415.135	403	-	-	3.273.832	-	-	-	-	-	-	<b>6.702.451</b>
7 Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>9 Total</b>	<b>76.375.508</b>	<b>94.549</b>	<b>442.667</b>	<b>-</b>	<b>-</b>	<b>6.411.940</b>	<b>29.274.530</b>	<b>8.967.648</b>	<b>2.524.840</b>	<b>30.284</b>	<b>9.199.949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.692.499</b>	<b>139.014.414</b>
<b>Prior Period</b>																		
1 Domestic	37.317.894	256.026	19.898	-	-	3.880.678	26.904.933	4.175.899	1.281.711	9.573	-	-	-	-	-	-	3.710.776	<b>77.557.389</b>
2 EU Countries	-	-	-	-	-	301.093	36.107	105	144	-	-	-	-	-	-	-	-	<b>337.449</b>
3 OECD Countries (**)	-	-	-	-	-	910.631	-	277	-	-	-	-	-	-	-	-	-	<b>910.908</b>
4 Off-shore Banking Regions	-	-	-	-	-	-	427.221	15.741	-	-	-	-	-	-	-	-	-	<b>442.962</b>
5 USA, Canada	-	-	-	-	-	858.186	-	-	-	-	-	-	-	-	-	-	-	<b>858.186</b>
6 Other Countries	-	-	-	-	-	1.148.612	8.331	2.112	-	-	-	-	-	-	-	-	-	<b>1.159.055</b>
7 Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>9 Total</b>	<b>37.317.894</b>	<b>256.026</b>	<b>19.898</b>	<b>-</b>	<b>-</b>	<b>7.099.200</b>	<b>27.376.592</b>	<b>4.194.134</b>	<b>1.281.855</b>	<b>9.573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.710.776</b>	<b>81.265.949</b>

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

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

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

1	Conditional and unconditional receivables from central government or central banks	10	Past due receivables
2	Conditional and unconditional receivables from regional or local governments	11	Receivables determined as high risk by the Board
3	Conditional and unconditional receivables from administrative units and non-commercial enterprises	12	Mortgage-backed securities
4	Conditional and unconditional receivables from multilateral development banks	13	Securitization positions
5	Conditional and unconditional receivables from international organizations	14	Short-term receivables and short-term corporate receivables from banks and brokerage houses
6	Conditional and unconditional receivables from banks and brokerage houses	15	Investments as collective investment enterprises
7	Conditional and unconditional receivables from corporates	16	Equity share investments
8	Conditional and unconditional retail receivables	17	Other receivables
9	Receivables secured by mortgages on property		

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****II. Explanations on consolidated credit risk (Continued):****Profile on significant risks in significant regions:**

Current Period	Risk Categories <sup>(*)</sup>																	TP	YP	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17				
<b>1 Agriculture</b>	-	-	-	-	-	-	150.419	73.190	800	0	92.832	-	-	-	-	-	-	299.434	17.807	317.241	
1.1 Farming and stockbreeding	-	-	-	-	-	-	107.522	67.824	800	0	64.481	-	-	-	-	-	-	240.627	-	240.627	
1.2 Forestry	-	-	-	-	-	-	6.780	5.319	0	0	25.399	-	-	-	-	-	-	374.98	-	374.98	
1.3 Fishery	-	-	-	-	-	-	36.117	47	0	0	2.952	-	-	-	-	-	-	21.309	17.807	39.116	
<b>2 Manufacturing</b>	-	-	-	-	-	-	10.849.504	2.439.363	4.371.51	7.752	1.568.132	-	-	-	-	-	-	9.755	8.515.907	6.795.750	15.311.657
2.1 Mining and quarrying	-	-	-	-	-	-	1.027.574	48.771	4.691	0	6.619	-	-	-	-	-	-	155	500.689	587.121	1.087.810
2.2 Production	-	-	-	-	-	-	8.245.925	2.326.078	4.089.61	7.752	1.341.903	-	-	-	-	-	-	8.631	7.282.999	5.056.250	12.339.249
2.3 Electricity, gas, water	-	-	-	-	-	-	1.576.005	64.514	23.499	0	219.610	-	-	-	-	-	-	969	732.219	1.152.379	1.884.598
<b>3 Construction</b>	-	-	427.099	-	-	-	4.070.578	1.240.052	880.779	5.351	595.240	-	-	-	-	-	-	2.365	6.622.812	598.651	7.221.463
<b>4 Services</b>	74.654.329	-	125	-	-	6.411.940	11.442.241	3.376.109	754.833	16.721	6.661.200	-	-	-	-	-	-	2.179.231	52.258.293	53.238.436	105.496.729
4.1 Wholesale and retail trade	-	-	106	-	-	-	6.289.190	2.376.144	463.775	15.845	2.372.898	-	-	-	-	-	-	614	8.143.292	3.375.280	11.518.572
4.2 Hotel, food and beverage services	-	-	-	-	-	-	60.961	97.740	1.991	0	443	-	-	-	-	-	-	1	158.146	2.990	161.136
4.3 Transportation and telecommunication	-	-	-	-	-	-	1.763.909	434.289	200.057	385	144.693	-	-	-	-	-	-	681	810.487	1.733.526	2.544.013
4.4 Financial institutions	74.654.329	-	-	-	-	6.411.940	1.096.323	9.046	2.526	0	3.273.832	-	-	-	-	-	-	111.606	37.661.911	4.789.769	85.559.601
4.5 Real estate and renting services	-	-	-	-	-	-	1.819.359	397.899	74.175	491	823.629	-	-	-	-	-	-	2.066.329	4.955.149	226.734	5.181.883
4.6 Self-employment services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.7 Education services	-	-	19	-	-	-	44.230	21.157	919	0	30.973	-	-	-	-	-	-	-	97.299	-	97.299
4.8 Health and social services	-	-	-	-	-	-	368.269	39.834	11.390	0	14.732	-	-	-	-	-	-	-	432.009	2.216	434.225
<b>5 Other</b>	1.721.179	94.549	15.443	-	-	-	2.761.788	1.838.934	451.277	460	282.545	-	-	-	-	-	-	3.501.148	8.114.246	2.553.178	10.667.424
<b>6 Total</b>	<b>76.375.508</b>	<b>94.549</b>	<b>442.667</b>	<b>-</b>	<b>-</b>	<b>6.411.940</b>	<b>29.274.530</b>	<b>8.967.648</b>	<b>2.524.840</b>	<b>30.284</b>	<b>9.199.949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.692.499</b>	<b>75.810.692</b>	<b>63.203.822</b>	<b>139.014.414</b>

<sup>(\*)</sup> It refers to the risk classes included in the Regulation on Measurement and Assessment of Capital Adequacy of Banks.

1	Conditional and unconditional receivables from central government and Central Banks	10	Past due receivables
2	Conditional and unconditional receivables from regional or local governments	11	Receivables defined under high risk category by BRSA
3	Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	12	Mortgage-backed securities
4	Conditional and unconditional claims from multilateral development banks	13	Securitization positions
5	Contingent and unconditional receivables from international organizations	14	Short-term receivables and short-term corporate receivables from banks and brokerage houses
6	Conditional and unconditional receivables from banks and brokerage houses	15	Investments that qualify as a collective investment institution
7	Conditional and unconditional receivables from corporates	16	Equity share investments
8	Conditional and unconditional receivables from retail portfolios	17	Other receivables
9	Receivables secured by real estate mortgages		

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****II. Explanations on consolidated credit risk (Continued):**

	Prior Period	Risk Categories <sup>(1)</sup>																	TP	YP	Total		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17					
<b>1</b>	<b>Agriculture</b>	-	-	-	-	-	-	138.395	12.824	4.327	-	-	-	-	-	-	-	-	-	-	-	155.546	155.546
1.1	Farming and stockbreeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2	Forestry	-	-	-	-	-	-	138.395	12.824	4.327	-	-	-	-	-	-	-	-	-	-	-	155.546	155.546
1.3	Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2</b>	<b>Manufacturing</b>	-	-	-	-	-	-	8.993.687	1.033.317	253.075	2.220	-	-	-	-	-	-	-	4.624	3.399.968	6.886.955	10.286.923	
2.1	Mining and quarrying	-	-	-	-	-	-	514.063	271.32	-	-	-	-	-	-	-	-	-	-	280.701	260.494	541.195	
2.2	Production	-	-	-	-	-	-	7.756.851	945.908	251.561	2.135	-	-	-	-	-	-	-	4.472	2.841.548	6.119.379	8.960.927	
2.3	Electricity, gas, water	-	-	-	-	-	-	722.773	60.277	1.514	85	-	-	-	-	-	-	-	152	277.719	507.082	784.801	
<b>3</b>	<b>Construction</b>	-	-	-	-	-	-	4.906.377	755.746	395.387	2.916	-	-	-	-	-	-	-	84	758.794	5.301.716	6.060.510	
<b>4</b>	<b>Services</b>	19.148.698	14.331	15.590	-	-	7.099.200	10.976.299	1.497.017	256.840	4.331	-	-	-	-	-	-	-	1.068.454	22.826.740	17.254.020	40.080.760	
4.1	Wholesale and retail trade	-	-	-	-	-	-	5.782.904	1.112.137	141.647	3.911	-	-	-	-	-	-	-	428	1.008.641	6.032.386	7.041.027	
4.2	Hotel, food and beverage services	-	-	-	-	-	-	60.318	30.372	4.500	-	-	-	-	-	-	-	-	-	-	95.190	95.190	
4.3	Transportation and telecommunication	-	-	-	-	-	-	1.689.091	237.445	7.387	298	-	-	-	-	-	-	-	1	1.148.874	785.348	1.934.222	
4.4	Financial institutions	19.148.698	-	-	-	-	7.099.200	1.010.138	8.933	-	-	-	-	-	-	-	-	-	35.386	20.298.724	7.003.631	27.302.355	
4.5	Real estate and renting services	-	-	-	-	-	-	826.062	10.683	86.713	49	-	-	-	-	-	-	-	1.032.627	2.442	1.953.692	1.956.134	
4.6	Self-employment services	-	6.825	15.576	-	-	-	1.250.920	74.177	531	73	-	-	-	-	-	-	-	12	359.247	988.867	1.348.114	
4.7	Education services	-	-	14	-	-	-	51.053	4.573	7.978	-	-	-	-	-	-	-	-	-	-	63.618	63.618	
4.8	Health and social services	-	7.506	-	-	-	-	305.813	18.697	8.084	-	-	-	-	-	-	-	-	-	8.812	331.288	340.100	
<b>5</b>	<b>Other</b>	18.169.196	241.695	4.308	-	-	-	2.361.834	895.230	372.226	106	-	-	-	-	-	-	-	2.637.614	6.233.445	18.448.764	24.682.209	
<b>6</b>	<b>Total</b>	37.317.894	256.026	19.898	-	-	7.099.200	27.376.592	4.194.134	1.281.855	9.573	-	-	-	-	-	-	-	3.710.776	33.218.952	48.047.001	81.265.948	

<sup>(1)</sup> It refers to the risk classes included in the Regulation on Measurement and Assessment of Capital Adequacy of Banks.

- |   |   |    |   |
|---|---|----|---|
| 1 | Conditional and unconditional receivables from central government and Central Banks                 | 10 | Past due receivables  |
| 2 | Conditional and unconditional receivables from regional or local governments                        | 11 | Receivables defined under high risk category by BRSA  |
| 3 | Conditional and unconditional receivables from administrative bodies and non-commercial enterprises | 12 | Mortgage-backed securities  |
| 4 | Conditional and unconditional claims from multilateral development banks                            | 13 | Securitization positions  |
| 5 | Contingent and unconditional receivables from international organizations                           | 14 | Short-term receivables and short-term corporate receivables from banks and brokerage houses |
| 6 | Conditional and unconditional receivables from banks and brokerage houses                           | 15 | Investments that qualify as a collective investment institution                             |
| 7 | Conditional and unconditional receivables from corporates   | 16 | Equity share investments  |
| 8 | Conditional and unconditional receivables from retail portfolios                                    | 17 | Other receivables   |
| 9 | Receivables secured by real estate mortgages  |    |   |

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****II. Explanations on consolidated credit risk (Continued):****Distribution of risks with term structure according to remaining maturities:**

Risk Categories -Current Period	Time to Maturity					Undistributable
	1 month	1-3 months	3-6 month	6-12 month	1 year and over	
1 Conditional and unconditional receivables from central governments or central banks	26.426.524	-	-	-	-	4.994.898,4
2 Conditional and unconditional receivables from regional or local governments	266	1.182	-	43.861	49.240	-
3 Conditional and unconditional receivables from administrative units and non-commercial enterprises	596	-	-	1.750	440.321	-
4 Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
5 Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
6 Conditional and unconditional receivables from banks and brokerage houses	129.252	-	-	-	495.941	5.786.747
7 Conditional and unconditional receivables from corporates	6.179.016	3.302.143	4.175.283	10.625.050	4.993.038	-
8 Conditional and unconditional retail receivables	1.800.333	1.015.912	1.057.677	2.812.958	2.280.768	-
9 Receivables secured by mortgages on property	307.219	186.921	295.260	1.052.424	683.016	-
10 Past due receivables	19.517	4.130	26	1.068	5.543	-
11 Receivables defined in high risk category by BRSA	234.992	1.072.783	663.169	3.368.822	586.351	3.273.832
12 Securities collateralized by mortgages	-	-	-	-	-	-
13 Subject to the securitisation framework	-	-	-	-	-	-
14 Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
15 Investments similar to collective investment funds	-	-	-	-	-	-
16 Equity share investments	-	-	-	-	-	-
17 Other receivables	-	-	-	-	-	5.692.599
<b>GRAND TOTAL</b>	<b>35.097.715</b>	<b>5.583.071</b>	<b>6.191.415</b>	<b>17.905.933</b>	<b>9.534.218</b>	<b>64.702.162</b>

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****II. Explanations on consolidated credit risk (Continued):****Distribution of risks with term structure according to remaining maturities: (Continued):**

Risk Categories -Prior Period	Time to Maturity					Undistributable
	1 month	1-3 month	3-6 month	6-12 month	1 year and over	
1 Conditional and unconditional receivables from central governments or central banks	18.149.078	79.854	37.875	1.689.802	17.361.285	-
2 Conditional and unconditional receivables from regional or local governments	14.532	-	-	74.879	166.615	-
3 Conditional and unconditional receivables from administrative units and non-commercial enterprises	4.765	41	-	904	14.187	-
4 Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
5 Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
6 Conditional and unconditional receivables from banks and brokerage houses	6.288.018	-	101.897	-	709.285	-
7 Conditional and unconditional receivables from corporates	12.612.875	3.181.192	2.096.693	4.002.733	5.475.440	7.659
8 Conditional and unconditional retail receivables	2.053.296	304.163	388.186	675.360	773.129	-
9 Receivables secured by mortgages on property	332.617	37.121	96.580	182.235	633.302	-
10 Past due receivables	8.454	208	242	436	232	-
11 Receivables defined in high risk category by BRSA	-	-	-	-	-	-
12 Securities collateralized by mortgages	-	-	-	-	-	-
13 Securitization positions	-	-	-	-	-	-
14 Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
15 Investments similar to collective investment funds	-	-	-	-	-	-
16 Equity share investments	-	-	-	-	-	-
17 Other receivables	3.710.776	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>43.174.411</b>	<b>3.602.579</b>	<b>2.721.473</b>	<b>6.626.349</b>	<b>25.133.475</b>	<b>7.659</b>

**Explanations for risk classes specified in Article 6 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks;**

Ratings given by Islamic International Rating Agency (IIRA) ratings are taken into account for whole risk category of receivables from governments or central banks. Türkiye's long-term foreign currency credit rating (BBB-), is used for foreign currency securities issued by the Republic of Türkiye's Treasury and for other foreign currency risks associated with the Central Government of Republic of Türkiye. According to the capital adequacy regulations, in determining the risk weights of the risk classes of receivables from banks and intermediary institutions, the ratings given by the rating agencies authorized by the Board or directly recognized by the Board are used for the receivables whose counterparty is residents in abroad. Receivables whose counterparties are resident in the country are accepted as unrated and included in the capital adequacy calculation. The "Credit Quality Levels" corresponding to the ratings assigned by the rating agencies authorized or directly recognized by the Board are given in the table below.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****II. Explanations on consolidated credit risk (Continued):****Explanations for risk classes specified in Article 6 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks; (Continued)**

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

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****II. Explanations on consolidated credit risk (Continued):****Risk amounts according to risk weights:**

	<b>Risk Weights – Current Period</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>35%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>250%</b>	<b>Deductions from Shareholders' Equity</b>
1	Amount before credit risk mitigation	76.872.211	-	7446.969	785.356	3.270.394	8.973.311	32.466.324	3.308.878	5.820.551	70.520	910.159
2	Amount after credit risk mitigation	78.101.773	-	7.640.666	785.356	3.450.609	8.645.211	31.190.739	3.308.878	5.820.551	70.520	910.159
	<b>Risk Weights – Prior Period</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>35%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>250%</b>	<b>Deductions from Shareholders' Equity</b>
1	Amount before credit risk mitigation	38.413.589	-	7.024.868	440.876	2.088.526	4.187.095	23.923.117	1.170	5.168.499	18.209	222.710
2	Amount after credit risk mitigation	39.456.723	-	7.508.936	395.062	2.152.181	3.878.566	22.686.603	1.170	5.168.499	18.209	222.710

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

Loans that are delayed more than 90 days as of December 31, 2023 or that are deemed to be impaired based on the risk assessment are evaluated as impaired loans and a "Specific Provision" has been calculated for these loans.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****II. Explanations on consolidated credit risk (Continued):****Amounts of impaired loans and past due receivables, value adjustments and provisions, current period value adjustments and provisions according to sectors or counterparties individually: (Continued)**

Non-Performing Loans are loans that have overdue up to 90 days as of December 31, 2023 but not impaired. "General Provision" calculation is made for these loans.

Current Period Important Sectors/Counterparties	Loans <sup>(1)</sup>	Impaired Credits (IFRS 9)		Provisions
	Significant increase in credit risk (Stage 2)	Non-performing (Stage 3)	Expected Loss Provisions (IFRS9)	
<b>1 Agriculture</b>	-	-	-	
1.1 Farming and stockbreeding	-	-	-	
1.2 Forestry	-	-	-	
1.3 Fishery	-	-	-	
<b>2 Manufacturing</b>	<b>158.870</b>	<b>104.718</b>	<b>105.573</b>	
2.1 Mining and quarrying	14.813	-	100	
2.2 Production	144.057	104.718	105.473	
2.3 Electricity, gas, water	-	-	-	
<b>3 Construction</b>	<b>127.762</b>	<b>40.792</b>	<b>30.403</b>	
<b>4 Services</b>	<b>240.774</b>	<b>94.431</b>	<b>74.493</b>	
4.1 Wholesale and retail trade	42.144	83.602	53.591	
4.2 Hotel, food and beverage services	321	-	1	
4.3 Transportation and telecommunication	152.342	4.686	16.055	
4.4 Financial institutions	-	-	-	
4.5 Real estate and renting services	45.967	6.143	4.846	
4.6 Self-employment services	-	-	-	
4.7 Education services	-	-	-	
4.8 Health and social services	-	-	-	
<b>5 Other</b>	<b>-</b>	<b>2.935</b>	<b>2.561</b>	
<b>Total</b>	<b>527.406</b>	<b>242.876</b>	<b>213.030</b>	

<sup>(1)</sup>The breakdown of cash loans is given.



## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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

**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****II. Explanations on consolidated credit risk (Continued):**

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

Prior Period Important Sectors/Counterparties	Loans <sup>(*)</sup>		Provisions	
	Impaired Credits (TFRS 9)			
	Significant increase in credit risk (Stage 2)	Non-performing (Stage 3)	Expected Loss Provisions (TFRS9)	
<b>1</b>	<b>Agriculture</b>	-	-	-
1.1	Farming and stockbreeding	-	-	-
1.2	Forestry	-	-	-
1.3	Fishery	-	-	-
<b>2</b>	<b>Manufacturing</b>	<b>21.648</b>	<b>47.477</b>	<b>61.285</b>
2.1	Mining and quarrying	-	-	-
2.2	Production	20.032	47.090	60.857
2.3	Electricity, gas, water	1.616	387	428
<b>3</b>	<b>Construction</b>	<b>9.417</b>	<b>17.845</b>	<b>14.812</b>
<b>4</b>	<b>Services</b>	<b>23.101</b>	<b>26.452</b>	<b>24.186</b>
4.1	Wholesale and retail trade	18.700	22.785	19.909
4.2	Hotel, food and beverage services	-	-	-
4.3	Transportation and telecommunication	4.401	3.333	3.964
4.4	Financial institutions	-	-	-
4.5	Real estate and renting services	-	334	313
4.6	Self-employment services	-	-	-
4.7	Education services	-	-	-
4.8	Health and social services	-	-	-
<b>5</b>	<b>Other</b>	<b>3.524</b>	<b>1.602</b>	<b>1.322</b>
<b>Total</b>		<b>57.690</b>	<b>93.376</b>	<b>101.605</b>

<sup>(\*)</sup>The breakdown of cash loans is given.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****II. Explanations on consolidated credit risk (Continued):****Information about value adjustment and change in provisions**

	<b>Current Period</b>	<b>Opening Balance</b>	<b>Provision for Period</b>	<b>Provision Reversals</b>	<b>Other Adjustments</b>	<b>Closing Balance</b>
1	Third Stage	79.871	103.257	(41)	-	183.087
2	First and Second Stage	573.923	-	(189.890)	-	384.033

	<b>Prior Period</b>	<b>Opening Balance</b>	<b>Provision for Period</b>	<b>Provision Reversals</b>	<b>Other Adjustments</b>	<b>Closing Balance</b>
1	Third Stage	185.680	62.260	(168.069)	-	79.871
2	First and Second Stage	146.666	427.257	-	-	573.923

**Risk involved in counter-cyclical capital buffer calculation**

<b>Current Period</b>		<b>Private sector loans in banking books</b>	<b>Risk weighted amount calculated within trading book</b>	<b>Total</b>
<b>Country where risk is ultimately taken</b>				
Türkiye		66.004.439	3.726.558	69.730.997
United Arab Emirates		648.056	-	648.056
Marshall Islands		957.360	-	957.360
Other Countries		132.219	-	132.219

<b>Prior Period</b>		<b>Private sector loans in banking books</b>	<b>Risk weighted amount calculated within trading book</b>	<b>Total</b>
<b>Country where risk is ultimately taken</b>				
Türkiye		53.721.937	1.106.031	54.827.968
United Arab Emirates		11.697	-	11.697
Marshall Islands		1.169.125	-	1.169.125
Other Countries		57.985	-	57.985

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****III. Explanations on consolidated currency risk:**

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

a) The Group is exposed to currency risks as a market risk and pay attention to keep at a minimum level by avoiding keeping any positions. The Group calculates the Value at Risk for the foreign currency position on a daily basis. All foreign currency assets, liabilities and foreign currency forward transactions are taken into consideration while capital requirement to be employed for foreign currency risk is calculated. Standard Method used in legal reporting and value at market risk is calculated on a monthly basis.

b) The Group does not have any derivative financial instruments held for hedging purposes.

c) TL resources are used in TL and foreign currency resources are used in related currencies without causing any currency inconsistency in the use of loans. Due to uncertainty and volatility that may arise in the markets, foreign currency position limit that can be formed for strategic purposes is limited and monitored.

d) Foreign exchange buying rates of the last five working days before the balance sheet date as publicly announced by the Group are as follows:

	USD	EUR
As of December 31, 2023 - Balance sheet evaluation rate	29,5461	32,6795
As of December 29, 2023	29,5461	32,6795
As of December 28, 2023	29,4473	32,9332
As of December 27, 2023	29,2104	32,1384
As of December 26, 2023	29,2084	32,1719
As of December 25, 2023	29,2084	32,1779

e) The simple arithmetical average of the major foreign exchange buying rates of the Group for the thirty days before the balance sheet date is full TL 29,1176 for 1 USD (December 2022: full TL 18,6587), full TL 31,8008 for 1 Euro (December, 2022: full TL 19,7536). The Group is mainly exposed to USD and Euro currency risks.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****III. Explanations on consolidated currency risk (Continued):****Information on the Group's Currency Risk**

	EUR	USD	Other FC	Total
<b>Current Period</b>				
<b>Assets</b>				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye <sup>(1)</sup>	14.730.022	37919.304	192.741	52.842.067
Banks <sup>(2)</sup>	678.636	857.288	12.299.590	13.835.514
Financial assets at fair value through profit and loss	130.929	573.338	1.344.625	2.048.892
Money market placements	-	-	-	-
Financial Assets Valued at Fair Value Through Profit and Loss	1.017.694	3.320.131	-	4.337.825
Loans and financial lease receivables <sup>(3)</sup>	8.583.321	13.230.941	-	21.814.262
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	7.099.147	-	-	7.099.147
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets <sup>(4)</sup>	2.351	8.249	905	11.505
<b>Total Assets</b>	<b>32.242.100</b>	<b>55.909.251</b>	<b>13.837.861</b>	<b>101.989.212</b>
<b>Liabilities</b>				
Current account and funds collected from banks via participation accounts	73.921	528.851	171.703	774.475
Other current and profit-sharing accounts	24.196.152	58.046.786	10.480.272	92.723.210
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	8.049.291	34.142	-	8.083.433
Marketable securities issued	-	-	-	-
Miscellaneous payables	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities <sup>(5)</sup>	390.099	439.290	1.838.604	2.667.993
<b>Total liabilities</b>	<b>32.709.463</b>	<b>59.049.069</b>	<b>12.490.579</b>	<b>104.249.111</b>
<b>Net balance sheet position</b>	<b>(467.363)</b>	<b>(3.139.818)</b>	<b>1.347.282</b>	<b>(2.259.899)</b>
<b>Net off balance sheet position</b>	<b>575.485</b>	<b>3.297.563</b>	<b>(1.368.325)</b>	<b>2.504.723</b>
Derivative financial instruments assets	74.873	6.371.091	1.082.092	8.201.056
Derivative financial instruments liabilities	172.388	3.073.528	2.450.417	5.696.333
Non-cash loans	1.830.598	2.563.907	56.173	4.450.678
<b>Prior Period</b>				
Total assets	17.484.857	27.908.585	3.844.911	49.238.353
Total liabilities	13.944.860	32.247.958	3.523.416	49.716.234
<b>Net balance sheet position</b>	<b>3.539.997</b>	<b>(4.339.373)</b>	<b>321.495</b>	<b>(477.881)</b>
<b>Net off balance sheet position</b>	<b>(3.555.105)</b>	<b>4.308.704</b>	<b>(319.605)</b>	<b>433.994</b>
Derivative financial instruments assets	84.743	5.724.853	492.479	7.064.766
Derivative financial instruments liabilities	4.402.539	1.416.149	812.084	6.630.772
Non-cash loans	1.368.835	1.921.118	16.698	3.306.651

<sup>(1)</sup> Expected loss provision of 48.446 TL allocated for Cash Values and the Central Bank and 20.939 TL allocated for Banks are not included in the exchange rate risk calculation.<sup>(2)</sup> Expected loss provision of 14.998 TL allocated for loans and financial leasing receivables is not included in the exchange rate risk calculation.<sup>(3)</sup> Derivative financial assets are included in other assets.<sup>(4)</sup> Provisions and Equity are presented in other liabilities.

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### INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

#### III. Explanations on consolidated currency risk (Continued):

##### Explanations on consolidated position risk of equity securities in banking book

None (December 31, 2022: None).

#### IV. Explanations on consolidated liquidity risk

Liquidity Risk is managed by Asset and Liability Committee ("ALCO") in line with risk management policies and risk appetite approved by the Board of Directors in order to take the necessary measures in a timely and correct manner against possible liquidity shortages that may result from market conditions and balance sheet structure of the Group.

The Board of Directors reviews the liquidity risk management strategy, policy and practices and approves the liquidity strategy and policies within the framework of risk management strategy and policies, ensures the effective of practice of policies and integrations with Group's risk management strategy. The Board of Directors determines the basic metrics in liquidity risk measurement and monitoring.

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

The liquidity structure is evaluated in the framework of ALCO decisions for liquidity management and a placement strategy is developed. Liquidity risk management strategy is determined by considering both normal economic conditions and stress conditions.

Risk Management Presidency, liquidity risk; periodically reports to the relevant unit, the relevant committee and the senior management with the methods of measurement of liquidity risk in compliance with the standards. It manages liquidity risk in accordance with the Group's portfolio, strategic plans and policies and legal limits, and informs and coordinates the relevant parties on time. In accordance with the market conditions and the Group's structure, the relevant liquidity risk measurement methods establish, assumptions and parameters used in liquidity risk analyzes are reviewed. Liquidity risk analyzes and important liquidity indicators are regularly reported to senior management. In the stress conditions are carried out in the framework of "Emergency Funding Plan".

The Group's high level management to determine management strategies for liquidity risk;

- follows obligations arising from domestic and foreign currencies,
- determine the concentration risks of placements,
- actively follows funding sources,
- consider the portfolio diversity,
- follow up the fund flows related to assets and liabilities depending on the maturities.

Market conditions are continuously follow and access problems for the bank's fund requirements are analyzed and the impact of sudden changes in fund sources is evaluated. Liquidity adequacy is measured by applying stress test to the factors affecting liquidity. Liquidity Risk Stress Test analyzes the compliance of the Group's cash flow capacity to the cash flow capacity within the framework of the specified scenarios. The scenarios needed for stress tests are based on the changing balance sheet structure. The results are taken into consideration in determining the policies related to liquidity risk and in the preparation of an emergency action plan.

For the purpose of reducing the liquidity risk that the Group may be exposed to compliance with the strategies implemented (monitoring of concentration, diversification of funding sources, high quality liquid assets, etc.) is monitored effectively by the senior management of the Group taking into account legal and prudential limits. For non-mitigation risks, acceptance of the current risk level, reducing or terminating the risk-causing activity are evaluated.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****IV. Explanations on consolidated liquidity risk (Continued):****Liquidity on Consolidated Coverage Ratio:**

	Current Period	Rate of "Percentage to be taken into account " not Implemented Total value <sup>(1)</sup>		Rate of "Percentage to be taken into account " Implemented Total value <sup>(1)</sup>	
		TL+FC	FC	TL+FC	FC
	<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
<b>1</b>	<b>HIGH QUALITY LIQUID ASSETS</b>			<b>75.297.535</b>	<b>55.105.123</b>
	<b>CASH OUTFLOWS</b>				
2	Retail and Real Person Funds Collected	<b>35.459.748</b>	<b>29.504.308</b>	<b>3.503.855</b>	<b>2.950.431</b>
3	Stable Funds Collected	842.402	-	42.120	-
4	Less stable Funds Collected	34.617.346	29.504.308	3.461.735	2.950.431
5	Unsecured Funding other than Retail and Real Person	62.355.538	55.332.483	26.921.614	22.628.418
6	Customers Deposits	-	-	-	-
7	Operational Funds Collected	61.554.037	55.269.466	26.120.113	22.565.401
8	Non-Operational Funds Collected	801.501	63.017	801.501	63.017
9	Secured Funding	-	-	-	-
10	Other Cash Outflows	8.672.244	4.814.675	8.672.244	4.814.675
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	6.832.228	4.814.675	6.832.228	4.814.675
12	Debts related to the structured financial products	1.840.016	-	1.840.016	-
13	Commitment related to the structured financial markets and other off-balance sheet liabilities	-	-	-	-
14	Unconditionally revocable off-balance sheet other liabilities and other contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	25.576.887	5.021.127	9.250.992	481.350
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>			<b>48.348.705</b>	<b>30.874.874</b>
	<b>CASH INFLOWS</b>				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	33.461.745	18.045.946	29.110.813	17.124.386
19	Other contractual cash inflows	6.890.985	6.286.784	6.890.985	6.286.784
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>40.352.730</b>	<b>24.332.730</b>	<b>36.001.798</b>	<b>23.411.170</b>
					<b>Upper limit applied amounts</b>
<b>21</b>	<b>TOTAL HQLA</b>			<b>75.297.535</b>	<b>55.105.123</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>			<b>12.346.907</b>	<b>7.718.719</b>
<b>23</b>	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>609,85</b>	<b>713,92</b>

<sup>(1)</sup> Simple arithmetic average calculated for the last three months of values calculated by taking the monthly simple arithmetic average.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****IV. Explanations on consolidated liquidity risk (Continued):****Liquidity on Consolidated Coverage Ratio: (Continued)**

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

<b>Liquidity Coverage Ratio (%)</b>	<b>Current Period – 31.12.2023</b>	
	<b>TL+FC</b>	<b>FC</b>
Lowest (%)	364,81	371,94
Date	December 29, 2023	December 22, 2023
Highest (%)	726,01	821,33
Date	October 27, 2023	October 2, 2023
<b>Average</b>	<b>577,23</b>	<b>648,85</b>

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****IV. Explanations on consolidated liquidity risk (Continued):****Liquidity on Consolidated Coverage Ratio: (Continued)**

Prior Period	Rate of "Percentage to be taken into account " not Implemented Total value <sup>(1)</sup>		Rate of "Percentage to be taken into account " Implemented Total value <sup>(1)</sup>	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
<b>1 HIGH QUALITY LIQUID ASSETS</b>			<b>50.349.690</b>	<b>38.642.168</b>
<b>CASH OUTFLOWS</b>				
2 Retail and Real Person Funds Collected	21.639.393	18.736.389	2.137.702	1.873.639
3 Stable Funds Collected	524.744	-	26.237	-
4 Less stable Funds Collected	21.114.649	18.736.389	2.111.465	1.873.639
5 Unsecured Funding other than Retail and Real Person	43.383.602	39.263.449	18.507.485	16.052.163
6 Customers Deposits	-	-	-	-
7 Operational Funds Collected	4.292.409	39.214.753	18.048.292	16.003.467
8 Non-Operational Funds Collected	459.193	48.696	459.193	48.696
9 Secured Funding	-	-	-	-
10 Other Cash Outflows	9.969.552	4.336.651	9.969.552	4.336.651
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	8.996.731	4.336.651	8.996.731	4.336.651
12 Debts related to the structured financial products	972.821	-	972.821	-
13 Commitment related to the structured financial markets and other off-balance sheet liabilities	-	-	-	-
14 Unconditionally revocable off-balance sheet other liabilities and other contractual obligations	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	14.399.487	3.610.764	4.326.086	339.231
<b>16 TOTAL CASH OUTFLOWS</b>			<b>34.940.825</b>	<b>22.601.684</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	21.075.019	14.226.311	18.896.776	13.564.152
19 Other contractual cash inflows	8.993.174	8.216.255	8.993.174	8.216.255
<b>20 TOTAL CASH INFLOWS</b>	<b>30.068.193</b>	<b>22.442.566</b>	<b>27.889.950</b>	<b>21.780.407</b>
				<b>Upper limit applied amounts</b>
<b>21 TOTAL HQLA</b>			<b>50.349.690</b>	<b>38.642.168</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>8.735.206</b>	<b>5.650.421</b>
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>			<b>576,40</b>	<b>683,88</b>

<sup>(1)</sup> It is the average of the liquidity coverage ratio calculated by taking the simple monthly arithmetic average for the last three months.



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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****IV. Explanations on consolidated liquidity risk (Continued):**

	<b>Prior Period – 31.12.2022</b>	
	<b>TL+FC</b>	<b>FC</b>
Lowest (%)	428,89	524,40
Date	October 2022	October 2022
Highest (%)	493,47	695,05
Date	November 2022	November 2022
<b>Average</b>	<b>458,96</b>	<b>606,64</b>

Liquidity coverage ratio is calculated by comparing the high quality liquid assets owned by the Group to net cash outflow in 30 days maturity. Balance sheet accounts that are significant on the ratio can be listed as reserve requirements maintained at CBRT, banks receivables and funds collected. The effect of these accounts on the liquidity coverage ratio is higher than other accounts, since these accounts have a higher share in liquid assets and net cash outflows.

High quality liquid assets consist of cash, deposits in central banks and securities considered as high quality liquid assets. Reserve deposits are included in high quality liquid assets, limited by the amount that is allowed by central bank to use in liquidity shortages.

The Group's high quality liquid assets are composed of 4,26% cash, 65,91% deposits in central banks and 29,83% securities considered as high quality liquid assets.

The Group's main funding sources are funds collected, funds borrowed, borrowings from money market and subordinated loans. Funding source composition in report date is 89,88% funds collected, 4,20% funds borrowed and 5,18% subordinated debt instruments.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****IV. Explanations on consolidated liquidity risk (Continued):****Presentation of assets and liabilities according to their remaining maturities:**

Current Period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated	Total
<b>Assets</b>								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye (*)	39.337.987	30.905.849	-	-	-	-	-	70.243.836
Banks (**)	13.877.892	-	-	-	-	-	-	13.877.892
Financial Assets at Fair Value Through Profit and Loss	-	-	746.087	506.078	648.943	149.204	-	2.050.312
Money Market Placements	-	-	-	-	-	-	-	-
Financial assets valued at fair value through other comprehensive income	-	-	1.006.679	907.744	9064.318	1.140.177	7.659	12.126.577
Loans	-	8.751.963	942.7018	36.519.484	9.327.442	3.656.379	242.876	67.925.162
Financial assets valued at amortised cost	-	-	-	6.507.119	6.044.924	4.095.114	-	16.647.157
Other Assets (***)	-	-	-	-	-	-	5.414.242	5.414.242
<b>Total Assets</b>	<b>53.215.879</b>	<b>39.657.812</b>	<b>11.179.784</b>	<b>44.440.425</b>	<b>25.085.627</b>	<b>9.040.874</b>	<b>5.664.777</b>	<b>188.285.178</b>
<b>Liabilities</b>								
Current account and funds collected from banks via participation accounts	3.136.981	102.456	1.409.133	-	-	-	-	4.648.570
Other current and profit-sharing accounts	87.758.284	39.183.258	14.653.965	4.997.426	237.471	-	-	146.830.404
Funds provided from other financial institutions and subordinated loans	-	543.184	23.749	235.626	445.312	-	7.078.467	8.326.338
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	1.510.695	4.327.744	2.743.212	149.280	-	-	8.730.931
Other liabilities (****)	-	3.270.710	-	-	-	-	15.879.840	19.150.550
<b>Total Liabilities</b>	<b>90.895.265</b>	<b>44.610.303</b>	<b>20.414.591</b>	<b>7.976.264</b>	<b>832.063</b>	<b>-</b>	<b>22.958.307</b>	<b>187.686.793</b>
<b>Liquidity Gap</b>	<b>(37.679.386)</b>	<b>(4.952.491)</b>	<b>(9.234.807)</b>	<b>36.464.161</b>	<b>24.253.564</b>	<b>9.040.874</b>	<b>(17.293.530)</b>	<b>598.385</b>
<b>Net Off-balance sheet Position</b>								
Financial Derivative Assets	-	(285)	(232.726)	817	-	-	-	(232.194)
Financial Derivative Liabilities	-	1.329.288	4.024.789	62.235	-	-	-	5.416.312
Non-cash Loans	-	1.329.573	4.257.515	61.418	-	-	-	5.648.506
<b>Total</b>	<b>-</b>	<b>461.967</b>	<b>1.182.872</b>	<b>6.822.917</b>	<b>4.725.789</b>	<b>165.948</b>	<b>5.919.739</b>	<b>19.279.232</b>
<b>Prior Period</b>								
Total Assets	17.223.401	18.579.917	6.996.734	18.393.658	29.565.507	5.562.363	2.633.634	98.955.214
Total Liabilities	44.489.533	22.067.610	11.874.754	6.229.101	1.349.078	-	12.945.138	98.955.214
<b>Liquidity Gap</b>	<b>(27.266.132)</b>	<b>(3.487.693)</b>	<b>(4.878.020)</b>	<b>12.164.557</b>	<b>28.216.429</b>	<b>5.562.363</b>	<b>(10.311.504)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>								
Financial Derivative Assets	-	(7959)	128	744	-	-	-	(7087)
Financial Derivative Liabilities	-	4.943.606	60.879	107.522	-	-	-	5.112.007
Non-cash Loans	-	4.951.565	60.751	106.778	-	-	-	5.119.094
<b>Total</b>	<b>-</b>	<b>298.864</b>	<b>959.878</b>	<b>3.880.727</b>	<b>1.615.240</b>	<b>21.397</b>	<b>3.069.165</b>	<b>9.845.271</b>

(\*) Expected loss provision of 55.160 TL allocated for Cash Values and the Central Bank and 21.001 TL allocated for Banks are not included in the exchange rate risk calculation.

(\*\*) Expected loss provision of 522.224 TL allocated for loans and financial leasing receivables is not included in the exchange rate risk calculation.

(\*\*\*) Other undistributable assets column consists of assets held for sale, partnership investments, tangible and intangible assets, current and deferred tax assets, derivative financial assets and other assets.

(\*\*\*\*) Other undistributable liabilities column consists of equity, derivative financial liabilities and provision balances.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****V. Explanations on consolidated leverage ratio:**

As of December 31, 2023, leverage ratio of the Group calculated from the arithmetic average of the last 3 months is 6,64% (December 31, 2022: 6,51%). Leverage ratio is required to remain minimum 3% as per "Communiqué on Measurement and Evaluation for Leverage Ratios of Banks".

**Disclosure of Leverage ratio template:**

	<b>Current Period December 31, 2023<sup>(1)</sup></b>	<b>Prior Period December 31, 2022<sup>(1)</sup></b>
<b>Balance sheet assets</b>		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	179.103.337	107.441.491
2 (Assets deducted from Core capital)	(377.283)	(163.506)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	178.726.054	107.277.985
<b>Derivative financial assets and credit derivatives</b>		
4 Cost of replenishment for derivative financial assets and credit derivatives	-	-
5 Potential credit risk amount of derivative financial assets and credit derivatives	259.012	112.984
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	259.012	112.984
<b>Financing transactions secured by marketable security or commodity</b>		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	15.949.481	10.030.149
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	15.949.481	10.030.149
<b>Off-balance sheet transactions</b>		
10 Gross notional amount of off-balance sheet transactions	37.707.582	20.891.725
11 (Correction amount due to multiplication with credit conversion rates)	-	-
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	37.707.582	20.891.725
<b>Capital and total risk</b>		
13 Core Capital	15.436.089	9.010.233
14 Total risk amount (sum of lines 3, 6, 9 and 12)	232.642.129	138.312.843
<b>Leverage ratio</b>		
15 Leverage ratio (%)	6,64	6,51

<sup>(1)</sup> Amounts in the table show quarterly averages.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VI. Explanations on consolidated regarding the fair value of financial assets and liabilities:****a. Information on consolidated regarding the fair value of financial assets and liabilities:**

	Book Value		Fair Value	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<b>Financial Assets</b>				
Due from Interbank Money Market	-	-	-	-
Banks	13.877.892	4.887.831	13.877.892	4.887.831
Financial Assets at Fair Value through Profit or Loss	2.050.312	944.959	2.050.312	944.959
Financial Assets at Fair Value Through Other Comprehensive Income	12.126.577	10.441.385	12.126.577	10.441.385
Financial Assets Valued Over Amortized Cost	16.692.053	10.440.441	17.622.900	10.196.149
Loans and financial lease receivables	6.792.516	44.292.621	71.712.537	53.760.934
<b>Financial Liabilities</b>				
Funds collected from banks through current accounts and participation accounts	4.648.570	302.929	4.648.570	302.929
Other current accounts and participation accounts	146.830.404	78.869.094	146.830.404	78.869.094
Funds from other financial institutions	8.326.338	898.935	9.089.265	5.009.311
Debts to Money Markets	-	-	-	-
Securities Issued	8.730.931	5.031.689	8.730.931	5.031.689
Other Liabilities	3.016.733	1.007.967	3.016.733	1.007.967

**b. Information on consolidated fair value measurements recognized in the financial statements:**

According to TFRS 7 "Financial Instruments: Explanations" Standard, the accounts recognized with the fair value in the balance sheet should be presented and classified sequentially in the related footnotes.

- a.** At level one, the financial instruments whose fair values are determined with the recorded prices in the active markets for the assets and liabilities with identical fair values,
- b.** At level two, the financial instruments whose fair value is based on the directly or indirectly observable market indicators,
- c.** At level three; the financial instruments whose fair value is not based on the directly or indirectly observable market indicators are considered.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VI. Explanations on consolidated regarding the fair value of financial assets and liabilities: (Continued)****b. Information on consolidated fair value measurements recognized in the financial statements: (Continued)**

The financial instruments which are recognized with their fair values at the Group's balance sheet, are presented with respect to such basis of classification in the table below:

<b>Current Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
<b>Financial Assets at Fair Value Through Profit or (Loss)</b>	<b>1.476.974</b>	<b>573.338</b>	-	<b>2.050.312</b>
Government Debt Securities	1.476.974	542.207	-	2.019.181
Share Certificates	-	-	-	-
Other financial assets	-	31.131	-	31.131
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>8.077.356</b>	<b>4.049.221</b>	-	<b>12.126.577</b>
Equity Securities <sup>(*)</sup>	8.077.356	4.041.562	-	12.118.918
Government Debt Securities	-	7.659	-	7.659
Other financial assets	-	-	-	-
<b>Derivative Financial Assets</b>	<b>4.004</b>	-	-	<b>4.004</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	27.199	-	-	27.199

<sup>(\*)</sup>The financial assets whose fair value difference is reflected in other comprehensive income, the realization price has been reflected in the financial statements for the securities worth TL.7.659 not being traded in an active market, and the related securities are not shown in this table.

<b>Prior Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
<b>Financial Assets at Fair Value Through Profit or (Loss)</b>	<b>803.429</b>	<b>141.530</b>	-	<b>2.217.961</b>
Government Debt Securities	803.429	141.530	-	944.959
Share Certificates	-	-	-	-
Other financial assets	-	-	-	-
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>7916.625</b>	<b>2.524.760</b>	-	<b>10.441.385</b>
Equity Securities <sup>(*)</sup>	7916.625	2.517.101	-	10.433.726
Government Debt Securities	-	7.659	-	7.659
Other financial assets	-	-	-	-
<b>Derivative Financial Assets</b>	<b>17.597</b>	-	-	<b>17.597</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	13.797	-	-	13.797

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### INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

#### VII. Explanations Regarding the Activities Carried Out on Behalf and Account of Other Persons:

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

#### VIII. Explanations on consolidated risk management:

Notes and explanations in this section have been prepared in accordance with the Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks that have been published in Official Gazette numbered 29511 on October 23, 2015 and became effective as of June 30, 2016. The tables related to 'Internal Rating-Based (IRB) Approach' are not presented due to the usage of standard approach for the calculation of capital adequacy.

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

##### a.1. Explanations on group's risk management

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

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

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

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

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

The Group is mainly exposed to market, liquidity and credit risk, strategic risk, reputational risk and operational risk. The Group sets risk limits for quantifiable risks through risk policies and implementation instructions approved by the Board of Directors. The related limits are monitored, reported and maintained within the set limits by the units under the internal systems and the related departments in the Group. Risk Management Department, organized within the frame of Risk Management regulations, undertakes activities for measuring, monitoring, controlling and reporting of risks.

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

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

The risks that the Group is exposed to or may be exposed to in the future are determined and the definition of these risks is made. Defined risks are measured and prioritized as far as possible. It is provided that all important risks are in the risk appetite considering the potential impact of the risks and the strategy arising from the Group's strategies to risk profile. The Group's strategies are integrated with risk profile and risk appetite. If it is expected that the risk profile is going to change in the future, this change is assessed with the degree of capital impact.

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

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

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### INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

#### VIII. Explanations on consolidated risk management (Continued):

##### a. Consolidated risk management strategy and risk weighted amounts (Continued):

###### a.1. Explanations on group's risk management (Continued):

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

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

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

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

#### Market Risk

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

The Group measures its market risks by using the standard method in accordance with the provisions of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks".

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

#### Liquidity risk

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

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

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

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

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

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

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### INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

#### VIII. Explanations on consolidated risk management (Continued):

##### a. Consolidated risk management strategy and risk weighted amounts (Continued):

###### a.1. Explanations on group's risk management (Continued):

###### Credit risk

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

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

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

###### Operational risk

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

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

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

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



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### INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

#### VIII. Explanations on consolidated risk management (Continued):

##### a. Consolidated risk management strategy and risk weighted amounts (Continued):

###### a.1. Explanations on group's risk management (Continued):

###### Other risks

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

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

The Group regards reputational risk as anything that might lead to the Group's suffering a loss on account of adverse developments such as a reduction in the confidence that is had in it or any impairment in its good standing due to unfavorable opinions that existing or potential customers, shareholders, competitors, regulatory agencies, or other outside or associated parties may have about it or due to any breach of existing laws and regulations. For the risk of reputation to be avoided and/or controlled by the Group's Risk Management System, a proactive communication mechanism that gives the customer priority is established any time a condition that could detriment the Group's reputation or image is detected.

In addition, the Group's operations in accordance with the principles of participation banking are also considered as a component of the group's specific reputation risk management.

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

Country risk is an expression of the likelihood that the bank will suffer a loss because debtors in another country fail to fulfill or avoid fulfilling their obligations owing to uncertainties in the economic, social, and/or political conditions of that country. The Group enters into business relationships with foreign financial institutions and/or the agencies of foreign countries taking legal and regulatory restrictions, market conditions, and customer satisfaction into consideration and on the basis of feasibility studies that take the country's economic conditions into account.

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

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VIII. Explanations on consolidated risk management (Continued):****a. Consolidated risk management strategy and risk weighted amounts (Continued):****a.2. General overview of risk weighted amounts**

		Risk weighted assets		Minimum Capital Requirements
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	58.177.245	32.027.599	4.654.180
2	Of which standardised approach (SA)	58.177.245	32.027.599	4.654.180
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	27.689	28.930	2.215
5	Of which standardised approach for counterparty credit risk (SA-CCR)	27.689	28.930	2.215
6	Of which internal model method (IMM)	-	-	-
7	Equity positions in banking book under market-based approach	-	-	-
8	Equity investments in funds – look-through approach	-	-	-
9	Equity investments in funds – mandate-based approach	-	-	-
10	Equity investments in funds – fall-back approach (1250% risk weight)	-	-	-
11	Settlement risk	-	-	-
12	Securitisation exposures in banking book	-	-	-
13	Of which IRB ratings-based approach (RBA)	-	-	-
14	Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15	Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	3.695.989	816.791	298.125
17	Of which standardised approach (SA)	3.695.989	816.791	298.125
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	4.708.826	984.882	376.706
20	Of which Basic Indicator Approach	4.708.826	984.882	376.706
21	Of which Standardised Approach	-	-	-
22	Of which Advanced Measurement Approach	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
<b>25</b>	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>66.609.749</b>	<b>33.858.202</b>	<b>5.329.216</b>

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VIII. Explanations on consolidated risk management (continued):****b. Connections Between Financial Statements and the Risk Amounts****b.1. Differences and matching between accounting-related consolidation and legal consolidation**

Current Period	Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)	Carrying values of items in accordance with Turkish Accounting Standards (TAS)				
		Subject to credit risk	Subject to counterparty credit risk	Securitization positions	Subject to market risk <sup>(1)</sup>	Not subject to capital requirements or deducted from capital
<b>Assets</b>						
Cash and balances at central bank	70.243.836	70.243.836	-	-	-	-
Banks	13.877.892	13.877.892	-	-	-	-
Receivables from Money markets	-	-	-	-	-	-
Expected Loss Provisions (-)	76.161	-	-	-	-	76.161
Financial assets at fair value through profit or Loss	2.050.312	-	-	-	2.050.312	-
Financial assets at fair value through other comprehensive income	12.126.577	12.126.577	-	-	-	-
Derivative financial assets	4.004	-	4.004	-	4.004	-
Loans	67.542.336	67.542.336	-	-	-	3.440
Leasing receivables	382.826	382.826	-	-	-	-
Financial assets measured at amortized cost	16.692.053	16.692.053	-	-	-	-
Expected loss provisions	567.120	183.087	-	-	-	460.868
Assets held for sale and discontinued operations (net)	8.283	8.283	-	-	-	-
Partnership investments	22.500	22.500	-	-	-	-
Tangible fixed asset (net)	922.856	803.530	-	-	-	119.326
Intangible asset (net)	250.364	-	-	-	-	250.364
Investment properties (net)	-	-	-	-	-	-
Current tax asset	-	-	-	-	-	-
Deferred tax assets	1.713.189	1.716.780	-	-	-	-
Other assets	2.487.890	2.487.890	-	-	-	-
<b>Total Assets</b>	<b>187.685.228</b>	<b>185.721.416</b>	<b>4.004</b>	<b>-</b>	<b>2.054.316</b>	<b>(163.899)</b>
<b>Liabilities</b>						
Funds collected	151.478.974	-	-	-	-	-
Funds borrowed	1.247.871	-	-	-	-	-
Debt to Money markets	-	-	-	-	-	-
Debt securities in issue	8.730.931	-	-	-	-	-
Financial liabilities at fair value through profit and loss	-	-	-	-	-	-
Derivative financial liabilities	27.199	-	-	-	27.199	-
Liabilities from leases	507.319	-	-	-	-	-
Provisions	3.829.617	1.175	-	-	-	-
Current tax liability	1.336.476	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
Non-current assets held for sale and discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	7078.467	-	-	-	-	-
Other liabilities	3.016.733	-	-	-	-	-
Equity	10.431.641	-	-	-	-	-
<b>Total Liabilities</b>	<b>187.685.228</b>	<b>1.175</b>	<b>-</b>	<b>-</b>	<b>27.199</b>	<b>-</b>

<sup>(1)</sup> Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VIII. Explanations on consolidated risk management (Continued):****b. Financial Connections Between Financial Statements and the Risk Amounts (Continued)****b.1. Differences and matching between accounting-related consolidation and legal consolidation (Continued)**

Prior Period	Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)	Carrying values of items in accordance with Turkish Accounting Standards (TAS)				
		Subject to credit risk	Subject to counterparty credit risk	Securitized positions	Subject to market risk <sup>(1)</sup>	Not subject to capital requirements or deducted from capital
<b>Assets</b>						
Cash and balances at central bank	26.082.580	26.082.580	-	-	-	-
Banks	4.887.831	4.887.831	-	-	-	-
Receivables from Money markets	-	-	-	-	-	-
Expected Loss Provisions (-)	43.071	43.071	-	-	-	-
Financial assets at fair value through profit or Loss	944.959	-	-	-	944.959	-
Financial assets at fair value through other comprehensive income	10.441.385	10.441.385	-	-	-	-
Derivative financial assets	17.597	-	17.597	-	17.597	-
Loans	43.806.339	43.806.339	-	-	-	-
Leasing receivables	486.282	486.282	-	-	-	-
Financial assets measured at amortized cost	10.440.441	10.440.441	-	-	-	-
Expected loss provisions	653.794	653.794	-	-	-	-
Assets held for sale and discontinued operations (net)	5.242	5.242	-	-	-	-
Partnership investments	100	100	-	-	-	-
Tangible fixed asset (net)	432.288	432.288	-	-	-	-
Intangible asset (net)	100.413	100.413	-	-	-	100.413
Investment properties (net)	-	-	-	-	-	-
Current tax asset	-	-	-	-	-	-
Deferred tax assets	664.594	664.594	-	-	-	-
Other assets	1.342.128	1.342.128	-	-	-	122.297
<b>Total Assets</b>	<b>98.955.214</b>	<b>97.992.658</b>	<b>17.597</b>	<b>-</b>	<b>962.556</b>	<b>222.710</b>
<b>Liabilities</b>						
Funds collected	79.172.023	-	-	-	-	-
Funds borrowed	898.935	-	-	-	-	-
Debt to Money markets	-	-	-	-	-	-
Debt securities in issue	5.031.689	-	-	-	-	5.031.689
Financial liabilities at fair value through profit and loss	-	-	-	-	-	-
Derivative financial liabilities	13.797	-	13.797	-	13.797	-
Liabilities from leases	278.248	-	-	-	-	-
Provisions	1.045.704	-	-	-	-	-
Current tax liability	1.368.458	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
Non-current assets held for sale and discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	4.110.376	-	-	-	-	-
Other liabilities	1.007.967	-	-	-	-	-
Equity	6.028.017	-	-	-	-	-
<b>Total Liabilities</b>	<b>98.955.214</b>	<b>-</b>	<b>13.797</b>	<b>-</b>	<b>13.797</b>	<b>5.031.689</b>

<sup>(1)</sup> Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VIII. Explanations on consolidated risk management (Continued):****b. Financial Connections Between Financial Statements and the Risk Amounts (Continued)****b.2. Main reasons of the differences between the risk amounts and Carrying Value in accordance with Turkish Accounting Standards (TAS)**

	Current Period	Total	Subject to credit risk	Securitisation position	Subject to counterparty credit risk	Subject to market risk (*)
1	Carrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	187.685.228	185.721.416	-	4.004	2.054.316
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	1.175	1.175	-	-	-
3	<b>Total net amount within the scope of legal consolidation</b>	<b>187.686.403</b>	<b>185.722.591</b>	-	<b>4.004</b>	<b>2.054.316</b>
4	Off balance sheet amounts	494.96.885	29.329.605	-	23.685	-
5	Repo and similar transactions (**)	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	(76.037.782)	-	-	-
<b>10</b>	<b>Risk amounts</b>	<b>237.183.288</b>	<b>139.014.414</b>	<b>-</b>	<b>27.689</b>	<b>2.054.316</b>

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

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

	Prior Period	Total	Subject to credit risk	Securitisation position	Subject to counterparty credit risk	Subject to market risk (*)
1	Carrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	98.955.214	97.992.658	-	17.597	995.994
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	13.797	-	-	13.797	13.797
3	<b>Total net amount within the scope of legal consolidation</b>	<b>98.941.417</b>	<b>97.992.658</b>	<b>-</b>	<b>3.800</b>	<b>982.197</b>
4	Off balance sheet amounts	30.917.519	6.789.748	-	64.757	64.757
5	Repo and similar transactions (**)	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	(23.516.460)	-	-	-
<b>10</b>	<b>Risk amounts</b>	<b>129.858.936</b>	<b>81.265.946</b>	<b>-</b>	<b>68.557</b>	<b>1.046.954</b>

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

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

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VIII. Explanations on consolidated risk management (Continued):****b. Financial Connections Between Financial Statements and the Risk Amounts (Continued)****b.3. Explanations on differences between carrying values in accordance with Turkish Accounting Standards (TAS) and risk amounts**

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

**c. Credit Risk Explanations****c.1. General information on credit risk:****c.1.1. General qualitative information on credit risk**

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

**c.1.2 Credit quality of assets:**

Current Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/amortisation and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	242.876	67.682.286	522.224	674.02.938
2 Debt securities	-	30.868.942	132.392	30.736.550
3 Off-balance sheet exposures	6.184	29.323.421	131.301	29.198.304
<b>4 Total</b>	<b>249.060</b>	<b>127.874.649</b>	<b>785.917</b>	<b>128.538.792</b>
Prior Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/amortisation and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	93.376	44.292.621	410.484	43.975.513
2 Debt securities	-	21.860.223	94.510	21.765.713
3 Off-balance sheet exposures	28.711	9.816.560	84.428	9.760.843
<b>4 Total</b>	<b>122.087</b>	<b>75.969.404</b>	<b>589.422</b>	<b>75.502.069</b>

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

	Current Period	Prior Period
<b>1 Defaulted loans and debt securities at end of the previous reporting period</b>	<b>93.376</b>	<b>195.529</b>
2 Loans and debt securities that have defaulted since the last reporting period	454.068	74.049
3 Receivables back to non-defaulted status	-	-
4 Amounts written off	-	(168.069)
5 Other changes	(304.568)	(8.133)
<b>6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)</b>	<b>242.876</b>	<b>93.376</b>

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VIII. Explanations on consolidated risk management (Continued):****c. Credit Risk Explanations (Continued)****c.1. General information on credit risk: (Continued)****c.1.4. Additional information on consolidated credit quality of assets**

The scope and definitions of past due receivables and the methods used by the Group to determine the provisions are mentioned in the Explanations on Credit risk. The Group may restructure not only non-performing credits but also the first and the second stage credits. Restructuring for the first and the second stage credits are made to improve the customer's ability to repay the credit or for changes in contractual terms upon the customer request regardless of the customer's credit risk.

Restructuring for non-performing credits are made for providing collection possibility by establishing a new payment plan. Breakdowns for receivables in terms of sectors are mentioned in the footnote numbered II (Explanations on Credit Risk). Breakdowns according to the remaining maturity for past due receivables and in terms of geographic locations receivables that specific provisions are set are represented below.

There are no financial assets that are overdue but not impaired by class of financial instruments. (December 31 2022: None).

**Receivables that provisions are set in terms of geographical region**

<b>Current Period</b>	<b>Non-performing Loans<sup>(1)</sup></b>	<b>Specific Provision<sup>(1)</sup></b>
Domestic	242.876	183.087
Off-shore Banking Countries	-	-
Other Countries	-	-
<b>Grand Total</b>	<b>242.876</b>	<b>183.087</b>

<sup>(1)</sup> Represents amounts for cash loans.

<b>Prior Period</b>	<b>Non-performing Loans<sup>(1)</sup></b>	<b>Specific Provision<sup>(1)</sup></b>
Domestic	93.376	185.680
Off-shore Banking Countries	-	-
Other Countries	-	-
<b>Grand Total</b>	<b>93.376</b>	<b>185.680</b>

<sup>(1)</sup> Represents amounts for cash loans.

**c.2. Credit risk mitigation****c.2.1. Qualitative disclosure on credit risk mitigation techniques**

On and off balance sheet offsetting agreements are not utilized.

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

a) Financial Collaterals (Treasury Bills, Government Bonds, Cash, Deposit or Participation Fund Pledge, Gold, Stock Pledge)

b) Guarantees

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

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

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

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

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

**c.2.2. Credit risk mitigation techniques**

Current Period		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collatera	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	59.674.449	7.728.489	2.731.872	683.695	674.345	-	-
2	Debt securities	30.736.550	-	-	-	-	-	-
<b>3</b>	<b>Total</b>	<b>90.410.999</b>	<b>7.728.489</b>	<b>2.731.872</b>	<b>683.695</b>	<b>674.345</b>	<b>-</b>	<b>-</b>
4	Of which defaulted	242.876	-	-	-	-	-	-
Prior Period		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collatera	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	59.245.007	5.725.731	3.099.977	5.150.797	2.501.983	-	-
2	Debt securities	21.860.223	-	-	-	-	-	-
<b>3</b>	<b>Total</b>	<b>81.105.230</b>	<b>5.725.731</b>	<b>3.099.977</b>	<b>5.150.797</b>	<b>2.501.983</b>	<b>-</b>	<b>-</b>
4	Of which defaulted	93.376	-	-	-	-	-	-

**c.3. Credit risk under standardised approach****c.3.1. Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk**

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



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Current Period	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Risk classes						
Receivables from central governments or central banks	76.375.508	-	76.396.295	590	-	-
Receivables from regional or local governments	94.283	532	-	266	-	0,00%
Receivables from administrative units and non-commercial enterprises	440.321	4.880	440.321	2.346	433.999	98,04%
Receivables from multilateral development banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and brokerage houses	6411.940	-	6.655.330	-	1.990.427	29,91%
Receivables from corporates	20.169.210	18.958.926	20.003.308	9.105.319	27131.195	93,21%
Retail receivables	5.726.788	7.722.348	5.722.796	3.240.271	6.499.063	72,51%
Receivables secured by mortgages on property	722.796	126.095	722.796	64.683	275.936	35,04%
Receivables secured by mortgages on commercial property	1.272.753	839.679	1.272.753	464.608	1.164.048	67,00%
Past due receivables	30.284	-	30.284	-	21.007	69,37%
Receivables defined in high risk category by BRSA	9.199.949	-	9.199.949	-	16.974.184	184,32%
Securities collateralized by mortgages	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-
Other receivables	5.692.488	-	5.692.488	-	3.687.386	64,78%
Equity share investments	-	-	-	-	-	-
<b>Total</b>	<b>126.136.431</b>	<b>27.652.460</b>	<b>126.136.430</b>	<b>12.878.083</b>	<b>58.177.245</b>	<b>41,84%</b>

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Prior Period	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Receivables from central governments or central banks	37311.333	-	37348.816	272	-	-
Receivables from regional or local governments	241494	14.532	73.501	8.797	40.287	48,95%
Receivables from administrative units and non-commercial enterprises	15.133	4.765	25.372	4.772	15.052	49,93%
Receivables from multilateral development banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and brokerage houses	6997.303	-	7227.877	-	2.297.744	31,79%
Receivables from corporates	15.574.635	11.795.506	15.479.760	5.604.036	24.872.261	117,97%
Retail receivables	2.245.737	1.948.396	2.230.534	995.769	2.280.653	70,69%
Receivables secured by mortgages on property	361.721	79.156	361.496	38.147	130.846	32,74%
Receivables secured by mortgages on commercial property	612.889	228.089	612.889	137.955	499.358	66,51%
Past due receivables	9.573	-	30.284	-	4.916	51,35%
Receivables defined in high risk category by BRSA	-	-	9.573	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-
Other receivables	3.710.776	-	3.710.776	-	1.885.950	50,82%
Equity share investments	-	-	-	-	-	-
<b>Total</b>	<b>67.080.595</b>	<b>14.070.444</b>	<b>67.080.594</b>	<b>6.789.748</b>	<b>32.027.067</b>	<b>43,36%</b>

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	<b>Risk Classes/Risk Weighted Current Period</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>35% secured by Property mortgage</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>Others</b>	<b>Total risk amount (post-CCF and CRM)</b>
<b>1</b>	Receivables from central governments or central banks	76.396.884	-	-	-	-	-	-	-	-	-	76.396.884
<b>2</b>	Receivables from regional or local governments	266	-	-	-	-	-	-	-	-	-	266
<b>3</b>	Receivables from administrative units and non-commercial enterprises	8.668	-	-	-	-	-	433.999	-	-	-	442.667
<b>4</b>	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
<b>5</b>	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
<b>6</b>	Receivables from banks and brokerage houses	-	-	5.369.047	-	739.331	-	546.952	-	-	-	6.655.330
<b>7</b>	Receivables from corporates	972.741	-	290.880	-	1.543.976	-	26.301.031	-	-	-	29.108.628
<b>8</b>	Retail receivables	226.511	-	97.007	-	-	8.639.549	-	-	-	-	8.963.067
<b>9</b>	Receivables secured by mortgages on property	-	-	-	785.356	2.123	-	-	-	-	-	787.479
<b>10</b>	Receivables secured by mortgages on commercial property	-	-	-	-	1.146.626	-	590.735	-	-	-	1.737.361
<b>11</b>	Past due receivables	-	-	-	-	18.553	-	11.731	-	-	-	30.284
<b>12</b>	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	3.308.878	5.820.551	70.520	9.199.949
<b>13</b>	Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-
<b>14</b>	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
<b>15</b>	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
<b>16</b>	Other receivables	-	-	-	-	-	-	-	-	-	-	-
<b>17</b>	Equity share investments	496.703	-	1.883.731	-	-	5.663	3.306.291	-	-	-	5.692.488
<b>18</b>	<b>Total</b>	<b>78.101.773</b>	<b>-</b>	<b>7.640.665</b>	<b>785.356</b>	<b>3.450.609</b>	<b>8.645.212</b>	<b>31.190.739</b>	<b>3.308.878</b>	<b>5.820.551</b>	<b>70.520</b>	<b>139.014.414</b>

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VIII. Explanations on consolidated risk management (Continued):****c.3. Credit risk under standardised approach (Continued):****c.3.3. Receivables related with risk classes and risk weights (Continued):**

	<b>Risk Classes/Risk Weighted Prior Period</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>35% secured by Property mortgage</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>Others</b>	<b>Total risk amount (post-CCF and CRM)</b>
<b>1</b>	Receivables from central governments or central banks	37349.088	-	-	-	-	-	-	-	-	-	37349.088
<b>2</b>	Receivables from regional or local governments	1.723	-	-	-	80.575	-	-	-	-	-	82.298
<b>3</b>	Receivables from administrative units and non-commercial enterprises	15.092	-	-	-	-	-	15.052	-	-	-	30.144
<b>4</b>	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
<b>5</b>	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
<b>6</b>	Receivables from banks and brokerage houses	-	-	6.018.558	-	230.574	-	978.745	-	-	-	7.227.877
<b>7</b>	Receivables from corporates	599.375	-	320.331	-	1.194.463	-	13.782.919	-	5.168.499	18.209	21.083.796
<b>8</b>	Retail receivables	132.496	-	76.451	-	-	3.010.318	5.868	1.170	-	-	3.226.303
<b>9</b>	Receivables secured by mortgages on property	17.616	-	19.092	362.935	-	-	-	-	-	-	399.643
<b>10</b>	Receivables secured by mortgages on commercial property	-	-	-	-	502.972	-	247.872	-	-	-	750.844
<b>11</b>	Past due receivables	-	-	-	-	9.313	-	260	-	-	-	9.573
<b>12</b>	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
<b>13</b>	Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-
<b>14</b>	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
<b>15</b>	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
<b>16</b>	Other receivables	-	-	-	-	-	-	-	-	-	-	-
<b>17</b>	Equity share investments	1.095.695	-	911.415	-	-	-	1.703.667	-	-	-	3.710.776
<b>18</b>	<b>Total</b>	<b>39.211.085</b>	<b>-</b>	<b>7.345.847</b>	<b>362.935</b>	<b>2.017.897</b>	<b>3.010.318</b>	<b>16.734.383</b>	<b>1.170</b>	<b>5.168.499</b>	<b>18.209</b>	<b>73.870.342</b>

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VIII. Explanations on consolidated risk management (Continued):****d. Explanations on Counterparty Credit Risk (CCR)****d.1. Qualitative disclosure on counterparty credit risk**

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

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

**d.2. Evaluation of counterparty credit risk in accordance with the measurement methods**

	Current Period	Replacement cost	Potential Future exposure	EEPE <sup>(1)</sup>	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	4.004	23.685		-	27.689	27.689
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
<b>6</b>	<b>Total</b>						<b>27.689</b>

<sup>(1)</sup> Effective Expected Positive Exposure

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VIII. Explanations on consolidated risk management (Continued):****d. Explanations on Counterparty Credit Risk (CCR) (Continued):****d.2. Evaluation of counterparty credit risk in accordance with the measurement methods (Continued):**

	Prior Period	Replacement cost	Potential Future exposure	EEPE <sup>(1)</sup>	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	17.320	64.757		-	114.908	28.929
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
<b>6</b>	<b>Total</b>						<b>28.929</b>

<sup>(1)</sup> Effective Expected Positive Exposure**d.3. Capital requirement for credit valuation adjustment (CVA)**

	Current Period		Prior Period	
	EAD post-CRM	RWA	EAD post-CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation				
1 (i) VaR component (including the 3×multiplier)		-		-
2 (ii) Stressed VaR component (including the 3×multiplier)		-		-
3 All portfolios subject to the Standardised CVA capital obligation		27.689	98.334	26.820
<b>4 Total subject to the CVA capital obligation</b>		<b>27.689</b>	<b>98.334</b>	<b>26.820</b>

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VIII. Explanations on consolidated risk management (Continued):****d. Explanations on Counterparty Credit Risk (CCR) (Continued):****d.4. CCR exposures by risk class and risk weights**

Current Period										
Risk Classes	Risk Weighted	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Exposure <sup>(1)</sup>
Receivables from central governments or central banks		-	-	-		-	-	-	-	-
Receivables from regional or local governments		-	-	-		-	-	-	-	-
Receivables from administrative units and non-commercial enterprises		-	-	-		-	-	-	-	-
Receivables from multilateral development banks		-	-	-		-	-	-	-	-
Receivables from international organizations		-	-	-		-	-	-	-	-
Receivables from banks and brokerage houses		-	-	-		-	-	27.689	-	27.689
Receivables from corporates		-	-	-		-	-	-	-	-
Retail receivables		-	-	-		-	-	-	-	-
Receivables secured by mortgages on property		-	-	-		-	-	-	-	-
Past due receivables		-	-	-		-	-	-	-	-
Receivables defined in high risk category by BRSA		-	-	-		-	-	-	-	-
Securities collateralized by mortgages		-	-	-		-	-	-	-	-
Securitisation positions		-	-	-		-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates		-	-	-		-	-	-	-	-
Investments similar to collective investment funds		-	-	-		-	-	-	-	-
Equity share investments		-	-	-		-	-	-	-	-
Other receivables		-	-	-		-	-	-	-	-
Other assets		-	-	-		-	-	-	-	-
<b>Total</b>		-	-	-		-	-	<b>27.689</b>	-	<b>27.689</b>

<sup>(1)</sup>Total credit risk represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VIII. Explanations on consolidated risk management (Continued):****d. Explanations on Counterparty Credit Risk (CCR) (Continued):****d.4. CCR exposures by risk class and risk weights (Continued)**

Prior Period	Risk Weighted									Total Credit Exposure <sup>(1)</sup>
	Risk Classes	0%	10%	20%	50%	75%	100%	150%	Other	
Receivables from central governments or central banks	6.561	-	-	-	-	-	-	-	-	6.561
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses	-	-	94.896	7.001	-	-	-	-	-	101.897
Receivables from corporates	-	-	-	-	-	-	6.450	-	-	6.450
Retail receivables	-	-	-	-	-	-	-	-	-	-
Receivables secured by mortgages on property	-	-	-	-	-	-	-	-	-	-
Past due receivables	-	-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6.561</b>	<b>-</b>	<b>94.896</b>	<b>7.001</b>	<b>-</b>	<b>6.450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114.908</b>

<sup>(1)</sup> Total credit risk represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.



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## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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### INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

#### VIII. Explanations on consolidated risk management (Continued):

##### d. Explanations on Counterparty Credit Risk (CCR) (Continued):

###### d.5. Used collaterals for counterparty credit risk

None (December 31, 2022: None).

###### d.6. Information on the risks of the Group arising from purchased or sold credit derivatives

None (December 31, 2022: None).

###### d.7. Information on risks of the Group arising from central counterparty

None (December 31, 2022: None).

##### e. Information to be announced to public on Securitization:

None (December 31, 2022: None).

##### f. Explanations on Market Risk to be disclosed to the public

###### f.1. Qualitative information about market risk to be disclosed to the public

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

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

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VIII. Explanations on consolidated risk management (Continued):****f. Explanations on Market Risk to be disclosed to the public (Continued):**

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

**f.2. Market risk under standardised approach**

	Current Period RWA	Prior Period RWA
<b>Outright products</b>		
1 Profit rate risk (general and specific)	1.089.878	290.070
2 Equity share (general and specific)	-	-
3 Foreign exchange risk	2.199.503	259.477
4 Commodity risk	406.608	267.245
<b>Options</b>		
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitisation	-	-
<b>9 Total</b>	<b>3.695.989</b>	<b>816.792</b>

**g. Explanations on the Operational Risk to be disclosed to the public**

Capital requirement for operational risk is calculated annually by using the Basic Indicator Method in accordance with Article 24 of the Regulation on the Measurement and Assessment of Capital Adequacy of Banks.

Current Period	2 PP Value	1 PP Tutar	CP Value	Total number of years for which gross income is positive	Rate (%)	Total
Gross Income	801.333	6.232.412	13.930.529	6.988.091	15	1.048.214
Amount subject to Operational Risk (Total*12,5)						4.714.161
Prior Period	2 PP Value	1 PP Tutar	CP Value	Total number of years for which gross income is positive	Rate (%)	Total
Gross Income	500.377	802.518	6.239.763	2.514.219	15	377.133
Amount subject to Operational Risk (Total*12,5)						4.714.161

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****VIII. Explanations on consolidated risk management (Continued):****h. Explanations on the Profit rate risk on banking accounts to be disclosed to the public****h.1. Important assumptions including the nature of profit rate risk arising from banking books and the early repayment of loans and movements in deposits other than time deposits with measurement frequency of the profit rate risk**

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

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

**h.2. Economic value differences arising from profit rate fluctuations in accordance with Regulation on Measurement and Assessment of Profit Rate Risk arising from Banking Books by Standard Shock Method****Current Period**

Currency	Applied Shock (+/-x basis point)	Gains/(Losses)	Gains/Equity (Losses/Equity) (%)
TRY	(+) 500bp	(376.964)	(2,38)
TRY	(-) 400bp	342.087	2,16
USD Dolar	(+) 200bp	(63.222)	(0,40)
USD Dolar	(-) 200bp	72.869	0,46
EUR	(+) 200bp	60.526	0,38
EUR	(-) 200bp	(66.314)	(0,42)
<b>Total (For Negative Shocks)</b>	-	<b>348.642</b>	<b>2,20</b>
<b>Total (For Positive Shocks)</b>	-	<b>(379.660)</b>	<b>(2,40)</b>

**Prior Period**

Currency	Applied Shock (+/-x basis point)	Gains/(Losses)	Gains/Equity (Losses/Equity) (%)
TRY	(+) 500bp	(529967)	(5,55)
TRY	(-) 400bp	499974	5,23
USD Dolar	(+) 200bp	(49947)	(0,52)
USD Dolar	(-) 200bp	64.836	0,68
EUR	(+) 200bp	101.384	1,06
EUR	(-) 200bp	(107421)	(1,12)
<b>Total (For Negative Shocks)</b>	-	<b>457.389</b>	<b>4,79</b>
<b>Total (For Positive Shocks)</b>	-	<b>(478.530)</b>	<b>(5,01)</b>

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****IX. Explanations on consolidated business segments:**

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

<b>Current Period</b>	<b>Retail</b>	<b>Commercial and Corporate</b>	<b>Treasury</b>	<b>Undistributed</b>	<b>Total</b>
<b>Total Assets</b>	<b>4.205.570</b>	<b>61.497.875</b>	<b>117.928.970</b>	<b>4.054.378</b>	<b>187.686.793</b>
<b>Total Liabilities</b>	<b>62.600.280</b>	<b>104.380.716</b>	<b>6.322.345</b>	<b>3.951.207</b>	<b>177.254.548</b>
Net profit share income/(expense)	824.232	4.688.342	982.696	(208.700)	6.286.570
Net fees and commissions income/(expense)	519.594	1.811.869	(23.463)	(11.884)	2.296.116
Other operating income/(expense)	1.947.858	2.012.388	(2.941)	(4.509.777)	(552.472)
Provision expenses	(74.335)	(267.470)	(87.957)	(64)	(429.826)
Profit/(loss) before tax	3.217.349	8.245.129	868.335	(4.730.425)	7.600.388
Provision for tax	-	-	-	(2.456.533)	(2.456.533)
<b>Net profit/(loss) for the period</b>	<b>3.217.349</b>	<b>8.245.129</b>	<b>868.335</b>	<b>(7.186.958)</b>	<b>5.143.855</b>
<b>Prior Period</b>	<b>Retail</b>	<b>Commercial and Corporate</b>	<b>Treasury</b>	<b>Undistributed</b>	<b>Total</b>
<b>Total Assets</b>	<b>2.963.819</b>	<b>37.831.388</b>	<b>56.564.347</b>	<b>1.595.660</b>	<b>98.955.214</b>
<b>Total Liabilities</b>	<b>48.236.244</b>	<b>34.581.528</b>	<b>7.812.211</b>	<b>8.325.231</b>	<b>98.955.214</b>
Net profit share income/(expense)	486.592	2.659.158	712.796	59.627	3.918.173
Net fees and commissions income/(expense)	148.152	246.695	(10.182)	(79.002)	305.663
Other operating income/(expense)	1.540.904	(554.701)	(808.377)	115.433	293.259
Provision expenses	(37.518)	(608.423)	(115.137)	(26.516)	(787.594)
Profit/(loss) before tax	2.138.130	1.742.729	(220.900)	69.542	3.729.501
Provision for tax	-	-	-	(915.706)	(915.706)
<b>Net profit/(loss) for the period</b>	<b>2.138.130</b>	<b>1.742.729</b>	<b>(220.900)</b>	<b>(846.164)</b>	<b>2.813.795</b>

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**SECTION SEVEN****EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS****I. Explanations and notes related to consolidated assets****1. Cash and balances with the Central Bank of Republic of Türkiye (CBRT)**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Foreign currency	774.30	319.727	63.660	188.870
CBRT	17.215.441	494.95.840	1.498.475	23.081.139
Other <sup>(*)</sup>	108.898	3.026.500	82.652	1.167.784
<b>Total</b>	<b>17.401.769</b>	<b>52.842.067</b>	<b>1.644.787</b>	<b>24.437.793</b>

(\*)As of 31 December 2023, it includes the precious metal deposit account of 186.469 TL (31 December 2022: 42.641 TL) and the money in transit account of 2.948.929 TL (31 December 2022: 1.207.795 TL).

**b) Information related to CBRT:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	13.772.897	22.032.535	1.498.475	9.358.541
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Reserve requirements	3.442.544	274.63.305	-	13.722.598
<b>Total</b>	<b>17.215.441</b>	<b>494.95.840</b>	<b>1.498.475</b>	<b>23.081.139</b>

The Parent Bank establishes required reserves at the CBRT for its Turkish currency and foreign currency liabilities in accordance with the CBRT's Communiqué No. 2005/1 on Reserve Requirements. Required reserves can be kept in Turkish Lira, US Dollar and/or Euro and standard gold according to the "Communiqué on Required Reserves" at the CBRT.

As of December 31, 2023, the Parent Bank's valid rates for Turkish currency required reserves are between 0% and 30%, depending on the maturity structure for participation funds and other liabilities; The applicable rates for foreign currency required reserves are between 5% and 30% for participation funds and other liabilities, depending on the maturity structure.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated assets (Continued):****2. a. Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	42.328	443.525	2.447	482.017
Foreign	50	13.391.989	-	4.403.367
Foreign head offices and branches	-	-	-	-
<b>Total</b>	<b>42.378</b>	<b>13.835.514</b>	<b>2.447</b>	<b>4.885.384</b>

**b. Information on Foreign Bank Accounts**

	Current Period		Prior Period	
	Unrestricted amount	Restricted amount	Unrestricted amount	Restricted amount
<b>Banks</b>				
European Union Countries	2.840.346	-	1.562.962	-
USA and Canada	633.078	-	1.227.373	-
OECD Countries <sup>(1)</sup>	4.831	-	-	-
Off-shore banking regions	-	-	-	-
Other	9.913.734	-	1.613.032	-
<b>Total</b>	<b>13.391.989</b>	<b>-</b>	<b>4.403.367</b>	<b>-</b>

<sup>(1)</sup> OECD countries other than EU countries, USA and Canada.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated assets (Continued):****3. a. Information on financial assets at fair value through profit/loss subject to repurchase agreements and given as collateral/blocked:**

As of December 31, 2023, there is no repurchase agreements in financial assets at fair value through profit and loss is not available (December 31, 2022: None).

As of December 31, 2023, amount subject to guaranteed/blocked is TL 887467 (December 31, 2022: TL 744.345).

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

	Current Period	Prior Period
Debt securities	2.054.346	948.045
Quoted on a stock exchange	1.478.927	804.038
Unquoted <sup>(1)</sup>	575.419	144.007
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Impairment provision (-)	4.034	3.086
<b>Total</b>	<b>2.050.312</b>	<b>944.959</b>

<sup>(1)</sup>Includes debt securities that are listed on the stock exchange but are not traded at the end of the relevant period.**4. Information on Financial Assets at fair value through other comprehensive income:****a. Information on financial assets valued at fair value through other comprehensive income subject to repurchase transactions, given as a guarantee or blocked:**

Financial assets valued at fair value through other comprehensive income subject to repurchase transactions assets, which are subjected to repurchase agreements as of December 31, 2023: None (December 31, 2022: None). As of December 31, 2023, amount subject to guaranteed/blocked is TL 3.274.518 (December 31, 2022: 2.184.200).

**b. Financial assets valued at fair value through other comprehensive income:**

	Current Period	Prior Period
Debt securities	12.145.754	10.481.318
Quoted on a stock exchange	8.080.774	7.916.788
Unquoted <sup>(1)</sup>	4.064.980	2.564.530
Share certificates	7.659	7.659
Quoted on a stock exchange	-	-
Unquoted	7.659	7.659
Impairment provision (-)	26.836	47.592
<b>Total</b>	<b>12.126.577</b>	<b>10.441.385</b>

<sup>(1)</sup>Includes debt securities that are listed on the stock exchange but are not traded at the end of the relevant period.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated assets (Continued):****5. Information on derivative financial assets:****a. Table of positive differences related to derivative financial assets:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Swap Transactions	84	-	3.264	12.406
Forward Transactions	2.854	1.066	1.652	275
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>2.938</b>	<b>1.066</b>	<b>4.916</b>	<b>12.681</b>

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

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	3.637	-	2.355	-
Loans granted to employees	3.637	-	2.355	-
<b>Total</b>	<b>3.637</b>	<b>-</b>	<b>2.355</b>	<b>-</b>



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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****6. Information on loans (Continued):****b. Information on standard loans and loans under close monitoring including restructured or rescheduled loans:****b1. Detailed table for standard loans and loans under close monitoring including restructured or rescheduled loans:**

Current Period Cash Loans	Standard loans	Not under the scope of restructuring or rescheduling	Loans Under Close Monitoring	
			Amendments to the Terms of Contracts	Restructured Refinancing
<b>Loans</b>	<b>66.772.054</b>	<b>345.887</b>	<b>181.519</b>	<b>-</b>
Export loans	-	-	-	-
Import loans	4.744.240	7.575	-	-
Business loans	45.508.742	164.942	181.519	-
Consumer loans	2.769.781	1.699	-	-
Credit cards	-	-	-	-
Loans given to financial sector	6.345.775	-	-	-
Other(*)	7403.516	171.671	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>66.772.054</b>	<b>345.887</b>	<b>181.519</b>	<b>-</b>

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

Commercial loans with installments	5.808.797
Loans given to abroad	127.382
Other investment loans	1.606.919
Other	32.089
<b>Total</b>	<b>7.575.187</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****6. Information on loans (Continued):****b. Information on standard loans and loans under close monitoring including restructured or rescheduled loans: (Continued)****b1. Detailed table for standard loans and loans under close monitoring including restructured or rescheduled loans: (Continued)**

Prior Period Cash Loans	Standard loans	Not under the scope of restructuring or rescheduling	Loans Under Close Monitoring	
			Amendments to the Terms of Contracts	Restructured Refinancing
<b>Loans</b>	<b>43.578.249</b>	<b>35.147</b>	<b>95.567</b>	<b>-</b>
Export loans	-	-	-	-
Import loans	3.335.018	307	-	-
Business loans	26.375.121	15.166	95.567	-
Consumer loans	1.163.239	783	-	-
Credit cards	-	-	-	-
Loans given to financial sector	6.631.080	-	-	-
Other <sup>(*)</sup>	6.073.791	18.891	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>43.578.249</b>	<b>35.147</b>	<b>95.567</b>	<b>-</b>

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

Commercial loans with installments	4.888.469
Loans given to abroad	43.842
Other investment loans	1.160.191
Other <sup>(*)</sup>	180
<b>Total</b>	<b>6.092.682</b>

<sup>(\*)</sup> It is comprised of compensated non-cash loan amounts.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated assets (Continued):****6. Information on loans (Continued):****b. Information on standard loans and loans under close monitoring including restructured or rescheduled loans (Continued):****b2. Information on expected credit losses for standard loans and loans under close monitoring:**

<b>Current Period</b>	<b>Standard Loans</b>	<b>Loans under close monitoring</b>
12 Month Expected Credit Losses	354.090	-
Significant Increase in Credit Risk	-	29943
<b>Prior Period</b>	<b>Standard Loans</b>	<b>Loans under close monitoring</b>
12 Month Expected Credit Losses	552.189	-
Significant Increase in Credit Risk	-	21.734

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

<b>Current Period</b>	<b>Standard Loans and Other receivables</b>		<b>Loans Under Follow-Up and Other receivables</b>	
	<b>Loans and Other receivables</b>	<b>Amendments to terms or contract</b>	<b>Loans and Other receivables</b>	<b>Amendments to terms or contract</b>
<b>Cash loans</b>				
Short term loans and other receivables	35.738.341	-	214.978	91.577
Medium and long-term loans and other receivables	31.033.713	-	130.909	89942
<b>Total</b>	<b>66.772.054</b>	<b>-</b>	<b>345.887</b>	<b>181.519</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****6. Information on loans (Continued)****d. Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards:**

Current Period	Short-term	Medium and long-term	Total
<b>Consumer loans-TL</b>	<b>29.773</b>	<b>2.738.070</b>	<b>2.767.843</b>
Housing loans	11.877	2.596.282	2.608.159
Vehicle loans	5.470	120.900	126.370
Consumer loans	12.426	20.888	33.314
Other	-	-	-
<b>Consumer loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Retail credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Retail credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>139</b>	<b>3.498</b>	<b>3.637</b>
Housing loans	-	2.061	2.061
Vehicle loans	139	1.273	1.412
Consumer loans	-	164	164
Other	-	-	-
<b>Personnel loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without-installment	-	-	-
<b>Overdraft account-TL (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft account-FC (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>29.912</b>	<b>2.741.668</b>	<b>2.771.480</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****6. Information on loans (Continued)****d. Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards (Continued)**

Prior Period	Short-term	Medium and long-term	Total
<b>Consumer loans-TL</b>	<b>57983</b>	<b>1.098.696</b>	<b>1.156.679</b>
Housing loans	42.344	966.909	1.009.253
Vehicle loans	3.722	92.157	95.879
Consumer loans	11.917	39.630	51.547
Other	-	-	-
<b>Consumer loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Retail credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Retail credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>24</b>	<b>2.331</b>	<b>2.355</b>
Housing loans	-	1.527	1.527
Vehicle loans	-	601	601
Consumer loans	24	203	227
Other	-	-	-
<b>Personnel loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without-installment	-	-	-
<b>Overdraft account-TL (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft account-FC (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>58.007</b>	<b>1.101.027</b>	<b>1.159.034</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****6. Information on loans (Continued):****e. Information on commercial loans with installments and corporate credit cards**

<b>Current Period</b>	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
<b>Commercial installment loans-TL</b>	<b>2.069.630</b>	<b>3.501.720</b>	<b>5.571.350</b>
Business loans	155.018	166.685	321.703
Vehicle loans	1.624.565	2.058.795	3.683.360
Consumer loans	290.047	1.276.240	1.566.287
Other	-	-	-
<b>Commercial installment loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment Loans-FC</b>	<b>20.841</b>	<b>197.230</b>	<b>218.071</b>
Business loans	-	23.065	23.065
Vehicle loans	18.409	112.867	131.276
Consumer loans	2.432	61.298	63.730
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Overdraft account-TL (legal Entity)</b>	<b>17.488</b>	<b>-</b>	<b>17.488</b>
<b>Overdraft account-FC (legal Entity)</b>	<b>1.888</b>	<b>-</b>	<b>1.888</b>
<b>Total</b>	<b>2.109.847</b>	<b>3.698.950</b>	<b>5.808.797</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****6. Information on loans (Continued):****e. Information on commercial loans with installments and corporate credit cards (Continued)**

<b>Prior Period</b>	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
<b>Commercial installment loans-TL</b>	<b>1.562.386</b>	<b>2.944.839</b>	<b>4.507.225</b>
Business loans	99.111	418.452	517.563
Vehicle loans	1.152.172	1.253.937	2.406.109
Consumer loans	311.103	1.272.450	1.583.553
Other	-	-	-
<b>Commercial installment loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment Loans-FC</b>	<b>9.256</b>	<b>314.997</b>	<b>324.253</b>
Business loans	-	16.111	16.111
Vehicle loans	9.256	135.535	144.791
Consumer loans	-	163.351	163.351
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Overdraft account-TL (legal Entity)</b>	<b>3.111</b>	<b>-</b>	<b>3.111</b>
<b>Overdraft account-FC (legal Entity)</b>	<b>53.880</b>	<b>-</b>	<b>53.880</b>
<b>Total</b>	<b>1.628.633</b>	<b>3.259.836</b>	<b>4.888.469</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****6. Information on loans (Continued)****f. Allocation of loans by customers:**

	Current Period	Prior Period
Public	5.232.563	3.344.569
Private	62.066.897	40.364.394
<b>Total</b>	<b>67.299.460</b>	<b>43.708.963</b>

**g. International and domestic loans:**

The distribution of loans excluding non-performing loans is as follows:

	Current Period	Prior Period
Domestic loans	65.692.541	42.548.772
Foreign loans	1.606.919	1.160.191
<b>Total</b>	<b>67.299.460</b>	<b>43.708.963</b>

**h. Loans granted to subsidiaries and participations**

None (December 31, 2022: None).

**i. Default provisions for loans (Third Stage) provisions**

	Current Period	Prior Period
ii) Loans and Receivables with Limited Collectability	20.019	35.433
Doubtful Loans and Other Receivables	23.905	18.045
Uncollectible Loans and Receivables	139.163	26.393
<b>Total</b>	<b>183.087</b>	<b>79.871</b>

**j. Information on non-performing loans and receivables (net)****j.1) Non-performing loans and receivables which are restructured or rescheduled**

None (December 31, 2022: None).



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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****6. Information on loans (Continued)****j.2) Movements of non-performing loans**

<b>Current Period</b>	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectibility</b>	<b>Loans and receivables with doubtful collectibility</b>	<b>Uncollectible loans and receivables</b>
Closing balance of prior period	35.852	27.204	30.320
Additions in the current period (+)	205.681	125.511	122.876
Transfers from other categories of non-performing loans (+)	-	76.412	61.424
Transfers to other categories of non-performing loans (-)	76.412	61.424	-
Collections in the current period (-)	122.141	127.744	54.683
Write offs (-)	-	-	-
Sales (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	42.980	39.959	15.9937
Provision (-)	20.019	23.905	13.9163
<b>Net balance at the balance sheet</b>	<b>22.961</b>	<b>16.054</b>	<b>20.774</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****6. Information on loans (Continued)****j.2) Movements of non-performing loans (Continued)**

Prior Period	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Closing balance of prior period	8.312	13.071	174.144
Additions in the current period (+)	86.909	12.753	5.199
Transfers from other categories of non-performing loans (+)	-	41.874	24.418
Transfers to other categories of non-performing loans (-)	41.874	24.418	-
Collections in the current period (-)	17.397	14.020	3.526
Write offs (-)	-	-	168.069
Sales (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	35.950	29.260	32.166
Provision (-)	35.433	18.045	26.393
<b>Net balance at the balance sheet</b>	<b>517</b>	<b>11.215</b>	<b>5.773</b>

**j.3) Non-performing loans and other receivables in foreign currencies**

None. (December 31, 2022: None.).

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****6. Information on loans (Continued)****j.4) Gross and net non-performing loans and other receivables per customer categories**

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
<b>Current Period (Net)</b>	<b>22.961</b>	<b>16.054</b>	<b>20.754</b>
Loans to individuals and corporates (gross)	42.980	39.959	15.9937
Provision (-)	20.019	23.905	139.163
<b>Loans to individuals and corporates (net)</b>	<b>22.961</b>	<b>16.054</b>	<b>20.774</b>
Banks (gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-	-	-
<b>Prior Period (Net)</b>	<b>517</b>	<b>11.215</b>	<b>5.773</b>
Loans to Real Persons and Legal Entities (Gross)	35.950	29.260	32.166
Specific provision (-)	35.433	18.045	26.393
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>517</b>	<b>11.215</b>	<b>5.773</b>
Banks (gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****6. Information on loans (Continued)****j.5) Information on profit share accrual accruals and valuation differences calculated for non-performing loans by banks allocating expected credit losses according to TFRS 9 and their equivalents**

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
<b>Current Period (Net)</b>	<b>1.469</b>	<b>1.049</b>	<b>1.488</b>
Profit share accruals and valuation differences	2.416	2.637	8.124
Provisions (-)	947	1.588	6.636
<b>Prior Period (Net)</b>	<b>62</b>	<b>818</b>	<b>338</b>
Profit share accruals and valuation differences	102	2.057	1.845
Provisions (-)	40	1.239	1.507

**k) Liquidation policy for uncollectible loans and receivables**

The Parent Bank initiates a legal process for the collection of receivables arising from credit transactions. The debtor's and debtor related's assets' together with process of cash conversion of the collaterals which constitute of the Parent Bank receivables will be processed by the Parent Bank and in addition to this process the Parent Bank will try to collect and liquidate its receivables through administrative ways.

**l) Information on "Write-off" policies**

In accordance with Article 8 of the "Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Reserved for them", loans classified under "Fifth Group Loans of Loss" and which does not have reasonable expectations regarding the recovery of loans with a lifetime expected due to the default of the debtor or the provision of special provisions can be deducted from the records within the scope of TFRS 9 as of the first reporting period following their classification in this group.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****6. Information on loans (Continued)****1) Information on "Write-off" policies (Continued)**

It is an accounting practice to deduct loans that do not have the possibility to collect from the records within the scope of the above provision, does not mean that result in giving up the right to receivable.

The general policy of the Parent Bank is to write-off the receivables which are deemed to be impossible to collect during the legal follow-up process from the assets in accordance with the decision taken by the top management of the Parent Bank. There is no amount for loans deemed impossible to collect in 2023 has been written-off due to the decision taken by the Parent Bank's management (December 31, 2022: None).

**7. Information on Financial Assets Measured at Amortized Cost:****a) Information on government debt securities measured at amortized cost:**

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities	16.692.053	10.440.441
<b>Total</b>	<b>16.692.053</b>	<b>10.440.441</b>

**b) Information on investment securities measured at amortized cost**

	Current Period	Prior Period
Debt Securities	16.692.053	10.440.441
Quoted on a stock Exchange	9.592.906	1.904.621
Unquoted <sup>(1)</sup>	7.099.147	8.535.820
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Impairment Provision (-)	-	-
<b>Total</b>	<b>16.692.053</b>	<b>10.440.441</b>

<sup>(1)</sup> It includes debt securities that are listed on the stock exchange but not traded at the end of the relevant Period.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****7. Information on Financial Assets Measured at Amortized Cost: (Continued)****c) Information on movements of financial assets measured at amortized cost**

	Current Period	Prior Period
i) Balance at beginning of period	10,440,441	2,713,586
Foreign currency differences on monetary assets <sup>(1)</sup>	3,751,612	1,533,167
Purchases during period	2,500,000	6,209,920
Disposals through sales and redemptions	-	(16,232)
Impairment provision (-)	-	-
<b>Closing Balance</b>	<b>16,692,053</b>	<b>10,440,441</b>

<sup>(1)</sup>This amount includes TL 1,490,267 (December 31, 2022: TL 737,115) income accrual.**8. Information on lease receivables (net)****a. Presentation of remaining maturities of funds lent under finance lease method**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	131,241	118,085	61,689	58,166
1 to 4 years	298,224	255,068	460,014	377,536
More than 4 years	11,400	9,673	55,961	50,580
<b>Total</b>	<b>440,865</b>	<b>382,826</b>	<b>577,844</b>	<b>486,282</b>

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

	Current Period	Prior Period
Finance lease receivables (gross)	440,865	577,844
Unearned finance lease receivable (-)	58,039	91,562
<b>Receivable from finance leases (net)</b>	<b>382,826</b>	<b>486,282</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****8. Information on lease receivables (net) (Continued)****c. General explanation on finance lease contracts**

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

Information on leasing receivables:

Finance Lease	Standard Loans	Leasing Receivables Under Close Monitoring		
		Leasing receivables not subject to restructured loans	Restructured or rescheduled Leasing Receivables with Revised Contract Terms	Refinance
<b>Current Period</b>				
Finance lease receivables (Net)	382.826	-	-	-
<b>Prior Period</b>				
Finance lease receivables (Net)	486.282	-	-	-

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

Financial assets held for sale consist of tangible assets acquired due to receivables.

	Current Period	Prior Period
Opening balance	5.242	8.000
Additions	4.164	4.360
Disposals	1.123	(7118)
Transfers	-	-
Impairment Provision (-)	-	-
<b>Closing balance</b>	<b>8.283</b>	<b>5.242</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****10. Information on associates****a. Information on investments in associates (net)****a.1 Information on non-consolidated associates:**

On 30 April 2023, the Group became a shareholder in Katılım Finans Kefalet A.Ş. with a capital contribution of TRY 22.500, aiming to establish a guarantee system in accordance with the principles and rules of Participation Banking. The total capital of the company is TRY 600.000, and the Group's total participation amount is TRY 90.000, representing a 15% share. The remaining portion of TRY 67.500 will be paid within the next 2 years. The Group has a board member representing its shares in the company (As of 31 December 2022: None).

Name	Address (City/Country)	Bank's share percentage - if different voting percentage (%)	Percentage of other shareholders (%)
Katılım Finans Kefalet A.Ş.	İstanbul/Türkiye	15%	85%

**a.2 Information about consolidated associates**

None. (December, 31 2022: None.).

**b. Information on subsidiaries (net)****b.1 Information on consolidated subsidiaries**

Emlak Menkul Değerler A.Ş., which is owned by the Parent Bank by 50%, has been reported to be bankrupt in the Audit Report prepared by Court of Account dated October 31, 2018. Emlak Menkul Değerler A.Ş. has not been consolidated as of December 31, 2023 and December 31, 2022.

**b.2 Information on consolidated subsidiaries**

Emlak Varlık Kiralama A.Ş., 100% subsidiaries of the Bank was established and registered to the trade registry in August 5, 2019 with the permission taken from "Banking Regulation and Supervision Agency" and "Capital Markets Board of Türkiye". Emlak Varlık Kiralama A.Ş. has been founded to operate lease certificate according to rulings of Capital Markets Board of Türkiye which was dated June 7, 2013 and numbered 28760 serial: 3 no: 61.1 published in Official Gazette. Emlak Varlık Kiralama A.Ş. was established and began to operate on August 5, 2019 with TL 50 capital amount paid by the Main Shareholder Parent Bank.

Emlak Katılım Varlık Kiralama A.Ş., 100% subsidiaries of the Parent Bank was established and registered to the trade registry in January 20, 2020 with the permission taken from "Banking Regulation and Supervision Agency" and "Capital Markets Board of Türkiye". Within the framework of the CMB's Communiqué on Lease Certificates (III-61.1) published in the Official Gazette dated June 7, 2013 and numbered 28760, Emlak Katılım Varlık Kiralama A.Ş. was established on December 16, 2019, with a capital of TL 50 and started its activity.

	Name	Adress (City/Country)	Operating Subject	Bank's share percentage (%)	Direct and Indirect Share Percentages (%)
1	Emlak Varlık Kiralama A.Ş.	İstanbul/Türkiye	Issuance of Lease Certificate	100	100
2	Emlak Katılım Varlık Kiralama A.Ş.	İstanbul/Türkiye	Issuance of Lease Certificate	100	100



## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****10. Information on associates (Continued)****b. Information on subsidiaries (net) (Continued)****b.2 Information on consolidated subsidiaries (Continued)**

The values stated in the table below are taken from financial statements in audited report of Emlak Varlık Kiralama A.Ş. and Emlak Katılım Varlık Kiralama A.Ş.'s dated December 31, 2023.

	<b>Total Assets</b>	<b>Shareholders' equity</b>	<b>Total fixed assets</b>	<b>Dividend or profit share income</b>	<b>Income from marketable securities</b>	<b>Current period income/loss</b>	<b>Prior period income/loss</b>	<b>Fair Value</b>
1	7.226.577	18.514	-	1.642.207	-	14.321	3.846	-
2	9.932.223	50	-	1.967.200	-	-	-	-

**b.2.1 Movement information on subsidiaries**

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

**b.2.2 Information on investments in joint-ventures**

None. (December 31, 2022: None.)

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****11. Information on tangible assets**

Current Period	Immovables <sup>(1)</sup>	Leased tangible assets	Vehicles	Other TA	Total
<b>Cost</b>					
<b>Opening Balance: January 1, 2023</b>	<b>274.238</b>	-	<b>76.793</b>	<b>277.823</b>	<b>628.854</b>
Additions	464.198	-	105.625	69.108	638.931
Revaluation differences	-	-	-	-	-
Disposals	(800)	-	(1.019)	-	(1.819)
Impairment losses (-)/ Reversal of impairment	-	-	-	-	-
Transfers	-	-	-	-	-
<b>Ending Balance: December 31, 2023</b>	<b>737.636</b>	-	<b>181.399</b>	<b>346.931</b>	<b>1.265.966</b>
<b>Accumulated depreciation (-)</b>					
<b>Opening balance: January 1, 2023</b>	<b>67.955</b>	-	<b>20.089</b>	<b>108.522</b>	<b>196.566</b>
Depreciation expense	62.284	-	19.451	64.584	146.319
Reversal of depreciation of the disposed assets	-	-	133	92	225
Transfers	-	-	-	-	-
<b>Ending balance: December 31, 2023</b>	<b>130.239</b>	-	<b>39.673</b>	<b>173.198</b>	<b>343.110</b>
Total cost at the end of the year	<b>737.636</b>	-	<b>181.399</b>	<b>346.931</b>	<b>1.265.966</b>
Total accumulated depreciation at the end of the year	<b>(130.239)</b>	-	<b>(39.673)</b>	<b>(173.198)</b>	<b>(343.110)</b>
<b>Closing net book values</b>	<b>607.397</b>	-	<b>141.726</b>	<b>173.733</b>	<b>922.856</b>

<sup>(1)</sup>As of December 31, 2023, historical value of movables and real estates that are accounted for as a right of use is amounting to TL 737.636 (December 31, 2022: 274.238 TL), in accordance with the "IFRS 16 Leases" standard, and the depreciation amount is TL 130.239 (December 31, 2022: TL 67.955)

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****11. Information on tangible assets (Continued):**

Prior Period	Immovables <sup>(*)</sup>	Leased tangible assets	Vehicles	Other TA	Total
<b>Cost</b>					
<b>Opening Balance: January 1, 2022</b>	<b>199.754</b>	-	<b>24.470</b>	<b>210.911</b>	<b>435.135</b>
Additions	74.484	-	52.323	69.339	196.146
Revaluation differences	-	-	-	-	-
Disposals	-	-	-	(2.427)	(2.427)
Impairment losses (-)/ Reversal of impairment	-	-	-	-	-
Transfers	-	-	-	-	-
<b>Ending Balance: December 31, 2022</b>	<b>274.238</b>	-	<b>76.793</b>	<b>277.823</b>	<b>628.854</b>
<b>Accumulated depreciation (-)</b>					
<b>Opening balance: January 1, 2022</b>	<b>32.190</b>	-	<b>11.716</b>	<b>60.831</b>	<b>104.737</b>
Depreciation expense	35.765	-	8.373	4.7913	92.051
Reversal of depreciation of the disposed assets	-	-	-	(222)	(222)
Transfers	-	-	-	-	-
<b>Ending balance: December 31, 2022</b>	<b>67.955</b>	-	<b>20.089</b>	<b>108.522</b>	<b>196.566</b>
Total cost at the end of the year	<b>274.238</b>	-	<b>76.793</b>	<b>277.823</b>	<b>628.854</b>
Total accumulated depreciation at the end of the year	<b>(67.955)</b>	-	<b>(20.089)</b>	<b>(108.522)</b>	<b>(196.566)</b>
<b>Closing net book values</b>	<b>206.283</b>	-	<b>56.704</b>	<b>169.301</b>	<b>432.288</b>

<sup>(\*)</sup>As of December 31, 2022, historical value of movables and real estates that are accounted for as a right of use is amounting to TL274.238 (December 31, 2021: TL199.754), in accordance with the "IFRS 16 Leases" standard, and the depreciation amount is TL 67.955 (December 31, 2021: TL 32.190).

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and notes related to consolidated assets (Continued):****12. Information on intangible assets**

<b>Current Period</b>	<b>Intangible Assests</b>
<b>Cost</b>	
<b>Opening balance: January 1, 2023</b>	<b>151.026</b>
Additions	163.405
Disposals	-
<b>Ending balance: December 31, 2023</b>	<b>314.431</b>
<b>Accumulated depreciation (-)</b>	
<b>Opening balance: January 1, 2023</b>	<b>(50.613)</b>
Depreciation expense	(13.454)
Reversal of depreciation of the disposed assets	-
<b>Ending balance: December 31, 2023</b>	<b>(64.067)</b>
<b>Total cost at the end of the year</b>	<b>314.431</b>
<b>Total accumulated depreciation at the end of the year</b>	<b>(64.067)</b>
<b>Closing Net Book Value</b>	<b>250.364</b>
<b>Prior Period</b>	<b>Intangible Assests</b>
<b>Cost</b>	
<b>Opening balance: January 1, 2022</b>	<b>65.558</b>
Additions	85.468
Disposals	-
<b>Ending balance: December 31, 2022</b>	<b>151.026</b>
<b>Accumulated depreciation (-)</b>	
<b>Opening balance: January 1, 2022</b>	<b>(42.096)</b>
Depreciation expense	(8.517)
Reversal of depreciation of the disposed assets	-
<b>Ending balance: December 31, 2022</b>	<b>(50.613)</b>
<b>Total cost at the end of the year</b>	<b>151.026</b>
<b>Total accumulated depreciation at the end of the year</b>	<b>(50.613)</b>
<b>Closing Net Book Value</b>	<b>100.413</b>

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None (December 31, 2022: None.)

**14. Information related to deferred tax assets**

	Current Period	Prior Period
Deferred tax provision for transferred financial loss	1.060.819	660.802
Prepaid wages and commissions and unearned income	110.388	71.391
Expected loss provisions	187.412	197.527
Securities valuation differences	72.000	6.511
Provisions for retirement premium and vacation pay liabilities	96.952	34.569
Derivative financial instruments	8.160	3.449
TFRS 16 allowance	19.999	12.503
Other provisions for debt and expenses <sup>(*)</sup>	1.292.501	171.261
<b>Deferred tax asset</b>	<b>2.848.231</b>	<b>1.158.013</b>
Valuation differences on marketable securities	307.628	479.028
Difference between carrying value and tax base of fixed assets	769	1.296
Derivative financial instruments	796.854	12.886
Other	26.200	-
	-	209
<b>Deferred tax liability</b>	<b>1.351.451</b>	<b>493.419</b>
<b>Deferred tax asset (Net)</b>	<b>1.716.780</b>	<b>664.594</b>

<sup>(\*)</sup> It also includes deferred tax assets recognized in accordance with Tax Procedural Law General Communiqué No. 555 entered into force on December 30, 2023.**15. Breakdown of items in other assets except commitments presented in off-balance sheet, which exceed 10% of the balance sheet total and breakdown of items which constitute at least 20% of grand total**

As of 31 December 2023, the Bank's total other assets which is 2,487,890 TL (31 Aralık 2022: 1,342,128 TL) do not exceed 10% of the balance sheet total.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

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

**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated liabilities:****1. Information on funds collected:****a. Information on maturity structure of funds collected:**

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
<b>I. Real Persons Current Accounts Non-Trade TL</b>	<b>781.376</b>	-	-	-	-	-	-	-	<b>781.376</b>
<b>II. Real Persons Participation Accounts Non-Trade TL(*)</b>	-	<b>9.436.238</b>	<b>3.687.463</b>	<b>883.373</b>	<b>190.795</b>	<b>713.409</b>	<b>227.127</b>	-	<b>15.138.405</b>
<b>III. Current Account other-TL</b>	<b>6.301.157</b>	-	-	-	-	-	-	-	<b>6.301.157</b>
Public Sector	95.068	-	-	-	-	-	-	-	<b>95.068</b>
Commercial Institutions	3.806.827	-	-	-	-	-	-	-	<b>3.806.827</b>
Other Institutions	1	-	-	-	-	-	-	-	<b>1</b>
Commercial and Other Institutions	36.755	-	-	-	-	-	-	-	<b>36.755</b>
Banks and Participation Banks	2.362.506	-	-	-	-	-	-	-	<b>2.362.506</b>
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	2.362.506	-	-	-	-	-	-	-	<b>2.362.506</b>
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	<b>21.335.831</b>	<b>10.912.720</b>	<b>509.179</b>	<b>19.617</b>	<b>2.040.700</b>	-	-	<b>34.818.047</b>
Public Sector	-	5.997.846	1.334.736	244.220	-	6.063	-	-	<b>7.582.865</b>
Commercial Institutions	-	12.512.878	5.327.649	139.351	14.952	1.591.822	-	-	<b>19.586.652</b>
Other Institutions	-	1.699.819	37.316	-	-	-	-	-	<b>1.737.135</b>
Commercial and Other Institutions	-	1.022.832	2.803.886	125.608	4.665	442.815	-	-	<b>4.399.806</b>
Banks and Participation Banks	-	102.456	14.091.33	-	-	-	-	-	<b>1.511.589</b>
<b>V. Real Persons Current Accounts Non- Trade FC</b>	<b>26.522.486</b>	-	-	-	-	-	-	-	<b>26.522.486</b>
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	<b>3.493.552</b>	<b>248.923</b>	<b>42.297</b>	<b>61.886</b>	<b>33.363</b>	<b>10.344</b>	-	<b>3.890.365</b>
<b>VII. Other Current Accounts FC</b>	<b>55.255.620</b>	-	-	-	-	-	-	-	<b>55.255.620</b>
Residents in Türkiye-Corporate	17.684.685	-	-	-	-	-	-	-	<b>17.684.685</b>
Residents Abroad-Corporate	36.804.911	-	-	-	-	-	-	-	<b>36.804.911</b>
Banks and Participation Banks	766.024	-	-	-	-	-	-	-	<b>766.024</b>
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	766.024	-	-	-	-	-	-	-	<b>766.024</b>
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other-FC</b>	-	<b>3.661.601</b>	<b>570.150</b>	<b>55.690</b>	<b>135</b>	<b>855</b>	-	-	<b>4.288.431</b>
Public sector	-	153.936	-	-	-	-	-	-	<b>153.936</b>
Commercial institutions	-	2.821.103	507.954	55.690	135	855	-	-	<b>3.385.737</b>
Other institutions	-	6.013	1.963	-	-	-	-	-	<b>7.976</b>
Commercial and Other Institutions	-	680.549	60.233	-	-	-	-	-	<b>740.782</b>
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
<b>IX. Precious Metals Deposits</b>	<b>2.034.626</b>	<b>1.089.434</b>	<b>389.630</b>	<b>22.634</b>	<b>1.508</b>	<b>2.953</b>	-	-	<b>3.540.785</b>
<b>X. Participation Accounts Special Fund Pools TL</b>	-	<b>269.058</b>	<b>254.212</b>	-	<b>404.524</b>	<b>14.508</b>	-	-	<b>942.302</b>
Residents in Türkiye	-	269.058	254.212	-	404.524	14.508	-	-	<b>942.302</b>
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation Accounts Special Fund Pools – FC</b>	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	<b>90.895.265</b>	<b>39.285.714</b>	<b>16.063.098</b>	<b>1.513.173</b>	<b>678.465</b>	<b>2.805.788</b>	<b>237.471</b>	-	<b>151.478.974</b>

The participation account balance is 6.047.539 TL "Exchange Rate Protected Turkish Lira Term Deposit" opened within the scope of the announcement of the Ministry of Treasury and Finance of the Republic of Turkey dated 24 December 2021, the product published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696. "Foreign Exchange Convertible Exchange Rate Protected Turkish Lira" also includes the balances of 6.255.855 TL opened within the scope of "Lira Time Deposit" and 5.999.306 TL opened within the scope of the product "Yuvam Accounts" published in the Official Gazette dated 1 February 2022 and numbered 31737.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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Convenience Translation of the Independent Auditor's Report originally issued in Turkish (See Note 1.a of Section Three)

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

**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated liabilities (Continued):****1. Information on funds collected (Continued):****a. Information on maturity structure of funds collected (Continued):**

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
<b>I. Real Persons Current Accounts Non-Trade TL</b>	<b>603.060</b>	-	-	-	-	-	-	-	<b>603.060</b>
<b>II. Real Persons Participation Accounts Non-Trade TL(*)</b>	-	<b>2.753.986</b>	<b>4.186.617</b>	<b>1.396.878</b>	<b>176.120</b>	<b>85.103</b>	<b>166.189</b>	-	<b>8.764.893</b>
<b>III. Current Account other-TL</b>	<b>5.519.410</b>	-	-	-	-	-	-	-	<b>5.519.410</b>
Public Sector	94.986	-	-	-	-	-	-	-	<b>94.986</b>
Commercial Institutions	5.117.986	-	-	-	-	-	-	-	<b>5.117.986</b>
Other Institutions	-	-	-	-	-	-	-	-	-
Commercial and Other Institutions	20.105	-	-	-	-	-	-	-	<b>20.105</b>
Banks and Participation Banks	286.333	-	-	-	-	-	-	-	<b>286.333</b>
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	286.333	-	-	-	-	-	-	-	<b>286.333</b>
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	<b>13.033.699</b>	<b>3.444.170</b>	<b>1.497.705</b>	<b>1.316.331</b>	<b>123.474</b>	-	-	<b>19.415.379</b>
Public Sector	-	5.865.629	94.9950	1.056.924	3.117	-	-	-	<b>7.875.620</b>
Commercial Institutions	-	6.898.559	2.344.662	373.842	1.308.697	123.474	-	-	<b>11.049.234</b>
Other Institutions	-	125.552	31.418	2.034	-	-	-	-	<b>159.004</b>
Commercial and Other Institutions	-	143.959	118.140	64.905	4.517	-	-	-	<b>331.521</b>
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
<b>V. Real Persons Current Accounts Non- Trade FC</b>	<b>13.656.496</b>	-	-	-	-	-	-	-	<b>13.656.496</b>
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	<b>2.497.226</b>	<b>350.410</b>	<b>20.179</b>	<b>35.765</b>	<b>28.097</b>	-	-	<b>2.931.677</b>
<b>VII. Other Current Accounts FC</b>	<b>23.419.479</b>	-	-	-	-	-	-	-	<b>23.419.479</b>
Residents in Türkiye-Corporate	9.819.271	-	-	-	-	-	-	-	<b>9.819.271</b>
Residents Abroad-Corporate	13.583.612	-	-	-	-	-	-	-	<b>13.583.612</b>
Banks and Participation Banks	16.596	-	-	-	-	-	-	-	<b>16.596</b>
Central Bank of Türkiye	6.141	-	-	-	-	-	-	-	<b>6.141</b>
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	10.455	-	-	-	-	-	-	-	<b>10.455</b>
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other-FC</b>	-	<b>1.701.301</b>	<b>275.985</b>	<b>152.140</b>	<b>24.115</b>	<b>519</b>	-	-	<b>2.154.060</b>
Public sector	-	3.670	74	-	-	-	-	-	<b>3.744</b>
Commercial institutions	-	696.248	177.986	152.140	24.115	519	-	-	<b>1.051.008</b>
Other institutions	-	6.842	-	-	-	-	-	-	<b>6.842</b>
Commercial and Other Institutions	-	994.541	97.925	-	-	-	-	-	<b>1.092.466</b>
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
<b>IX. Precious Metals Deposits</b>	<b>1.291.088</b>	<b>602.867</b>	<b>198.260</b>	<b>12.683</b>	<b>14.023</b>	<b>1.975</b>	-	-	<b>2.120.896</b>
<b>X. Participation Accounts Special Fund Pools TL</b>	-	<b>108.383</b>	<b>427.210</b>	<b>503</b>	<b>50.577</b>	-	-	-	<b>586.673</b>
Residents in Türkiye	-	108.383	427.210	503	50.577	-	-	-	<b>586.673</b>
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation Accounts Special Fund Pools – FC</b>	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	<b>44.489.533</b>	<b>20.697.462</b>	<b>8.882.652</b>	<b>3.080.088</b>	<b>1.616.931</b>	<b>239.168</b>	<b>166.189</b>	-	<b>79.172.023</b>

The participation account balance is 3.294.695 TL "Exchange Rate Protected Turkish Lira Time Deposit" opened within the scope of the announcement of the Ministry of Treasury and Finance of the Republic of Turkey dated December 24, 2021, the product published by the CBRT in the Official Gazette dated December 21, 2021 and numbered 31696, "Foreign Exchange Convertible Exchange Rate Protected Turkish It also includes the balances of 6.689.223 TL opened within the scope of "Lira Time Deposits" and 2.920.463 TL opened within the scope of the product "YUVAM Accounts" published in the Official Gazette dated February 1, 2022 and numbered 31737.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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

**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated liabilities (Continued):****1. Information on funds collected (Continued):****b) Saving deposits and other deposits accounts insured by Saving Deposit Insurance Fund****b.1) Exceeding the limit of Insurance Fund**

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

	Under the guarantee of Insurance		Exceeding the guarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Real persons' current and participation accounts not subject to trading transactions	3.892.726	1.872.374	46.003.044	26.084.753
Turkish Lira accounts	1.722.154	1.054.203	15.134.112	8.785.745
Foreign currency accounts	2.170.572	818.171	30.868.932	17.299.008
Foreign branches' deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

Information on legal persons' current and participation accounts under the guarantee of insurance and exceeding the limit of Insurance Fund:

	Under the guarantee of Insurance		Exceeding the guarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Legal persons' current and participation accounts	2.342.310	967.011	86.433.036	41.922.324
Turkish Lira accounts	1.122.028	553.920	28.429.929	16.227.368
Foreign currency accounts	1.220.282	413.091	58.003.107	25.694.956
Foreign branches' deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

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



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

**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated liabilities (Continued):****1. Information on funds collected (Continued):****b.2) Funds collected which are not under the guarantee of insurance fund**

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

	<b>Current Period</b>	<b>Prior Period</b>
Foreign Branches' Profit-Sharing Accounts and Other Accounts	-	-
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit-Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	2.263	9.763
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Türkiye in order to engage solely in Off-Shore Banking Activities	-	-

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

	<b>Current Period</b>	<b>Prior Period</b>
Foreign Branches' Profit-Sharing Accounts and Other Accounts	-	-
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit-Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	17944	50.577
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Türkiye in order to engage solely in Off-Shore Banking Activities	-	-

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated liabilities (Continued):****2. Information on funds borrowed****a.1 Information on types of funds borrowed:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Syndication loans	-	-	-	-
Wakala	242.905	1.004.966	149.370	364.003
Loans obtained from lease certificates issued (Sukuk)	-	-	-	385.562
Other	-	-	-	-
<b>Total</b>	<b>242.905</b>	<b>1.004.966</b>	<b>149.370</b>	<b>749.565</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	242.905	472.290	149.370	364.003
Loans from foreign banks, institutions and funds	-	532.676	-	385.562
<b>Total</b>	<b>242.905</b>	<b>1.004.966</b>	<b>149.370</b>	<b>749.565</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	68.220	547.638	104.207	405.945
Medium and Long-Term	174.685	457.328	45.163	343.620
<b>Total</b>	<b>242.905</b>	<b>1.004.966</b>	<b>149.370</b>	<b>749.565</b>

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

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

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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

**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated liabilities (Continued):****3. Information on securities issues**

Emlak Katılım Varlık Kiralama A.Ş., the subsidiary of the Group to raise funds from various investors. The Lease Certificate issuance transactions carried out through the company are as follows:

Date of issue	Amount of issue	Currency	Maturity	Share of Profit Rate % <sup>(*)</sup>
November 14, 2022 Monday	220.000.000	TL	January 18, 2024 Thursday	Fixed Rate
November 14, 2022 Monday	500.000.000	TL	January 18, 2024 Thursday	Fixed Rate
December 6, 2022 Tuesday	100.000.000	TL	January 3, 2024 Wednesday	Fixed Rate
February 1, 2023 Wednesday	140.000.000	TL	February 7, 2024 Wednesday	Fixed Rate
February 20, 2023 Monday	94.000.000	TL	March 5, 2024 Tuesday	Fixed Rate
March 3, 2023 Friday	300.000.000	TL	March 7, 2024 Thursday	Fixed Rate
April 7, 2023 Friday	110.000.000	TL	April 19, 2024 Friday	Fixed Rate
May 4, 2023 Thursday	100.000.000	TL	May 8, 2024 Wednesday	Fixed Rate
May 23, 2023 Tuesday	120.000.000	TL	June 7, 2024 Friday	Fixed Rate
June 12, 2023 Monday	200.000.000	TL	June 14, 2024 Friday	Fixed Rate
June 16, 2023 Friday	215.000.000	TL	June 28, 2024 Friday	Fixed Rate
August 2, 2023 Wednesday	318.000.000	TL	August 2, 2024 Friday	Fixed Rate
September 1, 2023 Friday	200.000.000	TL	September 5, 2024 Thursday	Fixed Rate
September 27, 2023 Wednesday	285.000.000	TL	January 5, 2024 Friday	Fixed Rate
October 3, 2023 Tuesday	210.000.000	TL	October 3, 2024 Thursday	Fixed Rate
October 5, 2023 Thursday	320.000.000	TL	October 9, 2024 Wednesday	Fixed Rate
October 6, 2023 Friday	306.000.000	TL	January 19, 2024 Friday	Fixed Rate
October 12, 2023 Thursday	130.000.000	TL	January 18, 2024 Thursday	Fixed Rate
October 13, 2023 Friday	401.000.000	TL	January 19, 2024 Friday	Fixed Rate
October 19, 2023 Thursday	193.000.000	TL	January 31, 2024 Wednesday	Fixed Rate
November 1, 2023 Wednesday	162.000.000	TL	November 1, 2024 Friday	Fixed Rate
November 16, 2023 Thursday	135.000.000	TL	February 22, 2024 Thursday	Fixed Rate
November 17, 2023 Friday	300.000.000	TL	March 1, 2024 Friday	Fixed Rate
November 17, 2023 Friday	470.000.000	TL	February 28, 2024 Wednesday	Fixed Rate
November 28, 2023 Tuesday	300.000.000	TL	March 1, 2024 Friday	Fixed Rate
November 29, 2023 Wednesday	950.000.000	TL	March 7, 2024 Thursday	Fixed Rate
November 29, 2023 Wednesday	900.000.000	TL	March 13, 2024 Wednesday	Fixed Rate
December 4, 2023 Monday	200.000.000	TL	March 6, 2024 Wednesday	Fixed Rate
December 6, 2023 Wednesday	66.000.000	TL	March 6, 2024 Wednesday	Fixed Rate
December 8, 2023 Friday	120.000.000	TL	March 15, 2024 Friday	Fixed Rate
December 18, 2023 Monday	416.000.000	TL	April 5, 2024 Friday	Fixed Rate
December 22, 2023 Friday	100.000.000	TL	March 22, 2024 Friday	Fixed Rate
December 25, 2023 Monday	100.000.000	TL	March 27, 2024 Wednesday	Fixed Rate
December 27, 2023 Wednesday	195.320.000	TL	January 3, 2025 Friday	Fixed Rate
December 27, 2023 Wednesday	350.000.000	TL	April 19, 2024 Friday	Fixed Rate
November 14, 2022 Monday	220.000.000	TL	January 18, 2024 Thursday	Fixed Rate
November 14, 2022 Monday	500.000.000	TL	January 18, 2024 Thursday	Fixed Rate
December 6, 2022 Tuesday	100.000.000	TL	January 3, 2024 Wednesday	Fixed Rate
February 1, 2023 Wednesday	140.000.000	TL	February 7, 2024 Wednesday	Fixed Rate

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated liabilities (Continued):****3. Information on securities issues (Continued)****a. Spreadsheet on securities issued**

	Current Period		Prior Period	
	TP	YP	TP	YP
Lease Certificate	8.730.931	-	5.031.689	-
<b>Total</b>	<b>8.730.931</b>	<b>-</b>	<b>5.031.689</b>	<b>-</b>

**4. Information on derivative financial liabilities**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	2.612	-	2.261	-
Swap Transactions	24.587	-	-	11.536
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>27.199</b>	<b>-</b>	<b>2.261</b>	<b>11.536</b>

**5. Information on Finance Lease Payables (Net):**

	Current Period		Prior Period	
	TL	FC	TL	FC
Less than 1 year	83.294	-	50.502	-
Between 1-5 years	330.463	-	173.057	-
Over 5 years	93.562	-	54.689	-
<b>Total</b>	<b>507.319</b>	<b>-</b>	<b>278.248</b>	<b>-</b>

**6. Information on hedging derivative financial liabilities:**

None (December 31, 2022: None).

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated liabilities (Continued):****7. Information on provisions:****a. Information on provisions for employee rights:**

As of the balance sheet date of the Parent Bank, the provision for severance pay amounting to 32.146 TL (31 December 2022: 38.248 TL) and the provision for leave fees amounting to 25.761 TL (31 December 2022: 10.027 TL) (31 December 2022: 90.000 TL) for a total of 501.000 TL. (December 31, 2022: 138.275 TL) provision for employee rights.

The Group has calculated the reserve for employee termination benefits using actuarial valuation methods as indicated in TAS 19. Accordingly, following actuarial assumptions were used in the calculation of the total liability.

	Current Period	Prior Period
Discount rate (%)	24,60	10,60
Estimated increase rate of salary ceiling (%)	21,56	8,80

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

	Current Period	Prior Period
Prior period at the end of period	38.248	8.170
Change in the period	25.471	6.356
Actuarial (gain)/loss	(31.573)	23.722
<b>Balance at the end of period</b>	<b>32.146</b>	<b>38.248</b>

**b. Other Provisions:**

	Current Period	Prior Period
Provisions allocated from profit shares to be distributed to profit sharing accounts	281.150	103.969
Provisions for possible risks <sup>(1)</sup>	2.850.432	642.414
Provisions for cases on trial	4.552	4.354
Impairment provision	3.275	4.059
Expected expected credit loss for Stage 1 and Stage 2 for non-cash loans	131.301	152.633
<b>Total</b>	<b>3.270.710</b>	<b>907.429</b>

<sup>(1)</sup> Includes free provision amounting to 2.850.432 TL set aside by the Parent Bank management outside the requirements of BRSA Accounting and Financial Reporting Legislation. (December 31, 2022: 642.414 TL).

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

None. (December 31, 2022: None).

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated liabilities (Continued):****8. Information on taxes payable****a. Explanations on current tax liability****a.1. Explanations on the provision for money**

As of December 31, 2023, the Group does not have any tax debt remaining after deducting the corporate taxes paid (December 31, 2022: None).

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

	Current Period	Prior Period
Corporate taxes payable	1.082.213	1.215.294
Banking insurance transaction tax	83.987	31.817
Income tax deducted from wages	21.857	33.449
Taxation on securities income	28.205	10.447
Foreign exchange transaction tax	69.303	45.618
Value added tax payable	11.876	4.546
Taxation on real estate income	1.335	770
Other	2.021	3.098
<b>Total</b>	<b>1.300.797</b>	<b>1.345.039</b>

**a.3. Information on premiums**

	Current Period	Prior Period
Social security premiums-employee	3	87
Social security premiums-employer	2	59
Unemployment insurance-employee	12.392	8.296
Unemployment insurance-employer	18.158	12.148
Bank pension fund premium- employees	-	-
Bank pension fund premium- employer	-	-
Pension fund membership fees and provisions-employees	3.422	1.888
Pension fund membership fees and provisions- employer	1.702	941
Other	-	-
<b>Total</b>	<b>35.679</b>	<b>23.419</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated liabilities (Continued):****9. Liabilities for assets held for sale and discontinued operations**

None. (December 31, 2022: None.)

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowing Instruments to be Included in Additional Capital Calculation	-	7.078.467	-	4.110.376
Subordinated Loans	-	7.078.467	-	4.110.376
Subordinated Debt Instruments	-	-	-	-
Debt Instruments to be Included in the Contribution Capital Calculation	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
<b>Total</b>	<b>-</b>	<b>7.078.467</b>	<b>-</b>	<b>4.110.376</b>

As of December 31, 2023 the Group has a subordinated debt that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR) and a subordinated debt that creditor is Türkiye Varlık Fonu A.Ş., starting date of March 9, 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31.688,489 (Full Euro). The related borrowing instrument has no option to pay dividends and convert to share certificates.

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

As of the balance sheet date, the Group's total other liabilities amount to TL 3.017.694 (December 31, 2022: TL 1.007.967) and do not exceed 10% of the total liabilities.

**12. Information on shareholders' equity****a. Presentation of paid-in capital**

	Current Period	Prior Period
Common stock	1.026.915	1.026.915
Preferred stock	-	-

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

As of December 31, 2023 and December 31, 2022, the Parent Bank does not apply the registered share capital system.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated liabilities (Continued):****12. Information on shareholders' equity (Continued)****c. Information on the share capital increases during the period and their sources; other information on increased capital in the current period**

None.

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

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

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

There are no capital commitments.

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

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

**g. Information on privileges given to stocks representing the capital**

There is no privilege given to stocks representing the capital.

**h. Information on marketable securities valuation reserve**

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference <sup>(1)</sup>	671.615	108.884	1.520.003	22.224
Foreign exchange difference	-	-	-	-
<b>Total</b>	<b>671.615</b>	<b>108.884</b>	<b>1.520.003</b>	<b>22.224</b>

<sup>(1)</sup>The related balance is the net amount after deducting the deferred tax calculation related to the valuation difference.



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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and notes related to consolidated liabilities (Continued):****12. Information on shareholders' equity (Continued)****i. Information on other capital reserves**

As of December 31, 2023 the Group has an subordinated debt that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR) and a subordinated debt that creditor is Türkiye Varlık Fonu A.Ş., starting date of March 9, 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31.688,489 (Full Euro) which are been the financial liability is recorded at fair value and the difference between cost value and fair value is accounted under "Other Capital Reserves" in shareholders' equity at the date of initial acquisition.

In addition, government securities with no fixed term and with 0% return are classified as 'financial assets carried at amortized cost' and recorded to the balance sheet with the reduced amount of government securities' rate of return, in accordance with the decision taken by the Parent Bank's Management. The difference between the initial acquisition date cost value and the reduced amount is recorded under 'Other Capital Reserves' account in shareholders' equity.

**III. Explanations and notes related to consolidated off-balance sheet:****1. Explanations on off balance sheet liabilities:****a. Type and amount of irrevocable loan commitments:**

	Current Period	Prior Period
Guaranteed Loan Allocation Commitments	9.126.506	4.307.375
Forward Asset Value Trading Commitments	8.510.140	4.369.088
Payment Commitments for Cheques	313.805	170.002
Tax and Fund Liabilities from Export Commitments	-	-
Commitments for Credit Card Expenditure Limits	-	-
Affiliate Capital Commitments	67.500	-
Other Irrevocable Commitments	524.822	1.364.944
<b>Total</b>	<b>18.542.773</b>	<b>10.211.409</b>

**b. Type and amount of possible losses and commitments arising from off-balance sheet items:****b.1. Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit:**

	Current Period	Prior Period
Letters of Guarantees	19.279.232	9.845.271
Letters of Credit	18.155	200.437
Bank Loans	591.907	429.301
Other Guarantees and Sureties	-	-
<b>Total</b>	<b>19.889.294</b>	<b>10.475.009</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****III. Explanations and notes related to consolidated off-balance sheet: (Continued)****1. Explanations on off balance sheet liabilities (Continued)****b. Type and amount of possible losses and commitments arising from off-balance sheet items (Continued)****b.2. Revocable, irrevocable guarantees and other similar commitments and contingencies:**

	<b>Current Period</b>	<b>Prior Period</b>
Temporary letters of guarantees	549.398	523.772
Advance letters of guarantees	11.488.909	854.173
Letters of guarantees given to customs	1.914.180	334.379
Long standing letters of guarantees	749.671	5.651.877
Letters of guarantees given for obtaining cash loans	41.058	2.475.291
Other	4.536.016	5.779
<b>Total</b>	<b>19.279.232</b>	<b>9.845.271</b>

**c. Within the Non-cash Loans:****c.1. Total amount of non-cash loans:**

	<b>Current Period</b>	<b>Prior Period</b>
Non-cash loans given against cash loans	4.536.016	2.475.291
With original maturity of 1 year or less	89.679	206.803
With original maturity of more than 1 year	4.446.337	2.268.488
Other non-cash loans	15.353.278	7.999.718
<b>Total</b>	<b>19.889.294</b>	<b>10.475.009</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****III. Explanations and notes related to consolidated off-balance sheet: (Continued)****1. Explanations on off balance sheet liabilities (Continued)****c. Within the Non-cash Loans: (Continued)****c.2. Sectoral risk concentration of non-cash loans:**

	Current Period			
	TL	(%)	FC	(%)
<b>Agricultural</b>	<b>204.487</b>	<b>1,32</b>	<b>(1)</b>	<b>-</b>
Farming and stockbreeding	60.331	0,39	-	-
Forestry	144.156	0,93	(1)	-
Fishery	-	-	-	-
<b>Manufacturing</b>	<b>3.700.318</b>	<b>23,97</b>	<b>1.410.682</b>	<b>31,70</b>
Mining	10.650	0,07	-	-
Production	2.971.307	19,25	1.271.667	28,58
Electricity, gas and water	718.361	4,65	139.015	3,12
<b>Construction</b>	<b>4.831.498</b>	<b>31,29</b>	<b>419.397</b>	<b>9,42</b>
<b>Services</b>	<b>5.830.995</b>	<b>37,77</b>	<b>1.776.313</b>	<b>39,91</b>
Wholesale and retail trade	3.943.018	25,54	918.941	20,65
Hotel, food and beverage services	124.776	0,81	4.902	0,11
Transportation and telecommunication	326.164	2,11	728.043	16,36
Financial Institutions	5.076	0,03	22.160	0,50
Real estate and renting services	21.514	0,14	3.457	0,08
Self-employment services	223.475	1,45	-	-
Education services	748.775	4,85	45.564	1,02
Health and social services	438.197	2,84	53.246	1,20
<b>Other</b>	<b>871.318</b>	<b>5,65</b>	<b>844.287</b>	<b>18,96</b>
<b>Total</b>	<b>15.438.616</b>	<b>100</b>	<b>4.450.678</b>	<b>100</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****III. Explanations and notes related to consolidated off-balance sheet: (Continued)****1. Explanations on off balance sheet liabilities (Continued)****c. Within the Non-cash Loans: (Continued)****c.2. Sectoral risk concentration of non-cash loans: (Continued)**

	Prior Period			
	TL	(%)	FC	(%)
<b>Agricultural</b>	<b>154.962</b>	<b>2,16</b>	<b>1.795</b>	<b>0,05</b>
Farming and stockbreeding	300	-	-	-
Forestry	154.662	2,16	1.795	0,05
Fishery	-	-	-	-
<b>Manufacturing</b>	<b>1.603.247</b>	<b>22,37</b>	<b>1.408.056</b>	<b>42,58</b>
Mining	58.961	0,82	-	-
Production	1.452.500	20,26	1.335.765	40,40
Electricity, gas and water	91.786	1,28	72.291	2,19
<b>Construction</b>	<b>2.308.052</b>	<b>32,20</b>	<b>399.337</b>	<b>12,08</b>
<b>Services</b>	<b>2.513.432</b>	<b>35,06</b>	<b>1.134.294</b>	<b>34,30</b>
Wholesale and retail trade	1.657.571	23,12	531.343	16,07
Hotel, food and beverage services	44.996	0,63	-	-
Transportation and telecommunication	265.923	3,71	459.846	13,91
Financial Institutions	2.748	0,04	16.070	0,49
Real estate and renting services	15.725	0,22	4.241	0,13
Self-employment services	82.786	1,15	-	-
Education services	225.191	3,14	74.659	2,26
Health and social services	218.492	3,05	48.135	1,46
<b>Other</b>	<b>588.665</b>	<b>8,21</b>	<b>363.169</b>	<b>10,98</b>
<b>Total</b>	<b>3.024.434</b>	<b>100,00</b>	<b>3.136.467</b>	<b>100,00</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****III. Explanations and notes related to consolidated off-balance sheet: (Continued)****1. Explanations on off balance sheet liabilities (Continued)****c. Within the Non-cash Loans: (Continued)****c.3. Information on the non-cash loans classified in Group I and Group II**

<b>Current Period</b>	<b>I. Group</b>		<b>II. Group</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Non-cash loans</b>	<b>15.426.191</b>	<b>4.450.678</b>	<b>12.425</b>	<b>-</b>
Letters of Guarantee	15.414.941	3.851.866	12.425	-
Guarantees and Acceptance Loans	11.250	6.905	-	-
Letters of credit	-	591.907	-	-
Turnover	-	-	-	-
Guarantees for Purchase in Securities Issue	-	-	-	-
From Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	-	-	-
<b>Prior Period</b>	<b>I. Group</b>		<b>II. Group</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Non-cash loans</b>	<b>2.993.110</b>	<b>3.136.467</b>	<b>30.874</b>	<b>-</b>
Letters of Guarantee	7.131.703	2.680.614	4.243	-
Guarantees and Acceptance Loans	3.701	196.736	-	-
Letters of credit	-	429.301	-	-
Turnover	-	-	-	-
Guarantees for Purchase in Securities Issue	-	-	-	-
From Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	-	-	-

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****III. Explanations and notes related to consolidated off-balance sheet: (Continued)****1. Explanations on off balance sheet liabilities (Continued)****Explanations on derivative transactions**

	Derivative transactions according to purpose 31 December 2023	Derivative transactions according to purpose 31 December 2022
<b>Trading Derivatives</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>11.064.818</b>	<b>10.231.101</b>
Currency Forwards-Purchases, sales	490.875	912.033
Currency Swaps-Purchases, sales	10.573.943	9.319.068
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
<b>Profit share Rate Related Derivative Transactions (II)</b>	<b>-</b>	<b>-</b>
Profit share rates forwards-Purchase, sales	-	-
Profit share rates swaps-Purchases, sales	-	-
Profit share rates options-Purchases, sales	-	-
Profit share rates futures-Purchases, sales	-	-
<b>Other Trading Derivatives (III)</b>	<b>-</b>	<b>-</b>
<b>A. Total Trading Derivatives (I + II + III)</b>	<b>11.064.818</b>	<b>10.231.101</b>
<b>Hedging Derivatives</b>		
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
<b>B. Total Hedging Derivatives</b>	<b>-</b>	<b>-</b>
<b>Total Derivatives Transactions (A+B)</b>	<b>11.064.818</b>	<b>10.231.101</b>

**Explanations on contingent assets and liabilities:**

The Group has made a provision amounting to TL 4.552 (December 31, 2022: TL 4.354), as presented under "Other Provisions" note in Section Five Note II.7b, for the lawsuits opened by various real persons and legal entities against the Group with high probability of realization and cash outflows.

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

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

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and notes related to consolidated the statement of income or loss:****1. Information on profit share income:****a) Information on profit share income received from loans:**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Profit share received from loans</b>				
Short Term Loans	6.229.961	754.023	2.497.502	244.533
Medium and Long Term Loans	3.539.537	369.114	2.234.902	299.835
Profit Share on Non-Performing Loans	3.186	357	2.389	28
<b>Total</b>	<b>9.772.684</b>	<b>1.123.494</b>	<b>4.734.793</b>	<b>544.396</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	764.274	-	974.72	-
Domestic Banks	6.923	-	278	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
<b>Total</b>	<b>771.197</b>	<b>-</b>	<b>97.750</b>	<b>-</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	364.982	56.370	85.789	24.977
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	2.622.799	214.086	2.052.998	94.343
Financial Assets Measured at Amortized Cost	1.370.745	257.809	452.189	160.753
<b>Total</b>	<b>4.358.526</b>	<b>528.265</b>	<b>2.590.976</b>	<b>280.073</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and notes related to the statement of income or loss (Continued):****1. Information on profit share income: (Continued)****d) Information on profit share income received from associates and subsidiaries:**

None. (December 31, 2022: None.)

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

Current Period	Profit Sharing Accounts						Accumulated participation accounts	Total
	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 year	More than 1 year		
<b>TL</b>								
Funds collected from banks through current and profit sharing accounts	49.619	114.831	9.133	-	-	-	-	173.583
Real persons' non-trading profit sharing accounts	59.820	1.520.590	413.327	-	3.174	227.630	-	2.224.541
Public sector profit-sharing accounts	1.018.961	403.044	95.576	-	1.500	334	-	1.519.415
Commercial sector profit sharing accounts	437.786	2.704.638	291.007	-	22.120	177.012	-	3.632.563
Other institutions profit sharing accounts	7.040	222.676	1.176	-	-	-	-	230.892
<b>Total</b>	<b>1.573.226</b>	<b>4.965.779</b>	<b>810.219</b>	<b>-</b>	<b>26.794</b>	<b>404.976</b>	<b>-</b>	<b>7.780.994</b>
<b>FC</b>								
Banks	-	-	-	-	-	-	-	-
Real persons' non-trading profit sharing accounts	6.341	17.881	812	-	7.400	251	-	32.685
Public sector profit sharing accounts	4.455	149	-	-	-	-	-	4.604
Public sector profit sharing accounts	15.881	22.158	291	-	9.143	-	-	47.473
Other institutions profit sharing accounts	16	37	-	-	-	-	-	53
Precious metals deposits	3.011	-	-	-	-	-	-	3.011
<b>Total</b>	<b>29.704</b>	<b>40.225</b>	<b>1.103</b>	<b>-</b>	<b>16.543</b>	<b>251</b>	<b>-</b>	<b>87.826</b>
<b>Grand Total</b>	<b>1.602.930</b>	<b>5.006.004</b>	<b>811.322</b>	<b>-</b>	<b>43.337</b>	<b>405.227</b>	<b>-</b>	<b>7.868.820</b>



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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and notes related to the statement of income or loss (Continued):****1. Information on profit share income: (Continued)****a. Distribution of profit share expense on funds collected based on maturity of funds collected (Continued)**

Prior Period	Profit Sharing Accounts						Accumulated participation accounts	Total
	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 year	More than 1 year		
<b>TL</b>								
Funds collected from banks through current and profit sharing accounts	4.534	80.875	-	-	-	-	-	85.409
Real persons' non-trading profit sharing accounts	27.241	514.730	109.435	-	1.181	40.814	-	693.401
Public sector profit-sharing accounts	479.517	96.766	60.927	-	5.868	195	-	643.273
Commercial sector profit sharing accounts	285.590	910.833	175.651	-	8.262	104.180	-	1.484.516
Other institutions profit sharing accounts	7.989	85.391	5.538	-	-	-	-	98.918
<b>Total</b>	<b>804.871</b>	<b>1.688.595</b>	<b>351.551</b>	<b>-</b>	<b>15.311</b>	<b>145.189</b>	<b>-</b>	<b>3.005.517</b>
<b>FC</b>								
Banks	-	6.204	-	-	-	-	-	6.204
Real persons' non-trading profit sharing accounts	11.177	54.868	4.559	-	5.046	392	-	76.042
Public sector profit sharing accounts	-	2.693	-	-	-	-	-	2.693
Public sector profit sharing accounts	11.088	151.118	35.165	-	1.616	-	-	198.987
Other institutions profit sharing accounts	1.761	2.680	-	-	-	-	-	4.441
Precious metals deposits	2.855	-	-	-	-	-	-	2.855
<b>Total</b>	<b>26.881</b>	<b>217.563</b>	<b>39.724</b>	<b>-</b>	<b>6.662</b>	<b>392</b>	<b>-</b>	<b>291.222</b>
<b>Grand Total</b>	<b>831.752</b>	<b>1.906.158</b>	<b>391.275</b>	<b>-</b>	<b>21.973</b>	<b>145.581</b>	<b>-</b>	<b>3.296.739</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and notes related to the statement of income or loss (Continued):****2. Explanations on profit share expenses (Continued):****b) Information on profit share expense paid to funds borrowed:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	76.747	67.707	26.733	28.479
CBRT	-	-	-	-
Domestic banks	76.747	36.254	26.733	13.009
Foreign banks	-	31.453	-	15.470
Head offices and branches abroad	-	-	-	-
Other institutions	-	280.109	322	173.962
<b>Total</b>	<b>76.747</b>	<b>347.816</b>	<b>27.055</b>	<b>202.441</b>

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

None. (December, 2022: None.)

**d) Profit share expenses paid to marketable securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share expense paid to marketable securities issued	1.971.391	-	740.245	-
<b>Total</b>	<b>1.971.391</b>	<b>-</b>	<b>740.245</b>	<b>-</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and notes related to consolidated the statement of income or loss (Continued):****3. The Other Items in Net Fees and Commission Income/Expenses, which constitute at least 20% of the total of other items, if the total of other items in income statement exceed 10% of the total of income statement**

<b>Other Fees and Commissions Received</b>	<b>Current Period</b>	<b>Prior Period</b>
Banking service package commissions	1.344.480	150.588
Remittance Commissions	512.421	113.306
Fees and commissions from correspondents	228.003	27.086
Import commissions	45.350	14.633
Appraisal fees	22.623	7.516
Insurance and brokerage commissions	50.658	8.218
Early closing commission income	15.476	6.020
Limit allocation commission	7.106	8.633
Fees and commissions from member merchant pos	7.646	1.814
Safe deposit box revenues	1.251	848
Other commissions received and service income	53.098	23.130
<b>Total</b>	<b>2.288.112</b>	<b>361.792</b>
<b>Other Fees and Commissions Given</b>	<b>Current Period</b>	<b>Prior Period</b>
Expenses and commissions given to correspondents abroad	78.693	20.223
Required reserve commissions given for CBRT FX	63.758	105.299
Commissions and fees given for EFT	5.905	2.720
Commissions and fees given for credit cards	2.340	1.087
Commissions given to credits used	366	235
Commissions and fees for Merchant POS	-	-
Other commissions and fees	12.536	6.073
<b>Total</b>	<b>163.598</b>	<b>135.637</b>

**4. Information on dividend income:**

None. (December, 31 2022: None.)

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and notes related to consolidated the statement of income or loss (Continued):****5. Explanations on trading income/loss (net):**

	Current Period	Prior Period
<b>Income</b>	<b>21.060.338</b>	<b>11.285.906</b>
Income from capital market transactions	46.205	14.414
Income from derivative financial instruments	1.109.649	1.585.983
Foreign exchange income	19904484	9685.509
<b>Loss (-)</b>	<b>16.332.596</b>	<b>9424.636</b>
Loss on capital market transactions	1.259	1.546
Loss on derivative financial instruments	1.919.298	956.645
Foreign exchange losses	14412.039	8466.445
<b>Trading income/loss (net)</b>	<b>4.727.742</b>	<b>1.861.270</b>

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

	Current Period	Prior Period
Income from provisions made in previous years	582.191	113.629
Income from sales of assets	5.127	29.157
Cancellation of communication expenses provision	451	199
Lease income	63.905	9.267
Other income	8	8
<b>Total</b>	<b>651.682</b>	<b>152.260</b>

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and notes related to consolidated the statement of income or loss (Continued):****7. Expected loss provision expenses and other provision expenses:**

	Current Period	Prior Period
(b) Expected Credit Loss	<b>429.826</b>	<b>787.594</b>
12-month expected credit loss (stage 1)	288.960	690.040
Significant increase in credit risk (stage 2)	18.941	22.259
Non-performing loans (stage 3)	121.925	75.295
(c) Marketable Securities Impairment Expense	<b>1.773</b>	<b>3.065</b>
(d) Financial Assets at Fair Value through Profit or Loss	1.773	3.065
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Investments Held to Maturity	-	-
Other <sup>(1)</sup>	<b>2.331.805</b>	<b>685.663</b>
<b>Total</b>	<b>2.763.404</b>	<b>1.476.322</b>

<sup>(1)</sup> Other provision expense includes, provision for litigation of TL 834, a free reserve of TL 2.208.018, a provision from profits to be distributed to participation accounts of TL 122.953.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and notes related to consolidated the statement of income or loss (Continued):****8. Information on other operating expenses:**

	Current Period	Prior Period
Reserve for Employee Termination Benefits <sup>(1)</sup>	23.651	6.356
Unused vacation provision <sup>(1)</sup>	21.321	-
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Fixed Assets	164.405	95.790
Intangible asset impairment expenses	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	13.454	8.517
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and assets of discontinued operations	-	-
Other operating expenses	1.535.595	209.578
Lease expenses related to TFRS 16 exemptions	2.823	1.898
Operating Maintenance expenses	49.827	22.438
Advertisement expenses	118.272	73.151
Other expenses <sup>(1)</sup>	1.364.673	112.091
Loss on sale of assets	-	-
Other <sup>(2)</sup>	302.815	103.697
<b>Total</b>	<b>2.061.241</b>	<b>423.938</b>

<sup>(1)</sup> Provision for employment termination benefits and accumulated vacation provisions presented in other provisions, which are not included in other operating expenses in the statement of income or loss, are included in this table.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and notes related to the statement of income or loss (Continued):****8. Information on other operating expenses (Continued):**

(1) Details of "Other Expenses" balance under Other Operating Expenses are as follows:

	Current Period	Prior Period
Communication Expenses	57069	23.260
Cleaning Expenses	57571	18.886
Heating, Lighting and Water Expenses	27759	18.449
Insurance Expenses	24.644	8.399
Vehicle Expenses	15.387	9.615
Representation and Hospitality expenses	635	628
Donations and grants	10.388	4.852
Stationery expenses	3.901	2.837
Participation on common expenses	2.690	1.253
Litigation and court expenses	1.077.681	974
Other	86.948	22.938
<b>Total</b>	<b>1.364.673</b>	<b>112.091</b>

(2) Other balance details are as below table:

	Current Period	Prior Period
Taxes, Duties, Charges and Funds	38.960	12.666
Audit and Consultancy Fees	180.568	47.472
Participation Share Expenses	9.810	4.624
Saving Deposit Insurance Fund	45.385	15.895
Other	28.092	23.040
<b>Total</b>	<b>302.815</b>	<b>103.697</b>

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

The portion of the Group's profit before tax amounting to TL 6.286.570 (December 31, 2022: TL 3.918.173) consists of net profit share income and TL 2.296.116 (December 31, 2022: TL 305.663) consists of net fee and commission expenses, and the total of other operating expenses is 2.016.269 TL (December 31, 2022: TL 417.582).

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and notes related to consolidated the statement of income or loss (Continued):****10. Explanations on tax provision for Continued and disContinued operations:**

As of December 31, 2023, the Group has deferred tax income amounting to TL 2.940.957 (December 31, 2022: TL 1.349.214), deferred tax expense amounting to TL 2.065.460 (December 31, 2022: TL 288.676). As of December 31, 2023, the Group's current tax provision is TL 3.332.030 (December 31, 2022: 1.976.244).

Since the Group does not have any disContinued operations, there is no tax provision for disContinued operations (December 31, 2022: None).

**11. Explanations on tax provision for Continued and disContinued operations:**

The Group has no disContinued operations. The net profit for the period has been recorded as TL 7.600.388 (December 31, 2022: TL 3.729.501) as a result of deducting the period tax provision expense from TL 2.456.533 (December 31, 2022: TL 915.706) to TL 5.143.855 (December 31, 2022: TL 2.813.795).

**12. Explanations on net income/loss****a. The nature and amount of certain income and expense items from ordinary operations; if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Group's performance for the period**

None.

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

None.

**c. Profit/loss attributable to minority shares**

None.

**13. Fees for servies obtained from independent auditor/independent audit firm**

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

	Current Period	Prior Period
Independent Audit fee for reporting period	7.608	1.134
Fees for tax consultancy	-	-
Other assurance services' fees	-	-
Other service fees other than independent audit	-	-
<b>Total</b>	<b>7.608</b>	<b>1.134</b>

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

The Parent Bank has not notified amount of profit shares notified after the balance sheet date but before the announcement of the financial statements.

The dividend distribution will be decided at the General Assembly meeting and the General Assembly has not been held as of the date of the attached financial statements.



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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****VI. Explanations and notes related to consolidated the statement of cash flows:****1. Components of cash and cash equivalents and accounting policy applied in their determination**

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

**a. Cash and cash equivalents at the beginning of the period:**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>12.359.982</b>	<b>1.729.354</b>
Cash in TL/foreign currency	295.171	275.301
Cash in transit	1.207.795	610.394
CBRT	10.857.016	843.659
<b>Cash equivalents</b>	<b>4.887.831</b>	<b>1.533.115</b>
Domestic banks	484.464	256.446
Foreign banks	4.403.367	1.276.669
<b>Total cash and cash equivalents</b>	<b>17.247.813</b>	<b>3.262.469</b>

**b. Cash and cash equivalents at the end of the period:**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>39.337.987</b>	<b>12.359.982</b>
Cash in TL/foreign currency	583.626	295.171
Cash in transit	2.948.929	1.207.795
CBRT	35.805.432	10.857.016
<b>Cash equivalents</b>	<b>13.877.892</b>	<b>4.887.831</b>
Domestic banks	485.853	484.464
Foreign banks	13.392.039	4.403.367
<b>Total cash and cash equivalents</b>	<b>53.215.879</b>	<b>17.247.813</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****VI. Explanations and notes related to consolidated the statement of cash flows: (Continued)****2. Cash and cash equivalent items which are restricted for the usage of the Group by legal or other limitations:**

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

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

Included in "Banking activity subject to assets and liabilities prior to change in operating profit" Other item amounting to TL 21.135.499 (December 31, 2022: TL 7996.151) mainly consists of general provisions expense and other operating expenses.

The "net increase/decrease in other liabilities" item in the "change in assets and liabilities subject to banking activities" amounting to TL 2.009.273 (December 31, 2022: TL 1.744.945) consists of changes in lease payables, other foreign resources and taxes, duties, fees and premiums.

The effect of the change in foreign exchange rate on cash and cash equivalents was determined to be approximately TL 5.823.987 (December 31 2022: TL 1.017.920) in the accounting period ended on December 31, 2023.

**VII. Explanations related to the risk group of the Parent Bank****1. The volume of transactions related to the risk group that the Parent Bank belongs to, credit and fund transactions collected at the end of the period, income and expenses for the period****a. Current Period**

Risk Group of the Group <sup>(*)</sup>	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Parent Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
<b>Loans and other receivables</b>						
Balance at the beginning of period	-	-	2.355	-	-	-
Balance at the end of period	-	-	3.637	-	-	-
<b>Profit Share and Commission Income <sup>(**)</sup></b>	-	-	<b>364</b>	-	-	-

(\*) It is defined in Article 49 of the Banking Law No. 5411 and Article 4 of the "Regulation on Credit Transactions of Banks" published on November 1, 2006.

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****VII. Explanations related to the risk group of the Parent Bank (Continued)****1. The volume of transactions related to the risk group that the Parent Bank belongs to, credit and fund transactions collected at the end of the period, income and expenses for the period (Continued)****b. Prior Period**

Risk Group of the Group <sup>(*)</sup>	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Parent Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
<b>Loans and other receivables</b>						
Balance at the beginning of period	-	-	973	-	-	-
Balance at the end of period	-	-	2.355	-	-	-
<b>Profit Share and Commission Income<sup>(*)</sup></b>	-	-	<b>200</b>	-	-	-

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

Risk Group of the Bank <sup>(*)</sup>	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Parent Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Current and profit sharing accounts</b>						
Balance at the beginning of period	-	-	-	-	-	-
Balance at the end of period	-	-	-	-	-	-
<b>Profit share expense</b>	-	-	-	-	-	-

**c.2. Information on forward and option agreements and other similar agreements with the risk group of the Parent Bank:**

The Parent Bank does not have any forward foreign exchange purchase/sales contracts with the risk group it is included.



**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.****NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023**

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

**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IX. Explanations related to subsequent events**

The Parent Bank will be a resource institution/fund user, and by Emlak Katılım Varlık Kiralama A.Ş., domestically, limited to TL 20.000.000, orderly, in Turkish Lira, Based on the lease certificate structure based on the Management Contract foreseen in the terms of 1-60 months and the Communiqué on Lease Certificates (III-61.1), the application to the Capital Markets Board (CMB) regarding the issuance of lease certificates to be sold to the allocated and/or qualified investor was approved by the CMB's decision dated February 3, 2022 and numbered 6/166. Within the scope of the relevant lease certificate issue ceiling, by Emlak Katılım Varlık Kiralama A.Ş., in February 3, 2022, within the scope of the approval of a consistent regular issuance of TL 20.000.000 from the CMB for sale to qualified investors,

- On January 2, 2024, 200.000 TL, with 153 days maturity for domestic qualified investors,
- On January 4, 2024, 200.000 TL, with 376 days maturity, for domestic qualified investors,
- On January 18, 2024, 145.000 TL, with 105 days maturity, for domestic qualified investors,
- On January 19, 2024, 200.000 TL, with 91 days maturity, for domestic qualified investors,
- On January 19, 2024, 389.000 TL, with 378 days maturity, for domestic qualified investors,
- On January 19, 2024, 500.000 TL, with 378 days maturity, for domestic qualified investors,
- On January 19, 2024, 600.000 TL, with 112 days maturity, for domestic qualified investors,
- On January 31, 2024, 225.000 TL, with 98 days maturity, for domestic qualified investors,
- On February 2, 2024, 700.000 TL, with 117 days maturity, for domestic qualified investors,
- On February 5, 2024, 300.000 TL, with 389 days maturity, for domestic qualified investors,
- On February 7, 2024, 169.000 TL, with 387 days maturity, for domestic qualified investors,
- On February 14, 2024, 310.000 TL, with 105 days maturity, for domestic qualified investors,
- On February 22, 2024, 155.500 TL, with 105 days maturity, for domestic qualified investors,
- On February 26, 2024, 80.000 TL, with 101 days maturity, for domestic qualified investors,
- On March 7, 2024, 760.000 TL, with 91 days maturity, for domestic qualified investors,
- On March 7, 2024, 300.000 TL, with 386 days maturity, for domestic qualified investors,
- On March 7, 2024, 658.000 TL, with 386 days maturity, for domestic qualified investors,
- On March 7, 2024, 500.000 TL, with 386 days maturity, for domestic qualified investors,
- On March 8, 2024, 100.000 TL, with 94 days maturity, for domestic qualified investors,
- On March 12, 2024, 90.000 TL, with 93 days maturity, for domestic qualified investors,
- On March 13, 2024, 1.000.000 TL with 92 days maturity, for domestic qualified investors worth of lease certificate were issued.

In the issuance of the lease certificates the Parent Bank was involved as the authorized investment institution.

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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

### SECTION SIX

#### Other explanations

##### I. Other explanations on operations of the Group

None.

### SECTION SEVEN

#### Explanations on the Independent Auditor's Report

##### I. Explanations on the Independent Auditor's Report

The Group's consolidated financial statements as of and for the period ended December 31, 2023 have been audited by PwC Bağımsız Denetim ve SMMM A.Ş. and the audit report dated March 14, 2024 is presented at the beginning of the financial statements and related notes.

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

None.





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