



2022 ANNUAL REPORT

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Scan the QR code to access Emlak Katılım website.

Corporate Title	Türkiye Emlak Katılım Bankası A.Ş.
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Telephone:	+90 (216) 266 26 26
Call Center	(850) 222 26 26-444 26 26
Website	www.emlakkatilim.com.tr
E-mail	bilgi@emlakkatilim.com.tr
MERSİS (Central Registration System) Number	0879 0015 2770 0040
Trade Registry Number	241701-0
Reporting Period	01.01.2022-31.12.2022



Acting with the vision “to become Turkey’s leading and innovative participation bank”, Emlak Katılım prioritizes economic, environmental, social and governance sustainability, while taking the necessary steps to internalize this approach in all its processes from product development to service delivery.

Emlak Katılım aims to be a sustainability pioneer in participation banking.

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.

VISION- MISSION

Our Vision

To become Turkey's leading and innovative participation bank.

Our Mission

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



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.



With our know-how, competent staff, and infrastructure and processes that have been perfected with cutting-edge technology, we represent quality and trust in participation banking.



Sustainable Service Quality

Letter from the Chairman



2022, which we left behind, has been a challenging year due to the incidents both in our country and in the world. Whereas high inflation turned out to be a crisis, which had to be kept under control for all the countries of the world, the war between Russia and Ukraine, which broke out right next to us, emerged as a development that deeply impacted the global economies.

Due to the “zero-case” policy implemented by China in early 2022, the total or partial closure of many cities with large populations and hosting key industries and business lines has caused the suspension of the operations of the businesses in the manufacturing, trade and services sectors, and led to large-scale economic losses.

Coinciding with the same period, the surge in oil prices and the disruptions experienced in the grain corridor from Ukraine to the world

deeply impacted the supply chains and emerged as a significant factor that created an inflationary impact on the markets, particularly on producer prices.

During this period, the leadership diplomacy carried out by our Honorable President has been influential in reopening the Black Sea grain corridor and overcoming the crises experienced from time to time, and the impacts of food prices on price inflation, which was experienced due to the supply shortage, rapidly decreased. Furthermore, an important step was taken in overcoming the global hunger crisis, and priority has been given to sending the grain-laden ships to African countries, where the need for food is extremely high.

The Foreign Currency Protected Lira Deposit scheme, implemented at the end of 2021, and the Liraization Strategy developed by the Central

Bank of the Republic of Turkey (CBRT), restrained the market demand for foreign currency, and the strategies followed along with the extra measures taken during the year took effect, and the size of the currency protected accounts reached TL 1.5 trillion by the end of 2022. The implemented monetary policy played a significant role in the increase in exports and economic and sectoral growth.

In an environment where inflation is felt intensely around the world, Turkey, which has grown by 7.5% in the first quarter of 2022, and by 7.7% and 3.9% in the following quarters, attained its place as one of the top growing countries among OECD countries and once again demonstrated its potential. In direct proportion to the achieved growth figures, positive developments have been experienced in terms of foreign trade as well. In 2022, the export figures increased by approximately

While continuing to serve all our stakeholders with our export and growth oriented products consisting of participation finance features, we will keep on achieving permanent success through new and differentiated products and services that we will develop by focusing on sustainable and environmentalist approaches, also by expanding our product and service network throughout the country, we will continue to provide added value to branching, economy and employment.

13% versus previous year and reached USD 254.2 billion, and for the first time in the history of our country, the trade volume threshold of USD 250 billion was exceeded.

The banking sector has grown significantly in this period, closing the year 2022 with successful figures, and continued to increase its support to the markets. While the size of assets of the banking sector grew by 50% to TL 14 trillion, and the loans extended reached to TL 7.3 trillion with a similar increase, the funds collected reached a volume of TL 9 trillion with a growth of approximately 65%.

Sustainable development is an effective development model that focuses on green transformation in our world. In 2022, the Ministry of Environment, Urbanization and Climate Change and the Banking Sector Regulatory Institutions held critical meetings and workshops

to establish the framework of the actions to be carried out within the scope of sustainability. In terms of banking and finance, it is obvious that green energy, electric vehicles, smart urbanism and climate-environment-friendly practices will gain prominence in the future in the sectors that will be funded to achieve the 2053 net zero carbon emission target.

As Emlak Katılım family, we will continue to create added value for our country by means of our mission and brand power. While continuing to serve all our stakeholders with our export and growth oriented products consisting of participation finance features, we will keep on achieving permanent success through new and differentiated products and services that we will develop by focusing on sustainable and environmentalist approaches, also by expanding our product and service network throughout the

country, we will continue to provide added value to branching, economy and employment.

I would like to take this opportunity to thank our President Mr. Recep Tayyip Erdoğan in particular, and Mr. Nureddin Nebati, the Minister of Treasury and Finance, Mr. Murat Kurum, the Minister of Environment, Urbanization and Climate Change, the Emlak Katılım family and all our stakeholders who have never refrained from supporting our efforts and helping Emlak Katılım reach its current status. I hope that the upcoming period will be beneficial for our country and our bank.

Best regards,

Prof. Mehmet Emin BİRPINAR
Chairman of the Board of Directors

Letter from the General Manager



In 2022, when world economies highly felt the impact of inflation and policies concerning inflation came into prominence, the most critical factor affecting our country and particularly European countries was the Russia-Ukraine war that emerged right next to us. The disruptions experienced in the supply of staple food products, especially the surge in oil prices, caused the entire year to pass in an inflationary environment throughout the world.

The Central Bank of the Republic of Turkey (CBRT), within the scope of the Liraization Strategy, which it started to implement in this period, has used reserve requirements as a supportive tool for price stability and financial stability purposes, while increasing the costs of foreign currency liabilities, it has prioritized mechanisms to support the development of Turkish lira deposits. CBRT maintained the downward trend in weekly lending rates, and as the high inflation trend began to decrease in the second half of the

year, lowered the policy interest rate from 14% to single digits by reducing it to 9 percent as of November.

The banking sector has taken its share from the high inflation environment and regulations within that period, and closed the year 2022 with eminently successful figures. While the size of assets of the sector grew by 55% to TL 14.3 trillion, and the loans extended reached to TL 7.5 trillion with a similar increase, the funds collected reached a volume of TL 9 trillion with a growth of approximately 65%.

As Emlak Katılım, we completed the year 2022 in this conjuncture highly productively and successfully. While increasing the number of our branches to 80 and the number of our employees to 1,297, we have made significant contributions to our country's economy, real sector and employment through the new products and services we have introduced to the sector. We increased our size of assets by

159% and reached TL 100.2 billion. Compared to the previous year, we accomplished a significant success as an institution that has not yet completed its 4th year, with 2.6 times growth and TL 2.8 billion net profit, which we have achieved by positively differentiating ourselves from the sector.

We continued to break new grounds in 2022 as well. We became the first participation financial institution to offer its customers quarter gold coin accounts announced by the Ministry of Treasury and Finance. In the same period, we provided free transactions to five public banks and PTT customers at all our joint ATMs. Within the framework of our aim to develop products and services that comply with the essence and spirit of participation banking, we started our "Participation Account with a Project Preferred Private Fund Pool" practice. With this practice, we aimed to ensure that the funds deposited in the accounts in Turkish lira are used to finance a particular project, and

As Emlak Katılım, we completed the year 2022 highly productively and successfully.

While increasing the number of our branches to 80 and the number of our employees to 1,297, we have made significant contributions to our country's economy, real sector and employment through the new products and services we have introduced to the sector.

the owners of these accounts benefit from the financial value that will be generated there. Within the scope of this project, we provided account owner customers the opportunity to invest in various sectors of their choice, particularly manufacturing, construction, transportation and storage, energy, mining, public administration and defense industry.

Regarding digitalization, we have ensured the enhancement of our digital channels, the introduction of new products and services through digital channels, and the promotion of a paperless environment. With our new applications that we launched in this period, Emlak Katılım customers are able to withdraw money quickly, safely and easily from ATMs all over Turkey without using cards, via the TR data matrix application. With the MoneyGram application, which is another of our efforts in digital, it is possible to send money from Emlak Katılım branches to 200 countries of the world, and withdraw money in a short time with only identity

card details. Through the Emlak Katılım Virtual Account application, it is ensured that the collections such as rent, dues, installments, to be received regularly from many places by wire transfer, EFT or FAST method, are managed without any problems.

We created Emlak Katılım sustainability processes and workflows within the scope of the Sustainability efforts that gained momentum in our country with the approval of the Paris Climate Agreement in the Grand National Assembly of Turkey. In this context, with Turkey's first green sukuk project in the real sector, we acted as an intermediary in the distribution of the revenue generated by a company, which is our stakeholder, through purchasing, sorting, collecting waste to be recycled, and recycling and selling them in the market.

In the coming term, we aim to expand our service network operating all over the country, and to increase the

number of our branches to 120 and the size of our assets to TL 120 billion. As a major participation finance player, we will continue to expand our contribution to the economy and employment.

As Emlak Katılım, we will resolutely continue our efforts to expand sustainable and innovative financing models by focusing on digital, to support the real estate sector, agriculture, exports, import substitution industries, environmentally friendly projects, and to contribute positively to employment and growth in the upcoming period.

I would like to thank our esteemed Chairman of the Board of Directors, our esteemed Board Members and all my colleagues for their efforts in their contribution to Emlak Katılım achieve successful results.

Best regards,
İlker SIRTAKAYA
General Manager



As one of the leading service providers in participation banking, we increase our support to our customers and our economy with innovative financing models accessible to everyone.



Sustainable Innovative Approach

Corporate Profile

Emlak Katılım was established as Emlak ve Eytam Bankası in Ankara on 3 June 1926 at the instructions of President Mustafa Kemal Atatürk.

2018

It has been decided that the Bank will serve again as a participation bank.





Emlak Katılım in Brief

The Bank's roots reach back to Emlak ve Eytam Bankası, which was established in Ankara on 3 June 1926 at the instructions of President Mustafa Kemal Atatürk and which was set up to undertake the building of public works, to support construction enterprises, and to manage the rights and entitlements of orphans as well as to supply credit in order to achieve such aims. On 6 January 1988, Anadolu Bankası A.Ş. and Türkiye Emlak Kredi Bankası Anonim Ortaklığı were merged into a new bank operating under the name "Türkiye Emlak Bankası A.Ş."

Established as Emlak ve Eytam Bankası, the Bank had been renamed as Türkiye Emlak Kredi Bankası and Türkiye Emlak Bankası, respectively, in response to the evolving needs of the country. On 27 February 2019, Emlak Katılım, which was determined to operate as a participation bank in 2018, was granted an operating license. Having started its operations with the opening of the Central Branch on 21 March 2019, the Bank completed the year 2022 with 81 branches, including 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 and Urbanization. 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 consistently progressing along our growth path, which we have set by employing the right strategies. With our robust corporate and financial structure, we are taking fast and steady steps towards our goal of solid and profitable growth.



Sustainable Growth

Our Branches



The number of branches of Emlak Katılım reached 81 in 31 provinces in 2022, including e-branch.

**80 Branches 31 Provinces as of
31 December 2022**

İstanbul Branches

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

Ankara Branches

Ankara, Kızılay, Ostim, Sincan, Siteler,
Yıldız

İzmir Branches

Gaziemir, İzmir, Karşıyaka*

Bursa Branches

Bursa, İnegöl, Nilüfer, Yıldırım

Adana Branches

Adana, Küçüksaat

Gaziantep Branches

Gaziantep, Gaziantep OSB

Kocaeli Branches

Gebze, İzmit

Konya Branches

Büsan, Konya, Konya Kobisan

Kayseri Branches

Kayseri, Kayseri OSB

Branches in Other Provinces

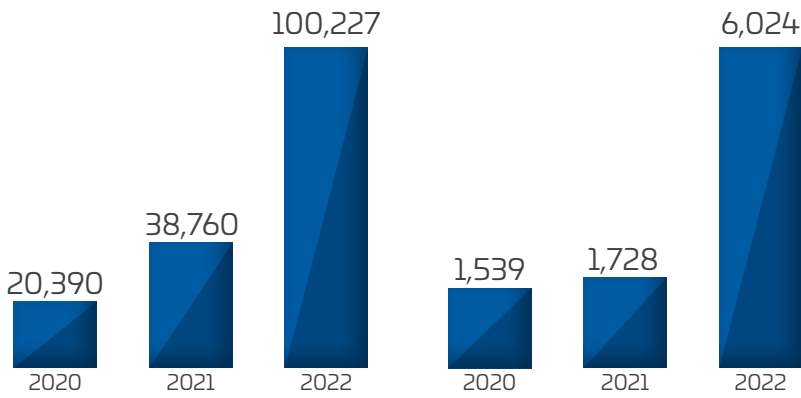
Antalya Manavgat*, Adapazarı,
Afyonkarahisar, Aksaray, Antakya,
Antalya, Aydın, Batman, Çorum,
Denizli, Diyarbakır, Düzce*, Eskişehir,
Hatay İskenderun*, Isparta,
Kahramanmaraş, Malatya, Manisa,
Mersin, Rize, Samsun, Şanlıurfa,
Sivas, Trabzon Değirmendere, Yalova

*Opened after 31.12.2022.

Key Financial Indicators*

Total Assets
(TL million)

Equity
(TL million)

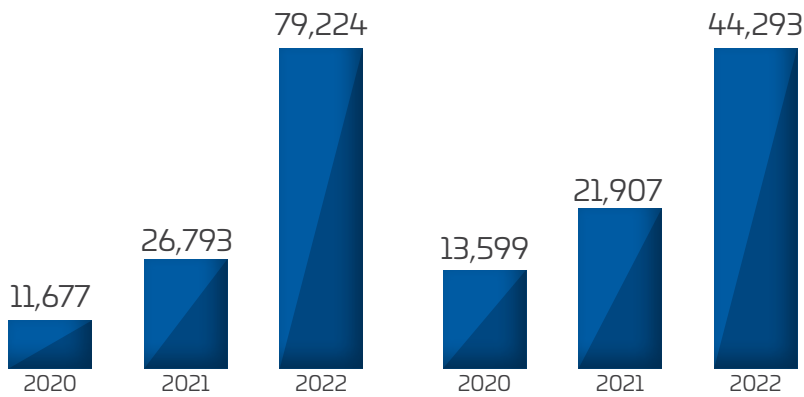


159%

Emlak Katılım's asset size increased from TL 38.7 billion to TL 100.2 billion, up by 159%.

Funds collected
(TL million)

Funds allocated
(TL million)



196%

Funds collected increased by 196% from TL 26.8 billion to TL 79.2 billion.

Funds allocated increased from TL 21.9 billion to TL 44.3 billion in 2022 with a growth of 102%.

* Unconsolidated figures

Emlak Katılım achieved a significant success with 2.6 times growth and 2.8 billion TL net profit, outperforming the sector.

(TL million) *	2022	2021	2020
Total Assets	100,227	38,760	20,390
Liquid Assets and Banks	30,927	7,768	3,177
Equity	6,024	1,728	1,539
Profit Share Income	8,298	2,329	1,000
Profit Share Expenses	4,380	1,797	628
Profit Before Taxation	3,724	188	105
Net Period Profit/Loss	2,810	143	81

* Unconsolidated figures



We contribute to a brighter future through innovations in technology and digital transformation. Through our sustainable financing approach and products, we support the green economy. We are accelerating up our efforts to reinforce our environmental, social, and governance (ESG) scorecard and increase stakeholder value.



Sustainable Future

Activities in 2022



Emlak Katılım has achieved the strategic goals it set for 2022, and a comparison of our year-end financial data for 2022 to the same period of the previous year reveals that 2022 was completed quite effectively and successfully.

Despite all the economic problems in the world and in our country, our Bank has continued to grow. It maintained its growth by increasing the number of branches from 70 in 2021 to 81 including the e-branch in 2022. Emlak Katılım family continued to expand in 2022 at the same time. Compared to 2021, which closed with 1,107 employees, the number of employees reached 1,297 in 2022, of which 631 (49%) were in Head Office and 666 (51%) in branches.

Emlak Katılım continues to support the key industries of our country such as construction, logistics, trade and services, and particularly the real sector and industrial production, using all its resources. The wholesale and retail trade sector ranks first with 28% in cash loans extended in 2022, followed by manufacturing with 26% and construction with 16%.

We significantly increased our financial realizations in 2022. We achieved 159% growth by increasing our asset size from TL 38.7 billion to TL 100.2 billion. We increased our collected funds by 196% from TL 26.8 billion to TL 79.2 billion. We achieved a growth of 102% in the allocated funds, increasing the volume from TL 21.9 billion in 2021 to TL 44.3 billion in 2022.

Turkish banking sector made a noteworthy progress in 2022 despite the high inflation and the Russia-Ukraine war. Accordingly, the asset size of the sector, which was TL 9.1 trillion in 2021, grew by nearly 55% and reached TL 14.3 trillion, achieving a remarkable development in a challenging 2022. Parallel to the asset size, a similar growth was recorded in the funds collected and loans allocated, achieving a performance

close to the general acceleration of the sector. In the year-end net profit, while the profit of the sector was TL 93 billion in 2021, it reached TL 400 billion in 2022 with a 4-fold increase.

When the sector in participation banking is analyzed, it is observed that it performed better than the banking sector. The asset size of participation banks in 2022 reached TL 1.2 trillion, growing by 66% compared to the previous year and once again showed the public's trust in participation banks in crisis times. In the funds collected, while TL 556 billion of funds were collected in 2021, it reached TL 1 trillion threshold with a 90% growth in 2022, a growth more than the overall sector. Looking at the sector in general, the increase in foreign currency deposits has also been observed in participation banks.

Whether prior period targets were achieved or not, whether General Assembly resolutions were fulfilled and in the event the targets were not achieved and the resolutions were not fulfilled, information and assessments regarding the reasons

Emlak Katılım has achieved the strategic goals it set for 2022, and a comparison of our year-end financial data for 2022 to the same period of the previous year reveals that 2022 was completed quite effectively and successfully. Whereas we increased the number of our branches to 80 and the number of our employees to 1,297, the new products and services we introduced to the sector made substantial contributions to our country's economy, real sector, and employment. Our asset size increased by 159%, reaching TL 100.2 billion. As an institution that has not yet

In participation banking, the funds collected, reached TL 1 trillion threshold with a 90% growth in 2022.

Activities in 2022

The asset size of participation banks in 2022 reached TL 1.2 trillion, growing by 66% compared to the previous year.

completed its 4th year, we achieved a significant success with 2.6 times growth and TL 2.8 billion net profit compared to the previous year by positively differentiating from the sector. Furthermore, our non-cash loans totaled TL 10.48 billion. While our credit risk in cash and non-cash was around TL 27.3 billion in 2021, it climbed to TL 54.8 billion by the end of 2022. Emlak Katılım established its organizational and tiering structure, as well as recruitment and unit management structures, based on its needs. Orientation training programs were provided for our newly recruited employees.

On 21 March 2022, Türkiye Emlak Katılım Bankası A.Ş. held its General Assembly meeting for 2021 at the Company's Head Office. All items of the agenda discussed were unanimously approved by the attendees, and all decisions taken were fulfilled.

Information on the sector of activity and position within this sector, characteristics of the production units of the company, general explanations on sales quantities and prices, sales terms and changes to these terms during the reporting year, productivity rates and the grounds for major differences thereof in comparison with prior years

Turkish banking sector increased its asset size by around 55% in 2022, despite the problems experienced both across the world and in the country's economy, exceeding the level of TL 14.3 trillion. Especially in the second half of the year, the serial interest rate cuts implemented by the CBRT did not put pressure on the TL as expected and there were

no sudden rises in exchange rates.

The difficulties experienced in the world in the supply chain and energy sector, including the developed countries, triggered inflation and put pressure on the economies. In the increasingly inflationist environment, investors turned to alternative tools and there has been a serious inflow of resources into Currency Protected Deposit and Borsa Istanbul.

The participation banking sector, on the other hand, had a more positive year compared to the banking sector. The asset size of the sector has grown by 80%, exceeding TL 1.3 trillion. Owing to their inherent nature, participation banks finance real-sector endeavors and the returns they pay are not subject to changes in interest or dividend rates. This increases the Banks' appeal and makes them especially successful during times of crisis.

2022 was an extremely productive year for our Bank. With the 159% growth in asset size, the limit of TL 100 billion was exceeded. We continued to expand our branch network by increasing the number of branches to 81 including the e-branch. Under the concept of sustainability, which is gaining more and more importance day by day, committees have been set up and meetings have been organized.

2022 Department Activities and 2023 Goals



Emlak Katılım established its organizational and tiering structure, as well as recruitment and unit management structures, based on its needs.

2022 Department Activities and 2023 Goals

Emlak Katılım has made investments in its infrastructure, corporate architecture, cyber security, digital services, and banking services.

Legal Counseling and Follow-up Department

Legal Counseling Unit operating under the Legal Counseling and Follow-up Department 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 and abroad and contracts to which the Bank is a party, and carrying out the general assembly processes of the Bank. The Legal Counseling Unit meticulously provided the necessary support to the Bank's units in all legal matters submitted to it in 2022.

The Legal Proceedings Unit, operating under the Directorate of Legal Counseling 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, 520 lawsuits and 413 enforcement files were tracked in 2022, with 189 lawsuits and 63 enforcement files being resolved.

Information Technologies

Our Bank has made investments in its infrastructure, corporate architecture, cyber security, digital services, and banking services in order to maintain robust operations in 2022. The following activities were carried out in this context:

- Deployment of our demand management life cycle application KÖPRÜ (BRIDGE),
- Integration of TFS application into software life cycle,
- Activation of the application that provides secure mail management on mobile devices,
- Providing infrastructure development support for the Bank's strategic projects (mobile and internet banking applications,

conversion of all ATMs into public shared ATMs, currency protection and Yuvam account applications, Mint quarter gold collection application, KAD-SIS integration, Mobile branch BORSA integration, single password studies, bill collection and order system, etc.),

- Information systems service procurement assessment,
- Establishment of IT processes,
- Product renewal,
- Security tests and BRSA penetration test,
- Monitoring cyber incidents,
- Business continuity monitoring,
- IT risk assessment,
- 23,240 man-days effort was dedicated to the creation and maintenance of applications.

Information Security

Our Bank has made investments in information security in order to maintain secure operations in 2022. 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.



DEPUTY DIRECTORATE GENERAL OF HUMAN RESOURCES AND STRATEGY

Strategic Planning Department

In 2022, the Directorate of Strategic Planning, which incorporated the “Organizational Development” unit into its structure, changed its name as “Directorate of Strategic Planning and Organizational Development”. Strategic Planning, Institutional Performance, and Organizational Development sections are all part of the Directorate of Strategic Planning and Organizational Development, which reports to the Deputy Directorate General of Strategy and Human Resources. The Directorate’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 2022, the following studies were carried out: dissemination of strategic

awareness, planning and promoting strategic priorities, activating the Institutional 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 2023, 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 were made regarding the segmentation structure and segment criteria of the institution within the framework of market conditions.

Goals for 2023

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 tangible and intangible capital resources, technological developments

The 2023 Strategic Plan is comprised of 4 main themes: Efficient and Widespread Service, Digitalization and Operational Excellence, Innovative and Responsible Finance, Strong Communication.

2022 Department Activities and 2023 Goals

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. In order to increase the green portfolio by developing sustainable financial models, corporate collaborations will be encouraged for the development of capital markets products and other financial products. 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

In 2022, the Corporate Communications Department concentrated on promotional and advertising activities driven by the growing structure of our bank, the expansion and development of its products and services, and the extension of its branch network.

Advertising Campaigns

The Corporate Communications Department, which started the advertising and promotional communication activities in 2022 with two successive campaigns in the spring, reached 11 million people via TV band advertisements, 6 million people via radio broadcasts, and 8 million people via digital broadcasts

within the advertising campaign on the Quarter Account product, pioneered by our Bank. Following this campaign, through a corporate image-building advertisement with the tagline "Emlak Katılım is the power you will find with you in all your banking transactions", 15 million people were reached via TV broadcasts, 6 million via radio broadcasts, and 10 million via digital broadcasts. Towards the end of 2022, going beyond the communication approach that participation banks maintain with similar themes, an advertising film with the tagline "Everything Will Be Taken, Trust Your Power", has been created that highlights our status as Turkey's youngest participation bank, solidifies the perception of new generation technological banking, raises brand awareness specifically among individual users, and attracts new target audiences with its original lyrics and music created with a contemporary and innovative approach. As with other campaigns, this commercial, which was strongly communicated via TV, Radio, Digital, Outdoor, Magazines, and Newspapers, reached 13 million people via TV broadcasts, 7 million via radio broadcasts, and 14 million via digital.

Press and Social Media

Despite advertising restrictions, 28 press releases and written interviews resulted in approximately 5,000 news coverages, 2 million people were reached, 215,000 interactions were generated, and almost 5,000 mentions were received through social media posts.

Creative Works

140 creative works were developed for the bank's new products and services. In addition, various creatives have been developed for internal and external mailings, branch frontages, the website, the agenda page, the calendar, the yearly planner, events, and organizations.

Website

Our website's content was added and updated, and website interface settings were developed in collaboration with the relevant units.

Trademark Registration and Domain Process

Throughout the year, trademark registration/patent and domain name rights were obtained for the new products and/or services owned and/or developed by our Bank, and the processes for protecting these rights on all platforms were followed.

Sponsorship and Corporate Social Responsibility Projects

Within the framework of corporate social responsibility activities, as a result of the meetings between Corporate Communications and the Green Crescent, the Mavi Kırangıç Magazine—prepared by the Green Crescent for children—was published for the first time in the Braille alphabet, and this special issue was distributed to a total of 2,000 visually impaired children enrolled in primary schools throughout Turkey. Efforts and activities focused on the environment and sustainability were also supported within the scope of CSR policies.

Internal Communication Activities, Events and Organizations

Efforts on the employer brand Under the Same Roof, events and organizations held throughout the year were organized and carried out in coordination with the relevant units.

The Corporate Communications Department will continue to carry out its promotional and advertising communication activities actively in 2023 in order to best manage the bank's corporate reputation.



DEPUTY DIRECTORATE GENERAL OF FINANCE

Purchasing Department

The Purchasing Department, with its employees who are experts in Purchasing and Contracting, carried out an integrated Purchasing process in 2022 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 its operations, 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 units precisely, on time, and at the best possible price, without disrupting our current tasks. In this context, based on 785 product/service requests received from the units over the BOA system, 438 tender processes were held, and 195 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.

The evaluations of the tenders were conducted under below considerations:

- 421 of them within the scope of regular processes,
- 16 of them within the scope of support services,
- 17 of them within the scope of foreign service.

The signed contracts were prepared in the following scopes,

- 34 of them as license agreements,
- 109 of them as service contracts,
- 12 of them as training contracts,
- 10 of them as banking contracts,
- 20 of them as other contracts,

and their approval processes were completed.

The Directorate of Purchasing will continue to operate in line with the digitalization goal of our Bank in 2023 as well, and to meet the needs of our institution.

Administrative Affairs Department

Security Services

It provides installation, monitoring and follow-up services for physical security, camera, card access, and alarm systems of the Head Office, Additional Service Building, call center and all branches.

Within the scope of its operations, 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.

2022 Department Activities and 2023 Goals

Fleet Management Services

204 vehicles were utilized to provide transportation services for our Bank's employees in 2022. It was ensured that all vehicles in the Head Office were regularly maintained and repaired for damage.

Cleaning and Catering Services

In the Head Office and Ümraniye Additional Service building, cleaning and catering services, transportation and distribution, disinfection and pesticide application services were provided, and the management of the cleaning and catering staff was carried out.

In all of our branches, the management and administration of the cleaning and catering staff has been provided.

Catering service was provided to the meetings held in the meeting and training halls.

Employee Transportation Services

A total of 33 service vehicles were provided to 720 employees, 19 in the Head Office building and 14 in the Ümraniye Additional Service Building.

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 79 branches have been finalized. 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 2022, Emlak Katılım has provided around 34 thousand kilograms of waste from its branches and Head Office building for

recycling, thus making a contribution to the economy.

Document Management Services

Document Management services were provided to the Head Office, Ümraniye Additional Service Building, Ankara Additional Service Building and 80 Branches.

In 2022, a total of 38,906 official letters were issued via Registered E-Mail (KEP).

General Administrative Services

The following services have been provided to the Head Office, additional service buildings and all branches: Accommodation, ticketing, visa registrations, meeting organization, supply of stationery-cleaning and food materials and paper products, heating, lighting and water subscriptions of branches and their invoice tracking, business card service, OHS service, mobile phone allocation, white goods breakdown-maintenance service of the Head Office and branches, and mandatory document submission of all branches.

Warehouse Management Services

Warehouse Management Services are provided to 7 different units, being 6 units in the Head Office and Ümraniye Additional Service Building, and General Administrative Services

Construction-Real Estate Department

Real Estate Service carries out the selection, rental and contracting processes of the Head Office building, Additional Service Buildings and Bank branches to be opened throughout Turkey 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 Turkey and ensures that they are ready for operation.

It carries out the determination of the contractor companies with the architectural concept-consulting service, creating technical specifications by determining work descriptions and executing contracts, and preparing and approving provisional admission progress payments and final admission progress payments.

It manages the maintenance and management contracts for all of the architectural construction, electrical, mechanical materials and equipment, furniture furnishings of our branches operating in Turkey, and the troubleshooting procedures of the contractors and manufacturers for defective products.

It determines and orders spare parts, emergency failure response, equipment, hand tools, machine tools required for maintenance and repair in all systems of the Head Office and Additional Service buildings and manages the stock control by following the usage of the equipment according to the most undamaged and long usage specifications.

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

Our goal for 2023 is to continue leasing and construction projects in accordance with our bank's strategy.

Budget & Financial Reporting Department

The 2022 budget approved by the Board of Directors was followed, the budget for 2023 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.

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.

The forms to be sent periodically to official institutions and organizations, especially to the Banking Regulation and Supervision Agency, Central Bank of the Republic of Turkey, Savings Deposit Insurance Fund, Participation Banks Association of Turkey, Revenue Administration, Ministry of Treasury and Finance, 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 independent and consolidated financial statements prepared in quarterly and annual periods after the necessary controls and analyzes and the audit reports containing the explanations and footnotes related to these were prepared and presented to the relevant institutions and the public

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.

In 2022, our Project Preferential Special Fund Pools product was included in Special Fund Pools, and new screens for the systematic calculation and keeping records of profit calculations, rediscounts, and profit distributions were developed and started to be used. Furthermore, currency difference payments to currency protected participation accounts were made manually, and the required analyses and tests were conducted to ensure their systematic development. It is planned that the software and tests will be completed in 2023, and this process will be performed systematically.

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

Within the framework of relevant legislation and communiqués, in order to accurately record all transactions in the accounting, errors in the uniform chart of accounts were immediately detected and corrected through daily, weekly and monthly periodic controls.

Systemic improvements were made in order not to repeat the detected errors. In 2023, it is planned to add new control points to our existing control points and to support systemic improvements.

Emlak Katılım has provided around 34 thousand kilograms of waste for recycling, thus making a contribution to the economy.

2022 Department Activities and 2023 Goals

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.

CBRT exchange rates, valuation rates, swap RR (market exchange rate compliance), swap points and deposit rates are monitored and controlled.

Margin calls from our correspondent banks due to derivative transactions are examined, and margin call sending and withdrawal transactions are carried out.

The monthly profit and loss report of foreign exchange and precious metal transactions carried out at our Bank was prepared and submitted to the executive management.

In 2023, it is planned to add new control points to our existing control points and to support 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.

The processes related to tax declarations and notifications and the ratification and approval of legal

books were carried out in a timely and accurate manner in line with legal regulations.

Tax provision is the sum of current tax provision and deferred tax income/expense. Deferred tax assets or liabilities are determined by considering the corporate tax rate of the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts calculated as per tax laws, according to the balance sheet method. Monthly, quarterly and annual tax provisions were successfully calculated and period closings were made on time.

Transfer pricing is regulated by Article 13 of the Corporate Income Tax Law, titled "Disguised Profit Distribution Through Transfer Pricing", and required controls have been carried out within the framework of this regulation.

In line with TAS 19 "Employee Benefits" standard, provision is recorded by estimating the present value of the future probable obligation regarding severance pay. The resulting actuarial losses and gains are accounted for under equity. Also, provision is made for accumulated annual-leave.

Free provisions for potential future risks are included in the tax base.

The expense documents issued by the suppliers on behalf of our Bank due to the goods and services purchased in line with the Bank's activities and within the framework of the determined budget were recorded timely and accurately, and the payments were made on time.

Payments for the bank service buildings and service vehicles of which we are tenants were made on time and accurately in line with the lease agreements. The "TFRS

16 - Leases" standard is applied successfully in the accounting process of lease transactions.

The Bank reserves depreciation for its tangible fixed assets in accordance with the regular depreciation method within the provisions of TAS 16 and tax laws, taking into consideration their useful lives.

Assets acquired due to receivables held by the Bank and non-current assets held for sale are accounted in accordance with the "TFRS 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.

It is assured that prepaid items that will be used/benefited in future periods are expensed in the relevant periods and reflected in the accounting records in accordance with generally accepted accounting principles.

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.



DEPUTY DIRECTORATE GENERAL OF TREASURY AND INTERNATIONAL BANKING

Treasury Department

Foreign Exchange and Precious Metals

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: the 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.

By means of the Special Currency application through our mobile/ internet branch channels, customer-specific and more advantageous exchange rates are provided. In addition, our customers who perform large-amount transactions are quoted by the Department over the phone, and transactions are smoothly carried out.

In 2022, a transaction volume of USD 14.9 billion was realized in interbank markets and TL 183.4 billion with our customers. Within the scope of the transaction volumes realized with our customers in various channels and in the interbank markets in 2022, profitability from customer transactions increased by approximately 41.8 times compared to the previous year, to a profit of TL 1.9 billion, and profitability from non-customer transactions increased by approximately 18 times compared to the previous year, with a profit of TL 52 million. So a total of approximately TL 2 billion profit has been made from all foreign exchange and precious metal buying/selling transactions under the ultimate control of our department.

For 2023, we have several goals in terms of customer transactions and interbank market transactions. It is aimed that our customers carry out

A total of approximately TL 2 billion profit has been made from all foreign exchange and precious metal buying/selling transactions.

2022 Department Activities and 2023 Goals

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.

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

The Asset-Liability Management of our Bank is conducted in accordance with broadly recognized methods employed both domestically and internationally, taking into consideration the "Guidelines on Liquidity Management" published by the BRSA. For optimal liquidity management, we manage all of our funds with a focus on maximizing their efficacy and minimizing their exposure to risk. In this context, all markets in which we have the opportunity to trade are closely tracked, and action is taken when necessary. In 2022, the Bank endeavored to manage all of its assets and liabilities in tandem with ratios relating to similar assets and liabilities at other Participation, Deposit, and Public Banks. Borsa Istanbul BAP (Debt Securities

Market), Interbank Money Markets, CBRT Liquidity Channels, and Capital Markets were all utilized in the framework of liquidity management. It is intended for 2023 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 lease certificates (sukuk), stocks, and investment fund transactions in Capital Markets have been expanded. The Bank's profitability from capital market transactions increased significantly by 640% in 2022 compared to the prior year. Although the 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 lease certificates, and an increase was achieved in the Bank's variable income (CPI indexed) and fixed income securities portfolios. Similarly, foreign currency lease certificates were included within the Bank's portfolio upon an analysis of global market expectations and risks. In 2022, with an expansion in branch network and customer activities, a 420% increase and high efficiency in leasing certificate transaction profitability in all currencies were achieved compared to the previous year. In 2022, secondhand lease certificates were made 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.

Investment account opening operations via digital channels, which are expected to contribute significantly to transaction volume, are scheduled to be implemented in the first months of 2023. For investors who do not find traditional deposit/fund investments appealing and focus on alternative investment products, agreements were made with participation-based Portfolio Management Companies and in light of these developments, the Participation Free (TL) Fund was created. Investment funds and stock transactions, which are currently performed through branches, will be migrated to mobile banking channels in 2023. In 2023, 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.

Financial Institutions Department

Financial Institutions established correspondent relationships with 300 banks by the end of 2022 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.

In addition to the customer-oriented correspondent bank relations, 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 2023, 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 Department

Along with the expansion of our Bank and its growing network of branches, the Investment Banking and Investor Relations Department has had a very active and successful operational period in 2022. The volume of sukuk issued by our bank domestically in 2022 increased by approximately 120% compared to the previous year and amounted to approximately TL 15.3 billion. Issuances were entirely carried out within our Bank without the use of intermediary institutions, resulting in significant cost savings. Furthermore, with the new sukuk models implemented by our Bank, the product range in participation-based capital markets was expanded, contributing to the growth and development of the sector.

Activities in 2022

- Initial studies within the scope of our bank's sustainable finance activities started in 2021, and our sustainability activities gained momentum in 2022.
- Our bank mediated the issuance of green sukuk with a nominal amount of TL 50,000,000 in September 2022 for a company operating in the recycling sector.

The issuance, which was recorded as the first green sukuk transaction in the real sector in Turkey, is of particular importance as it is the first sukuk transaction carried out under the "Guidelines on Green Debt Instruments, Sustainable Debt Instruments, Green Lease Certificates and Sustainable Lease Certificates" (Guideline) put into practice by the Capital Markets Board of Türkiye (CMB) on 24 February 2022. Within the scope of the issuance, a Green Sukuk Framework was prepared with the consultancy of our Bank, and a second party opinion was obtained from an independent valuation company to verify that the subject Framework was prepared in accordance with the Green Bond Guidelines of ICMA and the relevant Guidelines of CMB.

- Our bank's mediation of the green sukuk issuance for the recycling of scrap waste allowed for the reduction of approximately 31,311 tCO₂e carbon emissions as well as the achievement of 6 UN Sustainable Development Goals.
- Emlak Katılım, which has earned recognition for its successful efforts to develop participation-based capital markets in our country, was deemed worthy of the most successful issuance of the year in local currency at the "Bonds, Loans & Sukuk Turkey 2022" award ceremony of GFC Media, one of the most prestigious awards in the finance industry, with the issuance of Turkey's First Green-Sukuk Al Istisna'a, with a maturity of 2 years and amounting to TL 600 million, in which the fund user was TVF IFM Gayrimenkul A.Ş. a 100% subsidiary of the Turkey Wealth Fund, which carries out the Istanbul Financial Center Project, for which Emlak Katılım acted as the mediator in 2021.
- To support prudent and sustainable investments, our Bank developed the Sustainable Finance

Emlak Katılım received the most successful issuance of the year in local currency at GFC Media "Bonds, Loans & Sukuk Turkey 2022" and the best participation bank of the year in Turkey in the investment banking and corporate intermediation categories at the "IFN Awards 2022".

2022 Department Activities and 2023 Goals

Framework in accordance with the CMB's Guideline and internationally recognized standardizations, with the vision of providing sustainable finance that considers social, ecological, and economic criteria in the country's development, and obtained a second party opinion from an independent valuation company to verify the subject Framework. Subsequently, in October 2022, an issuance ceiling approval of TL 2,000,000,000 was obtained from the CMB regarding the issuance of sustainable/green sukuk transactions. In accordance with the aforementioned issuance ceiling, our Bank's first green sukuk issuance within the scope of the Guideline was realized at TL 500,000,000 on November 14, 2022. The funds obtained from the green sukuk issuance were used to finance a real estate project that will receive a green building certificate. The environmentally friendly practices of the LEED-certified green building to be constructed comply with the United Nations' Sustainable Development Goals (SDG) Clean Water and Sanitation (SDG 6), Accessible and Clean Energy (SDG 7), Sustainable Cities and Communities (SDG 11) and Climate Action (SDG 13).

- Our bank has transferred its knowledge and experience in participation finance capital markets to corporate companies operating in various sectors such as financial leasing, food, real estate, recycling, and fleet leasing, designed sukuk structures for these companies in accordance with the principles of Islamic finance, and mediated corporate sukuk transactions amounting to TL 4.4 billion in 2022,

an increase of approximately 175% compared to the previous year. About TL 1 billion of the corporate sukuk issued in 2022 consists of the issuance of First Green-Sukuk Al Istisna'a of TVF IFM Gayrimenkul A.Ş., which carries out the Istanbul Finance Center Project. The Project, which aims to transform Istanbul into a regional and international financial hub, is anticipated to have a significant impact on the growth of the participation finance industry.

- 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.
- With the innovative sukuk issuances it has launched since 2020, our Bank has continued to achieve success in the development of participation-based capital markets in Turkey, and was recognized as Turkey's best participation bank of the year in the categories of investment banking activities and corporate intermediation activities at the "IFN Awards 2022" organized by Islamic Finance News.
- Efforts to provide general custody services to collective investment institutions continue.

Goals for 2023

- 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 make the Sustainability Service operational for the Directorate's sustainability operations.
- To obtain long-term funds from international financial institutions in order to support our Bank's sustainable growth,
- To start providing collective custody services to participation-based (Islamic) investment institutions and to commission individual portfolio custody, international custody, and fund service (valuation) services in the future.



DEPUTY DIRECTORATE GENERAL OF CREDITS

Credits

The Deputy Directorate General of Credits consists of Corporate-Commercial Loans, SME Loans, Retail Loans and Credit Risk Monitoring and Collections 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, financial analysis process and intelligence process are 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 0-10 million.

The Directorate of SME Loans evaluates loan offers of customers with a turnover/asset size of TL 10-125 million, and the Directorate of Corporate and Commercial Loans evaluates loan offers of customers with a turnover/asset size of above TL 125 million.

In 2022, the number of consumers to whom we extended loans grew by 29% compared to the previous year, and the total loan amount grew by 101%, reaching TL 54.8 billion (TL 44.3 billion in cash and TL 10.5 billion in non-cash).

**The total loan amount
grew by 101%,
reaching TL 54.8
billion.**

2022 Department Activities and 2023 Goals

With a non-performing loan ratio of 0.21%, our Bank has successfully completed the year 2022 in terms of overdue receivables management.

In order to monitor credit risk or assist in the management of credit risk, Credit Risk Monitoring and Collections Services Departments carry out activities to classify loans in relevant groups in accordance with the legislation, to monitor and report the credit portfolio, to carry out early warning activities, to conduct meetings with branches, customers and other financial institutions within the scope of the management of problematic receivables, and to take necessary collection actions to liquidate the risk of our Bank.

Intelligence activities, on the other hand, include the activities of sharing the data from TBB-Risk Center and KKB about customers, letters of official institutions and organizations, written and visual media tools and institutions and public websites with the allocation teams as intelligence information, in the lending process.

Intelligence activities, on the other hand, include the activities of sharing the data from TBB-Risk Center and KKB about customers, letters of official institutions and organizations, written and visual media tools and institutions and public sources with the allocation teams as intelligence information, in the lending process.

Although participation banks' rates of close monitoring and non-performing loans at the end of 2022 were 4.72% and 1.43%, respectively, our Bank's rates were realized as 0.32% and 0.21%, remaining well below the sector average, and our Bank has successfully completed the year 2022 in terms of overdue receivables management.



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 this context, end-to-end support, including new investment (greenfield), capacity increase investment (brownfield) and acquisition financing, is provided for our branches in the design of investment models, establishment of financing product maturity and guarantee structure, preparation of financing contracts and monitoring of projects.

Within the framework of the sustainability action plan, the “Pusula” (“Compass”) program for startups was deployed in terms of investing in next-generation construction and real estate technology startups.

Goals for 2023

- Sectoral business development and projects service under the Project Finance and Monitoring Department develops potential new business models in line with the strategic targets of our Bank. In this regard, next-generation business models will be introduced that address customers’ preferences for investing their savings as well as their housing acquisition experiences.
- The business model, 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, is projected to be rolled out in the first half of 2023.
- In order to facilitate the acquisition of housing by individuals, it is intended to introduce a new generation housing acquisition model in the third quarter of 2023. Under this model, individuals will be able to immediately move into the home of their choice, increase their ownership rate in their homes by paying rent to our bank, and own the entire home through the use of housing finance at the end of the time frame specified.

The “Pusula” (“Compass”) program for startups was deployed.

2022 Department Activities and 2023 Goals

Along with our digital financing products, digital participation and savings products are also among our strategic priorities in 2023.

- To promote initiatives in the real estate sector with a PropTech, ConTech, and sustainability focus, customized programs and assistance finance methods will be designed.

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 the 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.

Products Developed in 2022

- Project Preferential Special Fund Pool
- KADSIS (Jeweler Gold Valuation System)
- MoneyGram
- Quarterly Account and Quarterly Winning Account
- Currency Protected Accounts

- YUVAM Account
- FATSİS (From Physical Gold to TL Currency Protected Participation Accounts)
- Green Vehicle Financing
- Virtual Account
- Housing Account
- Consumer Financing Products
- Employer Protection Participation Insurance
- Indemnity Insurance

About Our Products In Progress And Planned To Be Developed In 2023

In 2023, 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 2023.

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. Furthermore, by launching our first open banking product in 2023, we will enable our companies to conduct transactions safely and swiftly.

New product developments are actively monitored by the Insurance Management Service, particularly for the needs of customers in the insurance business. In 2023, we will continue to address customer demands with new items while also carrying out innovations that will enhance the role of the digital channel in our sales.

Corporate and Commercial Banking Department

Corporate and Commercial Banking Department served 80 Corporate and Commercial portfolios in 80 branches in 2022. Emlak Katılım completed the Corporate and Commercial Banking Sector 2022 operating period with a total of 11,965 customers, and the size of its funds collected reached TL 25.7 billion and the size of its funds allocated reached TL 31.5 billion.

Having a total of 11,965 customers in 2022, Corporate and Commercial Banking reached TL 18.5 billion deposit size, TL 31.5 billion cash lending, TL 7.8 billion non-cash credit volume - TL 520 million non-profit income.

Retail and SME Banking Department


Retail and SME Banking Department served a total of 278 competent employees, with 142 portfolios in the retail segment and 136 portfolios in the SME segment, at 80 branches in 2022. Retail and SME Banking Segment completed the 2022 operating period with a total of 115,814 customers, and the size of its funds collected reached TL 52.9 billion and the size of its funds allocated reached TL 8.4 billion.

Retail and SME Banking reached a total of 115,814 customers in 2022 with a deposit size of TL 8.1 billion, cash lending of TL 8.4 billion, noncash credit volume of TL 2.5 billion and non-profit income of TL 2 billion.

2023 Goals of the Corporate and Commercial Banking Department and the Retail and SME Banking Department

- 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 2022, the number of corporate and commercial banking customers reached 11,965 in total.



An increase of 162%
was recorded in the
volume of foreign
trade products.

OPERATIONS

Foreign Trade and Treasury Operations Department

Foreign Trade and Treasury Operations Department mainly performs foreign trade transactions, as well as foreign exchange transfers, operations of treasury and capital market transactions, and operations of cash balance management.

As of 2022, vostro account service started to be provided to several banks operating abroad, and an increase was observed in the number and volume of foreign currency transfers due to this service.

With respect to the prior year, it was noted that the number of foreign currency transfer transactions increased by 135% in 2022, surpassing the level of 130,000, while transaction volumes increased by 228%, surpassing USD 43 billion.

In foreign trade products, a total of 4760 transactions were carried out, with an increase of 162% compared to 2021.

In the KADSIS physical gold transactions, which were launched in July, more than 100 kg of physical gold was collected until the end of 2022.

In the same year, mutual fund transactions started to be mediated and a total of 76 billion TL of fund transactions were carried out.

MoneyGram transfers started to be mediated through our branches, and within this scope, 7231 MoneyGram transfers were mediated in 2022.

The procedures for collecting quarter gold coins from our Bank's branches and delivering them to the Mint were created and implemented as part of the Mint Quarter Gold Project, which is supported by our Ministry as well.

The cash clearing transaction process has been enhanced with several banks in the industry, particularly with participation banks, and over \$100 million has been cleared in 2022, significantly reducing cash transaction costs and increasing customer satisfaction.

Credit Operations Department

Credit Operations Department consists of three services in total: Retail and Corporate Credit Operations Service, Insurance and Guarantee Operations Service, and Real Estate Valuation Service.

Retail and Corporate Credit Operations Service

The Retail and Corporate Credit Operations Service handles fund allocation transactions in accordance with Participation Banking principles and legislation. Throughout the frame of 2022 operations:

- The operations were accomplished without interruption through the hybrid working model.

- Existing integrations with all institutions such as GB (Turkish Revenue Administration), MFKS (Central Invoice Recording System), FKB (Association of Financial Institutions), and KGF (Credit Guarantee Fund) have been successfully implemented in the current version of KBFKS (Participation Banks Invoice Recording System), which is used by all participation banks within the TKBB. E-Document Viewer was also installed to offer external format control of XML invoices.
- With KGF transactions implemented within the scope of the economic stability package during the pandemic and appropriate loan rates, the Retail/Corporate Credit Operations business volume increased considerably, and the transactions were completed successfully. In Financial Leasing transactions, for the operation of the transaction in accordance with the legislation and regularly, a system work was carried out in order to first examine the products subject to transaction and ensure that they are recorded, and the measurement of the work done was provided.
- A systematic development has been made to ensure the smooth progress of the process in financial leasing and in the transactions involving our tenants whose lease terms have expired, and measurement was also adopted by keeping track of the transfer processes.
- Before the TKBB type contract was published, contracts within the scope of the New Murabaha System, performed in our bank, started to be received. Screen designs were completed, and they were successfully released.
- Procedures for expenses, invoice entry, expense payments, and reconciliation were carried out in order to provide Accounting

Integrations in Financial Leasing transactions.

- The work for the integration of documented/undocumented financing carried out by the Ministry of Commerce into the relevant system was successfully completed.
- Following the legislative implementations, the relevant screens were updated, the codes were added and successfully put into operation.
- Applications, loan disbursements, loan and commitment closings of loans extended from Eximbank, of which we act as an intermediary, were seamlessly completed in 2022, as well. All required system requests have been made for the sake of faster and accurate transactions.

Operations Service

Insurance and Guarantee Operations Service is the service responsible for the faultless execution of insurance and guarantee transactions carried out within the affiliated department in accordance with the legislation, our Bank's practice instructions, policies and principles, and for preparing operational strategies, business organizations and assignments, formation of policies, development of operational processes and systems, and adaptation of innovations in insurance and guarantee operations to our Bank.

Within the frame of 2022 operations;

- System integration has been completed, allowing provisional letters of guarantee provided for public tenders to be issued from the Credit Registration Bureau (KKB) system rather than the Electronic Public Procurement Platform (EKAP).
- By the Decision of the Credit Committee of our Bank, it was ensured that all guarantees required to be received from our

Mutual fund transactions started to be mediated in 2022.

2022 Department Activities and 2023 Goals

borrowers in the Retail, Commercial, Corporate and SME segments are received correctly and completely within the framework of laws and regulations, and that the guarantee entry, exit and revision processes are carried out, and insurance policies are checked, entered and followed up with respect to the guarantees that are the subject of the insurance taken under the guarantee of our borrowers.

Real Estate Valuation Service

Real Estate Valuation Service: is responsible for having the valuation reports of the immovables subject to funding and/or guarantee prepared by authorized real estate valuation firms of CMB & BRSA, checking the said valuation reports according to our Bank's criteria, providing technical opinion on the requests for written consent from official institutions regarding the immovables under our mortgage, having the valuation studies of the immovables owned by our Bank and the rent determination studies of branches to be opened done and controlling them, and for transmitting the KFE (House Price Index) and TGFE (Price Index of Commercial Real Estate) data requested by the Central Bank to the relevant unit (Official Reporting Service).

Core Banking and Branches Operations Department

The Core Banking and Branches Operations Unit 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 2022 operations;

- Considering the collection of Checks and Bonds, the number of our checks reached 44,602 with an increase of 90% compared to the previous year, and the volume reached approximately TL 9 billion 970 million with an increase of 223%. The collection of Other Bank's checks, on the other hand, amounted to 75,177 with an increase of 68% on a unit basis, and approximately TL 10 billion 542 million with an increase of 161% on a volume basis.
- In corporate collections, the number of corporations collected in 2022 reached 65 with an increase of 14%.

Digital Banking and Payment Systems Department

Digital Banking

As part of its digital transformation strategy, Emlak Katılım executed a variety of projects and operations focusing on the customer, technology, and environment, taking into account evolving customer needs and behaviors. Our service model and business methods have been continually updated and developed in accordance with contemporary banking approaches.

Within the framework of our remote customer acquisition service, the number of Bank customers making use of our mobile application, which employs end-to-end digital processes and secure authentication methods, increased by 101% compared to the previous year, and the total deposits of these customers increased by 140%. In the coming period, our remote customer service processes will also be made available to private companies, and to SMBs in accordance with forthcoming legal regulations.

The majority of banking transactions are conducted through our digital channels, utilizing the new digital solutions we employ regularly. Compared to the previous year, the number of our digital channel customers increased by 93% in 2022. The proportion of our customers who regularly use our mobile application in the total number of digitally active customers has increased to 90%, and the number of contacts who utilize the Emlak Katılım Mobile application has increased twofold compared to the previous year.

Today, as distance and contactless services become more important, our bank continues to offer innovative services to our customers in regard to both a potential epidemic and associated solutions, as well as customer experience demands. In 2022, with the motto "Contactless Banking" and in compliance with the Central Bank of the Republic of Turkey's "TR QR Code" standards, we offered our customers innovative services such as money withdrawal, mobile shopping with TR QR Code, creating the QR code of the account and sharing it on messaging services, and money transfer from a person to another person as part of our digital transformation journey.

We continue to work with the goal of addressing almost all kinds of financial needs of our digitalized consumers through our application by placing Emlak Katılım Mobile at the core of the digital customer experience. Many innovative features and functions, including "Huawei Compatible Mobile Branch Application", "Currency Protected Account Openings", "Lease Certificate", "Project Preferential Special Current Account", and "Interest-Free Banking Information" applications, were offered to our customers in 2022 as an outcome of our "Mobile First" approach.

In 2023, we will continue to provide services that consider user needs, which are an integral part of the Emlak Katılım Mobile transformation process, and provide customized solutions. Within the scope of our sustainable environmental goals and our responsibility to future generations, new paper-free and digitally approved processes will be developed in our branches for a greener Turkey in line with our "Paper-free Banking" goal. In today's world, where collaboration with "Open Banking" and "Fintech" is growing, the diversity of our digital and innovative products and services, as well as the investments we will make in this field as Emlak Katılım, will continue to increase in 2023.

Payment Systems

We left 2022 behind as the year of expansion and growth of Emlak Katılım CepPOS, the digital payment tool of our Bank. Compared to the prior year, CepPOS had a 62% increase in customers, a 440% rise in transaction volume, and a more than 5-fold increase in commission income.

Our bank became the first public bank to switch all of its ATMs to the TAM System (Public Joint ATM).

The cardless cash withdrawal function is now available at our bank's ATMs that follow the CBRT, TR QR Code standards, as well as at all ATMs in our country.

The project of central card printing and delivery to addresses was accomplished. Previously, instant printing was only available at our branches; however, today, cards can be delivered to the addresses of our customers.

A new customer limit management structure was created for debit cards, and a customized limit application was initiated in line with the needs of special customers.

Compared to the previous year, our total number of debit cards increased by 104%, the number of debit card ATM transactions by 96%, and transaction turnover by 167%. The number of shopping transactions made with our debit cards increased by 104% while the transaction turnover rose by 325%.

Following the CepPOS product, we started physical POS development efforts in 2022 to meet the needs of our customers. The physical POS, which we aim to make significant contributions to the acquisition of new customers and the sales capabilities of our branches, is designed as a new product that also generates income for our Bank. The new generation physical POS with the Android operating system is planned to be made available to our customers in the first quarter of 2023.

Work on developing the Emlak Katılım credit card, which is a significant product deficit of our Bank in terms of payment systems, began in 2022, and our Bank's original credit card will be available to our customers in 2023.

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 2022, the number of customer contacts increased by 50% 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 number of customers using mobile applications increased by 101%.

2022 Department Activities and 2023 Goals

The number of outbound calls made through the Customer Communication Center regarding various products and services increased by 30%.

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 30% compared to the previous year.

76% 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 2022, 9% 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 110% compared to the previous year. Customer satisfaction was ensured by responding to incoming applications within 2 days on average.

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

Product and Customer Security

The product and customer security trends that are experienced in the sector were tracked, and required precautions were taken against adverse developments and potential risks.

Within the scope of product and customer security, efforts were made to inform Bank employees and customers and to raise awareness about fraud prevention.

Regarding the new products and services developed at our bank in 2022, product and customer security reviews and assessments were made, and our opinions were shared.

The essential projects within the scope of our responsibilities have been accomplished in accordance with the legislation published by the BRSA.

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 2022.

Amendments Made in the Articles of Association during the Accounting Period and The Rationale

No amendments were made in the articles of association in 2022.

Board of Directors



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

Mr. Birpinar 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. Birpinar started to work as İstanbul Provincial Environment and Forestry Manager in 2003, as İstanbul Provincial Environment and Urbanization Manager in 2011 and was appointed as Deputy Secretary of Ministry of Environment and Urbanization in 2013. Prof. Birpinar 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 18th Meeting of

the Contracting Parties which took place in İstanbul in December 2013. He was appointed as Chief Negotiator on 9 April 2015 to represent Turkey at international climate change negotiations realized in accordance with the United Nations Framework Convention on Climate Change. Prof. Birpinar 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.



Abdullah Erdem CANTİMUR Deputy Chairman of the Board of Directors

Having graduated from Kütahya Administrative Sciences School Department of Business, Abdullah Erdem Cantimur completed his postgraduate education at the Department of Business. He worked as Independent Financial Advisor between January 1980 and November 2002. He served in Anadolu University Kütahya Administrative Sciences School between September 1982 and September 1986; served as Board Member in Chamber of Certified Public Accountants of Kütahya between April 1996 and November 2002; served as lecturer and taught Financial Statement Analysis, Taxes on Income, Computer and Computerized Accounting Applications at THK University Master in Business between January 2013 and April 2014 and at Dumlupınar University Simav Vocational School between September 2001 and October 2002. He served as member of parliament of Kütahya in 22nd period of Grand National Assembly of Turkey between November 2002 and July

2007. He also served as Deputy Chairman at Committee on Public Enterprises (KİT) of Halkbank, Ziraat Bank and İller Bank and spokesperson of Committee on Public Enterprises between the same period. He continues to work as sworn-certified public accountant since October 2007 and as independent auditor since May 2013. Having been appointed as Deputy Finance Minister between May 2012 and September 2015, Abdullah Erdem Cantimur served as the Chairman of the Board of Karadeniz Bakır İşl. A.Ş. in liquidation between August 2014 and June 2016, as Board Member of Emlak Bank in liquidation between April 2016 and September 2018 and Board Member of Türkiye Emlak Bankası between September 2018 and August 2019. He has been serving as the Member and Deputy Chairman of the Board of Directors of Türkiye Emlak Katılım Bankası since 3 September 2018.



İlker SIRTAKAYA Chief Executive Officer and Board Member

İlker SIRTAKAYA earned his bachelor's degree in Industrial Engineering from Bilkent University in 2006 and a master's degree in Finance from Warwick University in 2009. He started his career at Garanti Bankası as an Internal Auditor and continued in this position for two and a half years. After that, he served as Corporate Finance Manager at Ünlü&Co for two years, as Project

Finance Senior Manager at Odeabank for seven years, and as Financial Consultant to the Executive Board at Emlak Konut GYO for two years. In the following term, he assumed the position of General Manager at Emlak Konut Asansör Sistemleri San. Tic. A.Ş. for 1.5 years. Since 16 September 2022, he has been working as the Chief Executive Officer and Board Member at Emlak Katılım.

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.



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 Denizati 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 Hava Yolları A.O. between 2013-2015. Mr. Yazıcı is a Member of the Board of Directors of Emlak Katılım since 19 June 2019.



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

Graduated from Marmara University Faculty of Law in 2002, Mr. Balcı 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.



Mustafa ERDEM Member of the Board of Directors

Mustafa Erdem, who graduated from Istanbul technical University Department of Management Engineering, started to work at Kuveyt Türk Evkaf ve Finans Kurumu in 1994. He continued to work as the Chief at the Directorate of Financial Analysis and Intelligence in 1999. He served as the Assistant Manager at the Directorate of Financial Analysis and Intelligence at Türkiye Finans Katılım Bankası between 2000 and 2005; as the Founding

Director at the Directorate of Individual Assessments and Allocations between 2005 and 2009; as the Director at the Directorate of Credit Monitoring and Collections between 2009 and 2012, and as the Director at the Directorate of Collections between 2012 and 2013. Erdem, who has been providing Corporate Governance and Financial Consultancy since 2013, has been a Board Member of Emlak Katılım as of 26 June 2020.



Executive Management



İlker SIRTAKAYA Chief Executive Officer and Board Member

İlker SIRTAKAYA earned his bachelor's degree in Industrial Engineering from Bilkent University in 2006 and a master's degree in Finance from Warwick University in 2009. He started his career at Garanti Bankası as an Internal Auditor and continued in this position for two and a half years. After that, he served as Corporate Finance Manager at Ünlü&Co for two years, as Project

Finance Senior Manager at Odeabank for seven years, and as Financial Consultant to the Executive Board at Emlak Konut GYO for two years. In the following term, he assumed the position of General Manager at Emlak Konut Asansör Sistemleri San. Tic. A.Ş. for 1.5 years. Since 16 September 2022, he has been working as the Chief Executive Officer and Board Member at Emlak Katılım.



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 in charge of Credits at Emlak Katılım since 02.03.2020.



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, Kavacak 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.

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 and Strategy at Emlak Katılım since 14 October 2019.



Ali Kemal KÜÇÜKCAN Executive Vice President

He was born in 1975. He graduated from Ankara Science High School in 1992, and from Middle East Technical University Environmental Engineering in 1998. He earned his MBA degree from Yeditepe University in 2003. Küçükcan started his career in the Financial Institutions Unit of Garanti Bankası in 2000, and assumed the positions of Senior Regional Manager and Deputy Manager of Financial Institutions Unit, respectively

Between 2013 and 2019, he served as the Head of Financial Institutions-International Banking Unit at Şekerbank. He continued his career in Emlak Katılım as the Head of Financial Institutions Unit as of March 2019. He has been serving as the Executive Vice President, Treasury and International Banking at Emlak Katılım since 19 October 2022.



Hüseyin Cahit BÜYÜKBAŞ Executive Vice President

He graduated from Middle East Technical University Industrial Engineering undergraduate program in 2005 and concurrently completed the Economics Department - Economic Theory minor program. Immediately afterwards, Cahit Büyükbaş started working as an Internal Auditor at T. Garanti Bankası A.Ş. He served as a Supervisor at T. Garanti Bankası A.Ş. Project and Acquisition Finance Department between 2010-2013, and Odea Bank A.Ş. Project and Structured Finance

Department for 7 years between 2013-2019. He worked as the Group Manager at Enerjisa Enerji Üretim A.Ş. in the Strategy - Acquisition and Merger Department between 2019-2020. Büyükbaş, who served as Treasury and Corporate Finance Group Manager at Enerjisa Enerji Üretim A.Ş. between 2020-2022, was appointed as the Deputy General Manager, Sales and Marketing at Emlak Katılım as of October 19, 2022.



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.



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 İstanbul 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.



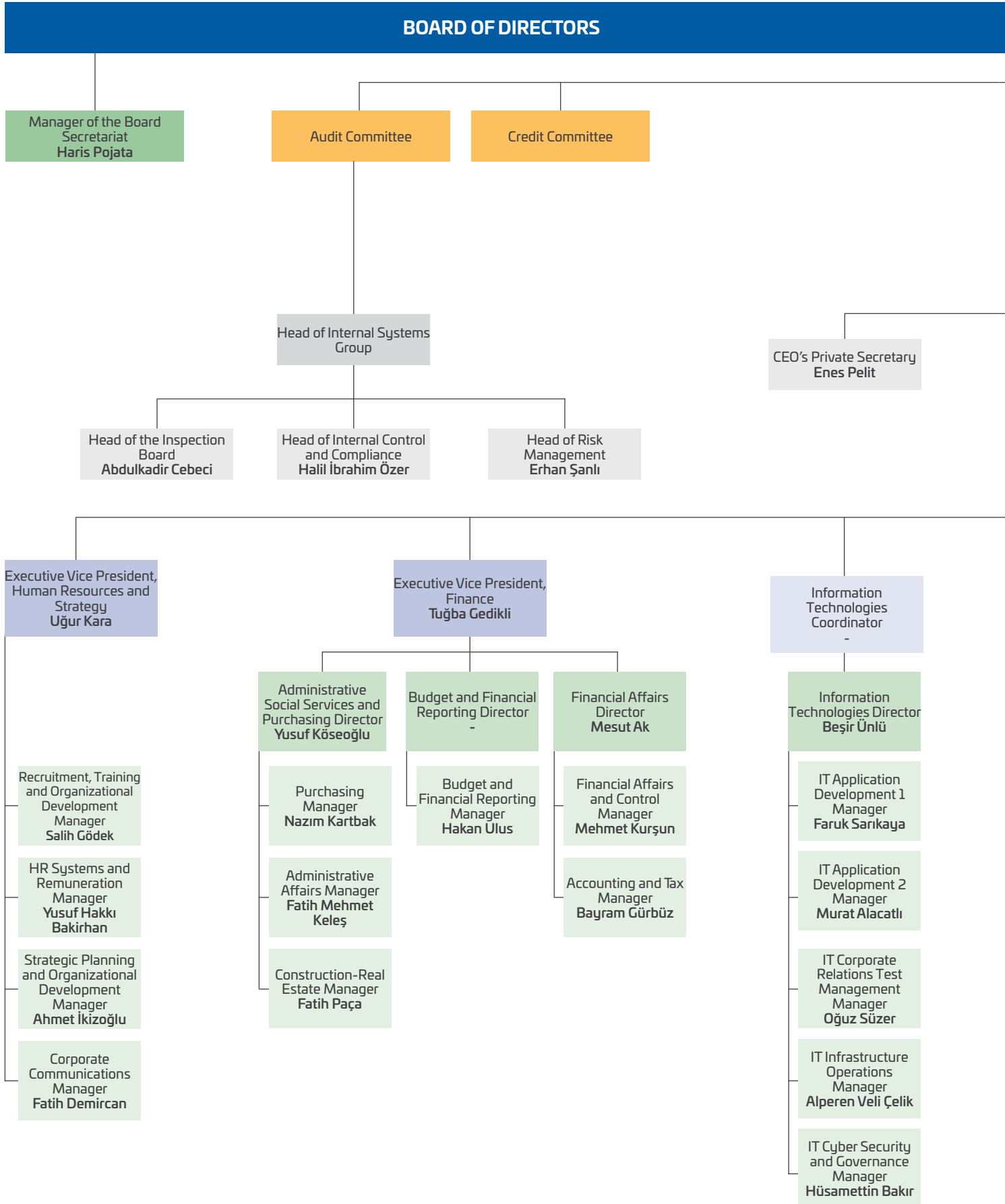
Halil İbrahim ÖZER Head of Internal Control and Compliance

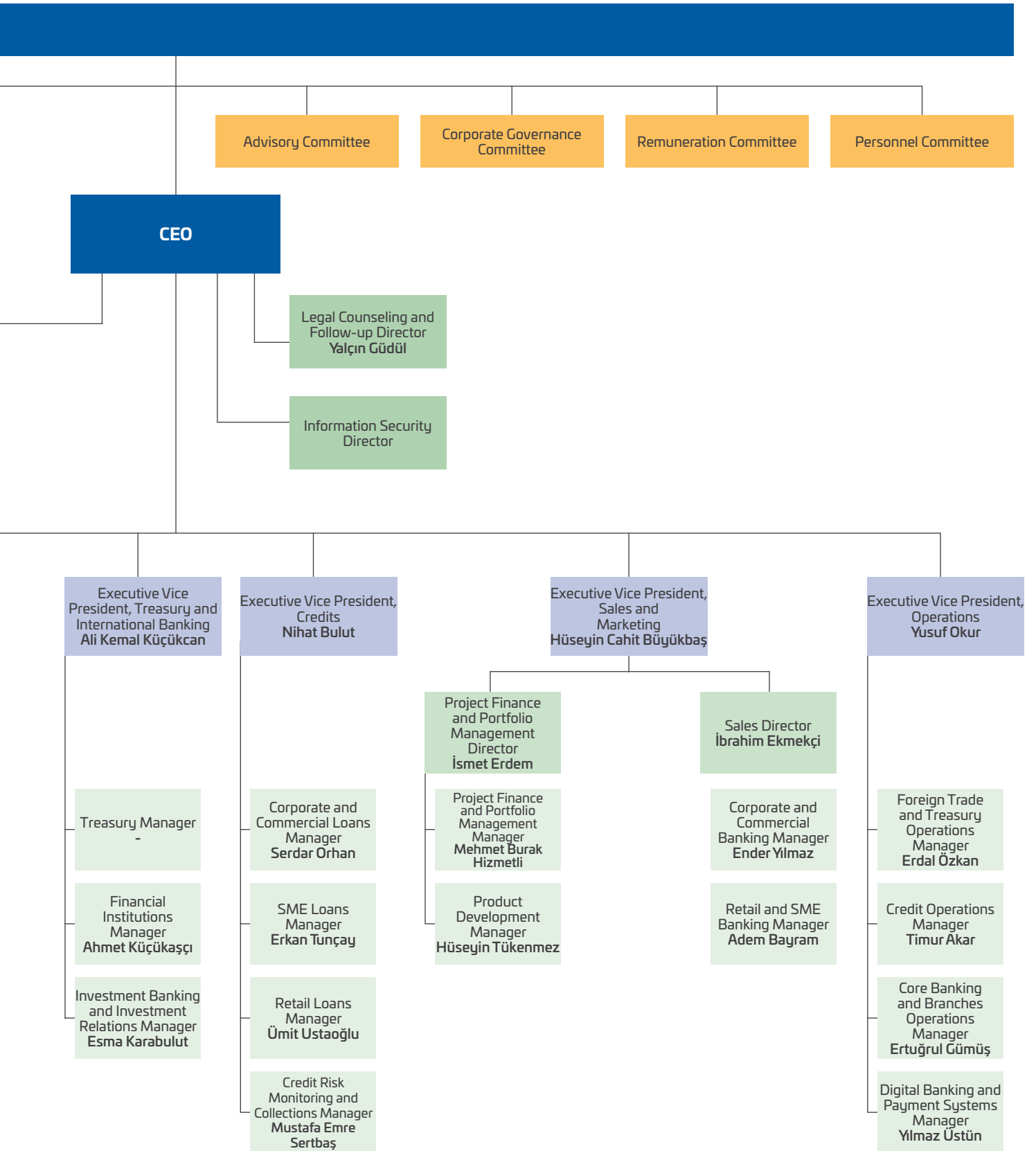
Mr. Özer has a Bachelor's degree from İstanbul University Faculty of Business Administration (English) and Anadolu University Faculty of Economics Department of Finance, and a Master's degree from Maltepe University. He started his banking career in 2006 at T. Garanti Bankası A.Ş. as MT. Between 2008-2016, 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, BES 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 04.03.2021.



Organizational Chart





Information on Activities of Committees

Credit Committee

Member	Position	Committee Position
Prof. Dr. Murat Balcı	Member of the Board of Directors	Committee Chairman
Mustafa Erdem	Member of the Board of Directors	Committee Member
İlker Sirtkaya	Member of the Board of Directors/CEO	Committee Member
Prof. Dr. Mehmet Emin Birpınar	Member of the Board of Directors	Committee Member (Alternate)
Hasan Suver	Member of the Board of Directors	Committee Member (Alternate)

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 28 times in 2022.

Audit Committee

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

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 16 times in 2022.

Remuneration Committee

Member	Position	Committee Position
Mehmet Nuri Yazıcı	Member of the Board of Directors	Committee Chairman
Abdullah Erdem Cantimur	Deputy Chairman of the Board of Directors	Committee Member
Hasan Suver	Member of the Board of Directors	Committee Member

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 2022.

Executive Committee

Member	Position	Committee Position
Prof. Dr. Mehmet Emin Birpınar	Chairman of the Board of Directors	Committee Chairman
Prof. Dr. Murat Balcı	Member of the Board of Directors	Committee Member
İlker Sırtkaya	Member of the Board of Directors/CEO	Committee Member

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 21 times in 2022.

Corporate Governance Committee

Member	Position	Committee Position
Abdullah Erdem Cantimur	Deputy Chairman of the Board of Directors	Committee Chairman
Prof. Dr. Murat Balcı	Member of the Board of Directors	Committee Member
Mustafa Erdem	Member of the Board of Directors	Committee Member
Mehmet Ali Kahraman*	Member of the Board of Directors	Committee Member

*As of 21 March 2022, he is not a member of Corporate Governance Committee.

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 2022.

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 Ta'İlmi'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 work is "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.

Prof. Dr. Servet BAYINDIR

He was born in Erzurum in 1965. He graduated from Marmara University Faculty of Theology in 1993, and from Anadolu University Faculty of Economics in 2005. He completed his Master's Degree in 1995 with his thesis titled "Evaluation of Private Finance Institutions in Terms of Islamic Law" and his doctorate in 2004 with his thesis "The Role of Interest-Free Banking Transactions in Islamic Law". He studied Arabic at the University of Jordan for eight months (2002-2003). With the scholarship of the Central Bank of Malaysia, he completed his second post-doctoral study with the Certificate of Islamic Finance (CIFP) program at INCEIF institute in Malaysia (2008-2010).

He was awarded with Honorable Mention for the First Rank in the Project Awards on "Innovations and Insights Introduced to the Finance Sector by Participation Banking" organized by the Participation Banks Association of Turkey (March 2009).

Servet Bayındır, who taught Religious Culture and Moral Knowledge for five years (1995-2001) in the Ministry of National Education, joined Istanbul University in 2001. He received the title of Associate Professor in 2008 and Professor in 2014 with his studies in Islamic Economics and Finance. Bayındır, who established the Department of Islamic Economics and Finance at Istanbul University and served as its head for three years, retired from his position at Istanbul University on 01 August 2022. Since October 2022, S. Bayındır has been continuing his academic studies at Istanbul Sabahattin Zaim University as a faculty member in the discipline of Islamic Economics and Finance.

Servet Bayındır served as an advisory board member at Kuveyt Türk Participation between 2010-2017 and at Bereket Sigorta between 2016-2023. He has been working as a member of the Advisory Committee at Emlak Katılım since 2020. Servet Bayındır is the founder (2019) of the Islamic Economics Research Foundation (İKTİSAT) and is still holding the position as the Chairman of the Foundation. Bayındır has published many scientific articles in addition to his four books on Islamic Economics and Finance.

Prof. Dr. Servet Bayındır was appointed as a Member of the Presidential Economic Policy Council on 13 October 2018, as a Member of the Board of Vakıf Katılım on

31 December 2020, and as the Chairman of the Board of Directors of Türkiye Katılım Sigorta A.Ş. and Türkiye Katılım Hayat A.Ş. on 30 December 2022, and continues conducting these responsibilities.

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 Advisory Board of the Islamic Economics Research Center (IKAM) since 2016 and as a visiting professor at Istanbul Commerce University since 2022.

Prof. Dr. Şevket TOPAL

Şevket Topal was born on 20 June 1967 in Giresun/Görele. He graduated from Eynesil Imam Hatip High School in 1987 and completed his university education at Marmara University Faculty of Theology in 1992. He graduated from Atatürk University Vocational School of Justice in 2016 and is still attending his education at Istanbul University AUZEM / Faculty of Economics since 2020. He completed his master's degree in 1995 and PhD in 2000 at Ondokuz Mayıs University, Institute of Social Sciences. He started his career as a teacher in Samsun-Havza between 1992-1993. Between 1993

and 2007, he worked as a research assistant at Yüzüncü Yıl University, Faculty of Theology, Department of Islamic Law. He worked as Assistant Professor in 2007-2009, Associate Professor in 2009-2014 and Prof. Dr. in 2014 at Rize University Faculty of Theology. He has an advanced level of English and Arabic. He has many articles or books published in his field. He also served as a Member of the University Administrative Board and Senate, the Founding Director of RTEU Vocational School of Justice between 2012-2014 and the Founding Dean of RTUE Faculty of Law between 2016-2020, and still continues his duty as the Dean of RTEU, Faculty of Theology.

Assessment of the Emlak Katılım Advisory Committee

Pursuant to Article 4 of the Communiqué on Compliance with the Principles and Standards of Interest-Free 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 5th 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 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.

Considering the 2022 operating period, our remarks, opinions and assessments for the relevant period are provided below.

In the 2022 operating period, 28 Advisory Committee meetings were held and 21 decisions were taken at these meetings. These decisions were announced by the Secreteriat of the Advisory Committee, taking into account the relevant stakeholders throughout the Bank.

The Advisory Committee and the Audit Committee met in 2022 as set forth in the Communiqué, to discuss the internal audit findings and to discuss the actions to be taken. In these meetings, the reports prepared on Islamic banking compliance and audit activities, and the actions taken for the findings in the reports were discussed.

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 31.12.2021 comply with the Communiqué on Compliance with Interest-Free 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 Interest-Free 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 interest-free 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 Interest-Free 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 policies, implementation instructions and processes regulating the Bank's compliance with the principles and standards of interest-free 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 interest-free banking culture within the Corporation.

The Advisory Committee held at least the number of meetings specified in the relevant communiqués in 2022.

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 2022, efforts and developments in terms of Recruitment, Career Management, Employer Branding, Training and Development, Performance - Talent Management, Organizational Development, Wages and HR Systems, Personnel Benefits and Employee Relations continued extensively.

Recruitment and Career Management Practices

Our career site, www.kariyer.emlakkatilim.com.tr, has been redesigned in accordance with our employer branding strategy and is now accessible at www.aynicataltinda.com.tr with a new face and title.

Within the scope of our My Career Talks project, online 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 2022, more than 500 of our employees were involved in My Career Talks. Furthermore, active unit and branch visits were undertaken, which included sharing and informative presentations on common ground with employees and managers.

In terms of career mobility, our employees are trained at our Sales School and Operations School programs, for the Assistant Portfolio Expert and Operations Officer jobs that our branches require.

The Promotion and Temporary Position Application Instruction has been implemented to meet employees' career expectations and to ensure diversity in career mobility. Furthermore, with the ongoing career map and career matrix studies, which are projected to be finished in 2023, it is planned to provide new career prospects to all institution employees.

Under the Emlak Katılım Gündem, which is our corporate intranet page, İK Gündem (HR Agenda) page has been made accessible to all of our employees in an effort to efficiently communicate information and practices pertaining to human resources.

We have tailored the promotion processes, job title structure, and rule sets for the Head Office - Branch units and the Information Technologies units, taking into account the current socio-economic climate and new global trends in our promotion policies.

Our information technology teams relocated to the "technopark" in early 2022, and the corporate

and individual benefits of the "technopark" began to be utilized.

The working model of employees in Information Technologies was altered, and a hybrid working model (flexible working in time and location) was adopted in line with the rest of the sector. Additionally, it is planned to implement the "On-Site Employment Model" in 2023, which will allow employees to work entirely outside the office/outside the province.

328 new positions were created across the organization. Of these, 98 employees were employed in the Branches, 131 in the Head Office, and 99 in Information Technologies.

76 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, 66 students were employed.

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 Turkey.

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,

Information on Human Resources Practices

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.

In accordance with our digitization objectives, we transferred the Human Resources applications and employee data integrated into our banking system to the mobile platform with the application we termed "Mobile HR." Other employee data that can be integrated with Mobil HR will continue to be transferred in 2023 within this scope.

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

Projects and studies targeted at establishing a more measurable, digitized, sustainable, and talent-focused human resources system will be implemented in human resource processes in 2023.

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.

A Workload Analysis Study was carried out and submitted to the information of the relevant parties via the Core Banking Application (BOA).

In 2022, the Suggestion Board reviewed 648 ideas, and 4 awards were granted via the "Idea Bank" technology platform, which was developed to review and implement all ideas from our employees.

Comprehensive and detailed job descriptions have been studied for all positions within our organizational structure and have been completed.

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 1125 employees, including 494 Head Office and 631 Branch employees, were carried out in three stages (Self-assessment, 1st Assessment, 2nd Assessment) in 2022.

To achieve objective results, particularly in the assessment of Competencies, our system was reconfigured to sustain the year-end assessments with Instant Feedbacks throughout the year, and the assessments were conducted in this manner.

Our managers and staff were provided with awareness and training activities in order to ensure the smooth operation of our instant feedback system and to turn the phenomena of feedback into a culture in our bank.

In this context, our managers provided 985 instantaneous written feedbacks to our employees in 2021 in order to recognize their achievements and contributions, build corporate loyalty and motivation, and support their development and these feedbacks were delivered to our employees. As the feedback culture expanded throughout our bank, this number ascended by 60%, reaching 1572 feedbacks in 2022.

In 2022, we continued to work on developing both Competency and Goal Assessment screens in the Core Banking Application (BOA) system. Assessment screens were reconfigured to meet the requirements of the Emlak Katılım Performance Evaluation system and went operational. Our Emlak Katılım Instant Feedback system screens were also improved in 2022 by the addition of multiple feedback entries and thorough case definition options.

Individual Goal Setting studies were conducted within the context of the Goal Assessment part, which is another aspect of the Performance Assessment System. These studies support the strategic goals of our Bank and allow each of our employees to actively participate in the achievement of the institution's goals. 90 Individual Goal Setting studies with Unit Managers at the Head Office were conducted as part of this study. A SMART (Specific, Measurable, Acceptable, Reasonable-Realistic, Time-Based) "Goal Scorecard" was developed for each employee as an outcome of the study. In this regard, a total of 3330 individual goals were set, assigned to our 616 employees working in the Head Office, and their

accomplishments were assessed at the end of the year.

Three individual scorecards were created for employees at the operations-cash desk in the studies conducted with the relevant units for the Branch Operations Employees. Three separate scorecards were created for employees at the operations-cash desk in the studies conducted with the relevant departments for the Branch Operations Employees. In this regard, our 221 employees in the Branch Operations-Cash Desk position received a total of 994 individual goals, and at the end of the year, their accomplishments were assessed. The new screens, which are not included in the BOA but are required for the monitoring of these individual goals and their accomplishments, were designed through internal resources, brought to our bank, and made live for our Branch Operation-Cash Desk employees in the context of operational excellence.

Furthermore, taking into account our bank's strategic goals, Common Goals have been defined for our employees in order to encourage corporate and individual development. Using the themes of Occupational Training, Personal Development, Quality Management, Digital Transformation, and Communication-Interaction, the created goals were assigned to employees in the relevant positions.

As of the end of 2022, our Bank's Performance Assessment process had been completed for all employees in scope. The results were analyzed and reported, and the data was used as fundamental

inputs for our employees in various other HR operations such as talent management, training-development needs analysis, career and salary management. In this context, our employees received Performance Bonus payments at the end of 2022.

The design of the Emlak Katılım Talent Management project, which will be implemented in 2023, has been finalized as part of our Performance and Talent Management processes. In this context, the necessary preliminary preparations have been completed for the identification of the potentials of our employees who will be included in the project during the year, for the creation of a Talent Matrix and, for the efforts to retain the talent in our Bank.

In all of the previously mentioned "Performance and Talent Management" practices, banking sector participation analyses and benchmarking were carried out by employing merely internal resources.

Training and Development

In accordance with the vision and strategies of our Bank, we have continued to carry out training programs for our employees in order to foster the competencies of today and the future.

With the theoretical and practical orientation training sessions, 308 new colleagues were able to start their new jobs swiftly and with minimal risk, and 97 colleagues who started working in our branches were provided with mentorship support from their very first day on the job within the framework of "Orientation Guidance."

With the "Operations School" training program designed for the development of our cash desk and operations employees, 1,225 hours of training on 15 different subjects were provided, increasing our colleagues' awareness of legal processes and our Bank's practices, minimizing operational risks, and improving productivity.

With the "Sales School" designed for our sales employees, 1,733 hours of training on 18 different subjects were organized, with a focus on our employees' credits knowledge as well as sales skills.

With the "Management School" programs, our branch managers, who were promoted from within our Bank, were provided with 773 hours of training, and they were assisted in identifying risks and opportunities in advance with theoretical/practical information about their new roles.

90 Directors and Managers received 2,744 hours of "Holistic Leadership" training as part of the "Leadership School" designed to complement our bank's leadership culture with cutting-edge methods.

Our Information Technologies employees received 1,615 hours of training on 27 different subjects.

545 of our employees received 4,650 hours of training for Occupational Health and Safety, providing them with the knowledge and skills that support a safe working environment.

Within the scope of corporate sustainability studies, information support for the fulfillment of our social responsibilities was provided

Information on Human Resources Practices

by assuring that our employees who will be involved in related operations participate in training and certification programs.

As part of the Corporate Performance Training Program, training sessions on 53 different subjects met the periodic training needs of 664 employees.

Competency Development Training sessions were designed in which our employees could set their own timetable and topics, and 429 employees benefited from training sessions on 93 different subjects.

Through the E-Academy, our employees had unlimited access to 5,500 content, such as banking, personal development, leadership, our competencies, sales, and legal, at their own pace and based on their learning preferences. In this context, our employees had access to 21,967 hours of training through blended applications and professional development journeys. Those of our colleagues who ranked high in the “E-Academy, Zirvedekiler” competition were rewarded, and the culture of continuous development was emphasized.

Throughout the year, 15,767 hours of virtual classroom training were provided in 422 groups consisting of 198 different subjects. Meanwhile, 10,923 hours of face-to-face training were provided on 56 different subjects by continuing actual classroom training practices on topics with a high added value for interaction.

Discounted training agreements were signed with 11 universities and 6 foreign language training centers for the academic development and foreign language training of our employees.

Considering the overall data, each of our employees received an average of 45 hours of training during the year. As a training method, 21% face-to-face, 31% virtual classroom and 43% asynchronous programs were preferred. More than 2,000 hours of on-the-job training was provided. 32% of the training programs were delivered by our in-house instructors.

According to the results of the training requirements analysis conducted for the new year, the personal and professional development of our employees will continue to be effectively supported with methods that focus on digital solutions.

Personnel Benefits and Employee Relations

Based on our employer brand, “Under the Same Roof,” which we created with inspiration from our logo reflecting our long heritage and to emphasize our unity, various competitions, events, and activities are held to strengthen the bond among all of our employees by fostering greater internal communication and interaction.

In 2022, social activities such as Welcoming Summer event, trekking, photography contest, activities of our social clubs and a football tournament, which are all open to the participation of all our employees were held.

Remuneration

Wage 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 2022. In this regard, consulting services were obtained in order to examine data on market remuneration and social rights, and plans were developed for the adjustments that would be made in this area 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, clothing, food, transportation, 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 2022, 10 (ten) 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.

Summary

Recruitment and Career Management

- As of the end of 2022, the current number of employees within Emlak Katılım is 1,297.
- 15,000 candidate applications were received through our systems.
- On-site interviews have been carried out in 12 different cities.
- 2,750 candidates participated in interviews.
- For 3,117 candidates, 6,920 online assessment tools (competency inventory, field knowledge, foreign language exam, etc.) were employed.
- Realization of 328 recruitments.

- 76 new graduates started working.
- 66 university students were employed part-time within the scope of the Strong Career project.
- 21 of our employees were appointed as Unit Managers/ Branch Managers.
- Our 305 employees were promoted.
- Communication was established with 26 universities.
- 30 events were organized for university students.

Training and Development

- An average of 45 hours of training per person
- Training on 251 different subjects
- An average 19 hours of asynchronous training per person

- 32% in-house instructor utilization
- 422 group virtual classroom training
- 15,767 hours of virtual classroom training
- 21,967 hours of e-academy digital content utilization

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 Transactions Carried out with Risk Group Emlak Katılım Involved

The amount of transactions made by the risk group that Emlak Katılım Bankası A.Ş. involved in 2022 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 2022.

Information on Outsourced Operations and the Individuals and Organizations Supplying the Outsourced Services

SERVICE PROVIDER COMPANY	SERVICES OBTAINED
Fineksus Bilişim Çözümleri Tic. A.Ş.	Black List Control Module SWIFT Interface Correspondent Account Confirmation Module
Desmer Güvenlik Hizmetleri A.Ş.	Transfer Service for Cash and Valuables
Güzel Sanatlar Çek Basım Ltd. Şti	Cheque Print
Loomis Güvenlik Hizm. A.Ş.	Foreign Currency and Precious Metals
Brinks Güvenlik Hizmetleri A.Ş.	Foreign Currency and Precious Metals
Posta ve Telgraf Teşkilatı PTT	Corresponding Banking
Acerproo Bilişim Teknolojileri A.Ş.	Insurance platform procurement
Barikat Bilişim Güvenliği A.Ş.	Information Security Service Procurement
PTT Para Lojistik A.Ş.	Money and Precious Metals Transfer
Mavi Güvenlik Elektronik San. Tic. Ltd. Şti	Branch Alarm Services
AGT Hızlı Kurye Hizmetleri A.Ş.	Obtaining and delivery of documents required within the scope of Branchless Banking Services
Türk Elektronik Para A.Ş.	Mobile Virtual POS Payment
Superonline İletişim Hizmetleri A.Ş.	Gebze Söğütözü Infrastructure Hosting Service
İpoteka Gayrimenkul Danışmanlık	Mortgage Services
Mapa Global Bilgisayar Yazılım Danışmanlık San. Ltd. Şti	FAST&KOLAS procurement
Maraton Arşiv ve Doküman Yönetimi Hiz.ve Tic. Ltd. Şti	Continuous Cheque Printing Software Program
Ekol Grup Koruma Güvenlik ve Eğitim Hizmetleri A.Ş.	Procurement of Security Services
Türkgen Yazılım Dan. San. Tic. A.Ş.	Project Based Business Procurement
Medya Soft Danışmanlık ve Eğitim A.Ş.	Renewal of Corporate Website Content Panel (CMS)
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Debit Card envelope with window and Card holder procurement
Key Yazılım A.Ş.	Inveks Hypoteks license acquisition
Erpa Ödeme Hizm.ve Elek. Para A.Ş.	Mobile virtual POS (CepPOS) project procurement
Sipay Elektronik Para ve Öd. Hiz. A.Ş.	Mobile virtual POS (CepPOS) project procurement
Fineksus Bilişim Çözümleri Tic.A.Ş.	Paygate products service procurement
Mavi Güvenlik Elektronik San. Tic. Ltd. Şti	Branch security alarm monitoring and maintenance service procurement
Güzel Sanatlar Çek Basım Ltd. Şti	Continuous form check printing with ten and twenty stubs with logo
Eticsoft	Mobile virtual POS system technical maintenance support service procurement
Elekse Elektronik Para Ödeme Kuruluşu A.Ş.	Mobile virtual POS project payment services procurement
Bilişim Bilişim ve Yazılım Sistemleri San. Tic. A.Ş.	Informatics payroll additional development additional license maintenance service procurement
Fineksus Bilişim Çözümleri Tic. A.Ş.	SWIFT Event log reporting service procurement
Elekse Elektronik Para Ödeme Kuruluşu A.Ş.	Physical POS project field operation support service
Türk Elektronik Para A.Ş.	POS installation service fee
PTT Para Lojistik A.Ş.	Local Transfer Service for Cash
Desmer Güvenlik Hizmetleri A.Ş.	Local Transfer Service for Cash
Güzel Sanatlar Çek Basım Ltd. Şti	Cheque Print
BTYön Teknoloji A.Ş.	BRSA penetration test service procurement
Ekol Grup Koruma Güvenlik ve Eğitim Hizmetleri A.Ş.	Procurement of Security Services
Barikat BT Bilişim Tic. A.Ş.	SOC 7x24 security service procurement
ACE Global Turkey Gözetim Hizmetleri A.Ş.	Tender for the procurement of surveillance services for warehouse-backed financing and stock-backed financing products
Control Union Gözetim ve Belgelendirme Ltd. Şti	
GSI General Survey Gözetme A.Ş.	
Hobim Arşivleme ve Basım Hiz. A.Ş.	Archiving Service Procurement

Credit Ratings of Emlak Katılım

Emlak Katılım's credit rating was revised on 22 September 2022 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.

Credit Ratings	Rating	Outlook
Long-Term Foreign Currency Issuer Credit Rating	"B-"	Negative
Long-Term Local Currency Issuer Credit Rating	"B"	Negative
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.

The objective of the 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 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 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 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.

Liquidity Risk

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 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).

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.

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.

Information on Risk Management Policies Implemented Based on Risk Types and Risk Management Disclosures

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*

Balance Sheet

Assets (TL million)	2022	2021	2020
Liquid Assets	30,927	7,768	3,177
Securities	23,100	8,187	3,352
Loans	44,293	21,907	13,599
Other Assets	1,907	898	262
Total Assets	100,227	38,760	20,390

Liabilities (TL million)	2022	2021	2020
Funds Collected	79,224	26,793	11,677
Funds Borrowed	7,153	4,654	4,073
Shareholders' Equity	6,024	1,728	1,539
Total Liabilities	100,227	38,760	20,390

Income Statement (TL million)	2022	2021	2020
Profit Share Income	8,298	2,329	1,000
Profit Share Expenses	4,380	1,797	628
Net Profit Share Income/ Expenses	3,918	532	372
Net Fees and Commission Income/Expenses	301	82	21
Commercial Profit and Loss (Net)	1,861	57	22
Other Operating Income	152	130	85
Other Operating Expenses	415	203	119
Provision for Loans and Other Receivables	1,477	125	127
Profit/Loss before Taxation	3,724	188	105
Tax Provisions	914	45	24
Net Profit/Loss	2,810	143	81

* Unconsolidated figures.

Assessment on Financial Standing, Profitability and Solvency

As of end 2022, Emlak Katılım has total assets worth of TL billion 100.2 and shareholders' equity of TL 6 billion. Concordantly, the Bank's capital adequacy ratio is above the legal requirement at 27.98%. 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 2022 were conducted by Güney 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 Turkey (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 lease certificates structured in accordance with the principles of interest-free finance.

Between 1 January 2022 and 31 December 2022 Emlak Varlık Kiralama A.Ş. issued TL 4,356,650,000 worth of Sukuk with the sales method of private placement and qualified investors in Turkey.

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 lease certificates 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 Turkey 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 interest-free finance principles and values that Emlak Katılım espouses.

Between 1 January 2022 and 31 December 2022, Emlak Katılım Varlık Kiralama A.Ş. issued TL 15,348,584,000 worth of Sukuk with the sales method of private placement and qualified investors in Turkey.

Assessment on the Operations of Internal Control, Internal Audit and Risk Management Systems

Regulation on Banks' Internal Systems and Internal Capital Evaluation Process (ISEDES) 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 ISEDES,
- Monitoring the need to update documents that are in its area of responsibility such as policies, practice directions, business flows, etc. and taking actions to provide their updates.

Members of the Audit Committee are selected from among the members of our Bank's Board of Directors. Abdullah Erdem Cantimur is the chairman and Mehmet Nuri Yazıcı 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 2022 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 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.

Assessment on the Operations of Internal Control, Internal Audit and Risk Management Systems

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

Due to the earthquake that struck Turkey's southeastern region on 6 February 2023, and severely affected plenty of our provinces, our Bank's Board of Directors agreed to donate 1 billion TL to help heal the wounds. Furthermore, under the coordination of AFAD, approximately 30 million TL in-kind aid was delivered to the affected areas from the first days of the earthquake.

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 2022 amounts TL 13,061,000.

Information on Emlak Katılım'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 Katılım during the Year

The following donations were made: TL 500,000.00 to the TR Ministry of Interior, Disaster and Emergency Management Authority, TL 6,141.90 to the OGEM Foundation, TL 468,000.00 to the employees of companies that provide us with technical assistance and services.

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 of the auditor's report originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT on the ANNUAL REPORT of the BOARD of DIRECTORS

To the General Assembly of Türkiye Emlak Katılım Bankası A.Ş.

1) Qualified Opinion

We have audited the annual report of Türkiye Emlak Katılım Bankası A.Ş. ("the Bank") and its subsidiaries ("the Group") for the period of January 1, 2022 – December 31, 2022.

In our opinion, except for the matter described in the Basis for Qualified Opinion section of our reports, the consolidated and unconsolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated and unconsolidated financial statements and the information we obtained during the audit.

2) Basis for Qualified Opinion

As described in the Basis For Qualified Opinion section of Independent Auditor's Reports on the complete set of audited unconsolidated and consolidated financial statements of the Bank and the Group for the period between January 1, 2022 and December, 31 2022 dated March 10, 2023, the unconsolidated and consolidated financial statements as at December 31, 2022 include a free provision at an amount of TL 642,414 thousands and related deferred tax amounting to TL 160.603 thousands by the Bank and the Group management respectively for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of "Turkish Accounting Standard" (TAS) 37 "Provisions, Contingent Liabilities and Contingent Assets".

We conducted our audit in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated April 2, 2015 published by Banking Regulation and Supervision Agency (BRSA Independent Audit Regulation) and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

3) Our Auditor's Opinion on the Full Set Consolidated and Unconsolidated Financial Statements

We have expressed qualified opinions in our auditor's reports dated March 10, 2023 on the full set consolidated and unconsolidated financial statements of the Group and the Bank respectively for the period of 1/1/2022-31/12/2022.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and communique on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks', the management of the Group is responsible for the following items:

- a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- b) Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated and unconsolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report



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c) The annual report also includes the matters below:

- Subsequent events occurred after the end of the fiscal year which have significance,
- The research and development activities of the Group,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.
- Other matters prescribed in the communique on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks' published in official gazette no.26333 dated November 1,2006.

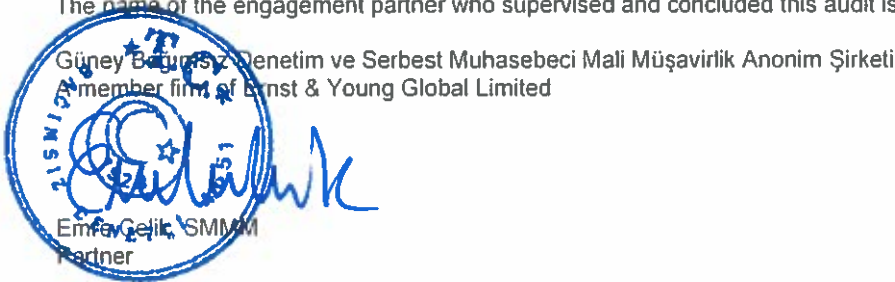
When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communique on 'Principles and procedures set out by the regulations on preparation and issuance of the annual reports of Banks' published in official gazette no.26333 dated November 1, 2006 , 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 (BRSA) and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations, on whether the consolidated and unconsolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated and unconsolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and BRSA Independent Audit Regulation. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated and unconsolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated and unconsolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Emre Çelik.



March 10, 2023
İstanbul, Türkiye

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

In respect of the Türkiye Emlak Katılım Bankası Annual Report prepared by the Capital Market Board regulations for the period 01.01.2022-31.12.2022, 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,

Abdullah Erdem CANTİMUR
Chairman of the Audit Committee

Mehmet Nuri YAZICI
Audit Committee Member

İlker SİRTKAYA
General Manager

Türkiye Emlak Katılım Bankası Anonim Şirketi

Publicly Announced Unconsolidated Financial Statements and Related Disclosures at December 31, 2022 together with Audit Report

*(Convenience translation at publicly announced unconsolidated
financial statements, related disclosures and audit report originally
issued in Turkish)*



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(Convenience translation of the auditor's report originally issued in Turkish)

Report on the Unconsolidated Financial Statements

To the General Assembly of Türkiye Emlak Katılım Bankası A.Ş.

Qualified Opinion

We have audited the accompanying unconsolidated financial statements of Türkiye Emlak Katılım Bankası A.Ş. ("the Bank"), which comprise the statement of unconsolidated statement of financial position as at December 31, 2022, unconsolidated statement of profit and loss and unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity and unconsolidated statement of cash flows for the year then ended and the notes to the unconsolidated financial statements including a summary of significant accounting policies.

In our opinion, except for the effects of the matter on the unconsolidated financial statements described in the Basis for Qualified Opinion paragraph, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at December 31, 2022 and unconsolidated financial performance and unconsolidated its 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.

Basis for Qualified Opinion

As explained in Section Five Part II.6.b, the accompanying unconsolidated financial statements as at December 31, 2022 include a free provision at an amount of TL 642,414 thousands and related deferred tax amounting to TL 160,603 thousands which was provided in the current period by the Bank management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Our audit was conducted in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated April 2, 2015 by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards ("ISA") which are the part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and have fulfilled our other responsibilities in accordance with the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our 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 the key audit matters to be communicated in our report.

Key Audit Matter	How the Key Audit Matter is addressed in our audit
<p><i>Financial impact of TFRS 9 "Financial Instruments" standard and recognition of impairment on financial assets and related important disclosures</i></p> <p>As disclosed in footnote VII of Section 3; the Bank measures expected credit losses for financial instruments by TFRS 9 "Financial Instruments Standards". The rationale reasons for selecting TFRS 9 implementation and impairment of financial assets as key audit subject are as follows;</p> <ul style="list-style-type: none"> Financial assets within balance-sheet and off-balance-sheet subject to TFRS 9 expected credit losses measurement have significant balance in the financial statements The applications TFRS 9 are complex and comprehensive The classification of financial instruments based on the Bank's business models and the characteristics of contractual cash flows in line with TFRS 9 and requirement of important judgments to determine this business model and the characteristics of contractual cash flows Risks related to the policies established by the management with the compliance and requirements of the legislation and other applications for the calculation of expected credit losses The complexity and intensity of the control environment in the processes designed or reorganized with the transition to TFRS 9 The complexity and intensity of the control environment in the processes for TFRS 9 Estimations and assumptions used in expected credit losses are new, important and complex Complex and comprehensive disclosure requirements of TFRS 9. 	<p>Our audit procedures in addition to our current audit procedures:</p> <ul style="list-style-type: none"> Evaluation of the compliance of the accounting policies adopted with regard to TFRS 9, the Bank's past performance, and local and global practices Analysis and testing of processes, systems, and controls originated or re-designed in order to calculate expected credit losses by the Process Audit specialists Evaluation of the key judgments, assumptions, methods used for calculation of expected credit loss determined by the management, and whether the data source is reasonable or not, and their compliance and standard requirements in light of industry and global practices Testing criteria used for determining the contractual cash flows including profit share payments with regard to solely principal and principal balance of financial assets on a sample basis and evaluation of Bank's business model Evaluation of significant increase in credit risk, definition of default, definition of restructuring, probability of default, loss given default, exposure at default and macro-economic variables, and related basic and significant estimates and assumptions determined for calculation process of expected credit loss and whether these assumptions determined by financial risk management are in line with the Bank's historical performance, legislation, and reasonableness of the estimation process regarding future performance and investigation of credit risk portfolio on a sample basis Evaluation of the accuracy and completeness of attributes of the data used for the calculation process of expected credit losses Detailed testing of mathematical verification of expected credit losses' calculation on a sample basis Evaluating the necessity and accuracy of the updates made or required updates after the modeling process Auditing of disclosures related to TFRS 9.

Responsibilities of Management and Those Charged With Governance for the Unconsolidated Financial Statements

Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the BRSA Accounting and Reporting Legislation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is 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.

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

In an independent audit, the responsibilities of us as independent auditors are:

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with BRSA Independent Audit Regulation and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 financial statements.

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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.)
- Obtain an understanding of 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's 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 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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.

Report on Other Legal and Regulatory Requirements

1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities and financial statements for the period January 1 – December 31, 2022 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.

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

The engagement partner who supervised and concluded this independent auditor's report is Emre Çelik.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Emre Çelik SMMM
Partner

March 10, 2023
Istanbul, Turkey

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
THE UNCONSOLIDATED FINANCIAL REPORT AS OF DECEMBER 31, 2022

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 financial report for the year-end, designed by the Banking Regulation and Supervision Agency in line with the Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- EXPLANATIONS ON THE FINANCIAL POSITION AND RISK OF MANAGEMENT OF THE BANK
- 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 reviewed and presented as attached.

Prof. Dr. Mehmet Emin BİRPINAR

Chairman of the Board of Directors

Abdullah Erdem CANTİMUR

Chairman of the Audit
Committee

Mehmet Nuri YAZICI

Member of the Audit
Committee

İlker SİRTKAYA

General Manager

Hakan ULUS

Budget and Financial Reporting Manager

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

Name-Surname / Title : Hakan ULUS / Budget and Financial Reporting Manager
Telephone : 00 90 216 275 24 74
Facsimile : 00 90 216 275 25 25

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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 September 1, 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 January 6, 1988.

Denizcilik Bankası A.Ş. had transferred to Türkiye Emlak Bankası A.Ş. with the all of its assets and liabilities on November 29, 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-Gazimir 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 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 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 September 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 September 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 September 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 80 branches (including 1 e-branch) of the Bank as of December 31, 2022. (December 31, 2021: 70). The Bank is operating with 1.107 staff as of December 31, 2022 (December 31, 2021: 1.107).

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

Name and Surname	Administrative Function and Responsibility	Educational Degree	Ownership Percentage(%)
Prof. Dr. Mehmet Emin BİRPINAR	Chairman of BOD	Doctorate	-
Abdullah Erdem CANTİMUR	Vice Chairman of the Board of Directors and Chairman of the Audit Committee	Master	-
Hasan SUVER*	Member of BOD	Master	-
Mustafa ERDEM	Member of BOD	Bachelor	-
Mehmet Nuri YAZICI	Member of BOD and Audit Committee	Bachelor	-
Prof. Dr. Murat BALCI	Member of BOD	Doctorate	-
İlker SİRTKAYA	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	-
Hüseyin Cahit BÜYÜKBAŞ	Assistant General Manager Responsible for Sales and Marketing	Bachelor	-
Nihat BULUT	Assistant General Manager Responsible for Credits	Bachelor	-
Yusuf OKUR	Assistant General Manager Responsible for Operations	Bachelor	-
Uğur KARA	Assistant General Manager Responsible for Human Resources	Master	-

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.

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
- VII. Statement of profit distribution

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)
AS OF DECEMBER 31, 2022
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

ASSETS	Note (Fifth Section-I)	THOUSAND TL CURRENT PERIOD (31/12/2022)			THOUSAND TL PRIOR PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
I. FINANCIAL ASSETS (NET)		10.852.434	32.751.849	43.604.283	4.696.861	9.109.377	13.806.238
1.1 Cash and cash equivalents		1.646.250	29.281.090	30.927.340	899.261	6.868.642	7.767.903
1.1.1 Cash and Balances with Central Bank	(1)	1.644.787	24.437.793	26.082.580	897.830	5.338.605	6.236.435
1.1.2 Banks	(2)	2.447	4.885.384	4.887.831	1.593	1.531.522	1.533.115
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4 Expected Loss Provisions (-)		984	42.087	43.071	162	1.485	1.647
1.2 Financial Assets Measured at Fair Value Through Profit/Loss (FVTPL)	(3)	1.274.498	943.463	2.217.961	952.091	847.933	1.800.024
1.2.1 Government Debt Securities		1.496	943.463	944.959	-	847.933	847.933
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		1.273.002	-	1.273.002	952.091	-	952.091
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI)	(4)	7.926.770	2.514.615	10.441.385	2.783.631	1.389.522	4.173.153
1.3.1 Government Debt Securities		7.919.111	2.514.615	10.433.726	2.775.972	1.389.522	4.165.494
1.3.2 Equity Securities		7.659	-	7.659	7.659	-	7.659
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	(5)	4.916	12.681	17.597	61.878	3.280	65.158
1.4.1 Derivative Financial Assets Measured at FVTPL		-	-	-	-	-	-
1.4.2 Derivative Financial Assets Measured at FVOCI		4.916	12.681	17.597	61.878	3.280	65.158
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		37.583.957	16.495.311	54.079.268	12.156.411	12.132.116	24.288.527
2.1 Loans	(6)	31.374.318	12.432.021	43.806.339	12.307.401	9.417.079	21.724.480
2.2 Lease Receivables	(8)	373.586	112.696	486.282	108.644	74.200	182.844
Other Financial Assets Measured at Amortized Cost	(7)	6.300.593	4.139.848	10.440.441	-	2.713.586	2.713.586
2.3.1 Government Debt Securities		6.300.593	4.139.848	10.440.441	-	2.713.586	2.713.586
2.3.2 Other Financial Assets		-	-	-	-	-	-
2.4 Expected Loss Provisions(-)	(6)	464.540	189.254	653.794	259.634	72.749	332.383
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(9)	5.242	-	5.242	8.000	-	8.000
3.1 Asset Held for Sale		5.242	-	5.242	8.000	-	8.000
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
IV. PARTNERSHIP INVESTMENTS		100	-	100	100	-	100
4.1 Associates (Net)	(10)	-	-	-	-	-	-
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)		100	-	100	100	-	100
4.2.1 Unconsolidated Financial Investments in Subsidiaries		100	-	100	100	-	100
Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)		-	-	-	-	-	-
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (NET)	(11)	432.288	-	432.288	330.398	-	330.398
VI. INTANGIBLE ASSETS (NET)	(12)	100.413	-	100.413	23.462	-	23.462
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		100.413	-	100.413	23.462	-	23.462
VII. INVESTMENT PROPERTY (NET)	(13)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	(14)	663.317	-	663.317	66.574	-	66.574
X. OTHER ASSETS	(15)	1.338.150	3.874	1.342.024	231.622	4.979	236.601
TOTAL ASSETS		50.975.901	49.251.034	100.226.935	17.513.428	21.246.472	38.759.900

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)
AS OF DECEMBER 31, 2022
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

LIABILITIES	Note (Fifth Section-II)	THOUSAND TL CURRENT PERIOD (31/12/2022)			THOUSAND TL PRIOR PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
I. FUNDS COLLECTED	(1)	34.941.257	44.282.608	79.223.865	8.344.850	18.448.499	26.793.349
II. FUNDS BORROWED	(2)	6.403.488	749.565	7.153.053	3.550.900	1.103.031	4.653.931
III. MONEY MARKET FUNDS		-	-	-	1.984.303	-	1.984.303
IV. SECURITIES ISSUED (Net)		-	-	-	-	-	-
V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VI. DERIVATIVE FINANCIAL LIABILITIES		2.261	11.536	13.797	106.180	3.810	109.990
6.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(3)	2.261	11.536	13.797	106.180	3.810	109.990
6.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5)	-	-	-	-	-	-
VII. LEASE PAYABLES (NET)	(4)	278.248	-	278.248	191.498	-	191.498
VIII. PROVISIONS	(6)	938.875	106.829	1.045.704	66.636	51.603	118.239
8.1 General Provisions		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		138.275	-	138.275	26.592	-	26.592
8.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4 Other Provisions		800.600	106.829	907.429	40.044	51.603	91.647
IX. CURRENT TAX LIABILITY	(7)	1.368.458	-	1.368.458	81.210	-	81.210
X. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(8)	-	-	-	-	-	-
11.1 Held for Sale Purpose		-	-	-	-	-	-
11.2 Related to Discontinued Operations		-	-	-	-	-	-
XII. SUBORDINATED DEBT INSTRUMENTS	(9)	-	4.110.376	4.110.376	-	2.669.412	2.669.412
12.1 Loans		-	4.110.376	4.110.376	-	2.669.412	2.669.412
12.2 Other Debt Instruments		-	-	-	-	-	-
XIII. OTHER LIABILITIES	(10)	564.928	444.632	1.009.560	368.823	60.722	429.545
XIV. SHAREHOLDERS' EQUITY	(11)	6.001.650	22.224	6.023.874	1.739.875	(11.452)	1.728.423
14.1 Paid-in capital		1.026.915	-	1.026.915	1.026.915	-	1.026.915
14.2 Capital Reserves		33.186	-	33.186	23.088	-	23.088
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserve		33.186	-	33.186	23.088	-	23.088
14.3 Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		(19.114)	-	(19.114)	(1.411)	-	(1.411)
14.4 Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		1.520.003	22.224	1.542.227	56.776	(11.452)	45.324
14.5 Profit Reserves		630.711	-	630.711	485.999	-	485.999
14.5.1 Legal Reserves		287.778	-	287.778	280.353	-	280.353
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		342.933	-	342.933	205.646	-	205.646
14.5.4 Other Profit Reserves		-	-	-	-	-	-
14.6 Income or (Loss)		2.809.949	-	2.809.949	148.508	-	148.508
14.6.1 Prior Periods' Income or (Loss)		-	-	-	5.395	-	5.395
14.6.2 Current Period Income or (Loss)		2.809.949	-	2.809.949	143.113	-	143.113
TOTAL LIABILITIES		50.499.165	49.727.770	100.226.935	16.434.275	22.325.625	38.759.900

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET AS OF DECEMBER 31, 2022
(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 (31/12/2022)			PRIOR PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)		13.582.886	17.334.633	30.917.519	6.343.425	8.723.299	15.066.724
I. GUARANTEES AND SURETIES	(1)	7.168.358	3.306.651	10.475.009	3.024.434	3.136.467	6.160.901
1.1 Letters of Guarantees		7.164.657	2.680.614	9.845.271	3.017.583	1.863.037	4.880.620
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		7.164.657	2.680.614	9.845.271	3.017.583	1.863.037	4.880.620
1.2 Bank Loans		3.701	196.736	200.437	3.500	754.257	757.757
1.2.1 Import Letter of Acceptances		3.701	196.736	200.437	-	-	-
1.2.2 Other Bank Acceptances		-	-	-	3.500	754.257	757.757
1.3 Letter of Credits		-	429.301	429.301	3.351	519.173	522.524
1.3.1 Documentary Letter of Credits		-	429.301	429.301	3.351	519.173	522.524
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		-	-	-	-	-	-
II. COMMITMENTS	(1)	5.577.597	4.633.812	10.211.409	1.478.944	626.232	2.105.176
2.1 Irrevocable Commitments		5.577.597	4.633.812	10.211.409	1.478.944	626.232	2.105.176
2.1.1 Asset Purchase and Sale Commitments		67.720	4.301.368	4.369.088	249.690	390.845	640.535
2.1.2 Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3 Loan Granting Commitments		4.307.375	-	4.307.375	1.121.875	-	1.121.875
2.1.4 Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6 Payment Commitment for Cheques		170.002	-	170.002	107.379	-	107.379
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		1.032.500	332.444	1.364.944	-	235.387	235.387
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		836.931	9.394.170	10.231.101	1.840.047	4.960.600	6.800.647
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)	836.931	9.394.170	10.231.101	1.840.047	4.960.600	6.800.647
3.2.1 Forward Foreign Currency Buy/Sell Transactions		463.718	448.315	912.033	238.767	310.648	549.415
3.2.1.1 Forward Foreign Currency Transactions-Buy		225.427	231.190	456.617	119.578	144.670	264.248
3.2.1.2 Forward Foreign Currency Transactions-Sell		238.291	217.125	455.416	119.189	165.978	285.167
3.2.2 Other Forward Buy/Sell Transactions		373.213	8.945.855	9.319.068	1.601.280	4.649.952	6.251.232
3.3 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		329.532.626	27.260.409	356.793.035	150.618.208	14.709.182	165.327.390
IV. ITEMS HELD IN CUSTODY		22.338.186	7.653.917	29.992.103	8.701.960	5.821.602	14.523.562
4.1 Assets Under Management		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		5.748.785	679.660	6.428.445	2.615.342	664.085	3.279.427
4.3 Cheques Received for Collection		4.744.393	240.789	4.985.182	2.471.391	439.907	2.911.298
4.4 Commercial Notes Received for Collection		650.398	-	650.398	166.943	-	166.943
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		10.638	-	10.638	844	-	844
4.8 Custodians		11.183.972	6.733.468	17.917.440	3.447.440	4.717.610	8.165.050
V. PLEDGED ITEMS		307.194.440	19.606.492	326.800.932	141.916.248	8.887.580	150.803.828
5.1 Marketable Securities		572.427	-	572.427	207.150	-	207.150
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodity		5.801.967	377.970	6.179.937	2.432.206	22.511	2.454.717
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		37.477.419	-	37.477.419	13.002.677	-	13.002.677
5.6 Other Pledged Items		263.342.627	19.228.522	282.571.149	126.274.215	8.865.069	135.139.284
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		343.115.512	44.595.042	387.710.554	156.961.633	23.432.481	180.394.114

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF DECEMBER 31, 2022
(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 (01/01/2022- 31/12/2022)	PRIOR PERIOD (01/01/2021- 31/12/2021)
I. PROFIT SHARE INCOME	(1)	8.298.261	2.329.202
1.1 Profit Share on Loans		5.279.189	1.830.637
1.2 Income Received from Reserve Deposits		97.472	53.119
1.3 Income Received from Banks		278	153
1.4 Income Received from Money Market Placements		340	-
1.5 Income Received from Marketable Securities Portfolio		2.873.286	429.739
1.5.1 Financial Assets at Fair Value Through Profit and Loss		113.003	64.971
1.5.2 Financial Assets at Fair Value through Other Comprehensive Income		2.147.341	278.722
1.5.3 Financial Assets Measured at Amortised Cost		612.942	86.046
1.6 Finance Lease Income		44.666	12.747
1.7 Other Profit Share Income		3.030	2.807
II. PROFIT SHARE EXPENSE (-)	(2)	4.380.088	1.796.817
2.1 Expense on Profit Sharing Accounts		3.310.919	1.029.952
2.2 Profit Share Expense on Funds Borrowed		957.798	687.997
2.3 Profit Share Expense on Money Market Borrowings		60.868	51.840
2.4 Expense on Securities Issued		-	-
2.5 Lease Profit Share Expense		50.034	27.028
2.6 Other Profit Share Expenses		469	-
III. NET PROFIT SHARE INCOME (I - II)		3.918.173	532.385
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		300.709	82.481
4.1 Fees and Commissions Received		436.515	100.631
4.1.1 Non-Cash Loans		79.677	30.581
4.1.2 Other	(3)	356.838	70.050
4.2 Fees and Commissions Paid (-)		135.806	18.150
4.2.1 Non-Cash Loans		169	72
4.2.2 Other	(3)	135.637	18.078
V. DIVIDEND INCOME	(4)	-	-
VI. NET TRADING INCOME	(5)	1.861.270	56.502
6.1 Capital Market Transaction Gains / (Losses)		12.868	2.848
6.2 Gains/ (Losses) from Derivative Financial Instruments		629.338	(116.171)
6.3 Foreign Exchange Gains / (Losses)		1.219.064	169.825
VII. OTHER OPERATING INCOME	(6)	152.260	129.965
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		6.232.412	801.333
IX. PROVISION FOR EXPECTED LOSS (-)	(7)	787.594	110.213
X. OTHER PROVISION EXPENSES (-)	(7)	688.728	15.111
XI. PERSONNEL EXPENSES (-)		616.358	284.917
XII. OTHER OPERATING EXPENSES (-)	(8)	415.289	203.094
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		3.724.443	187.998
XIV. INCOME RESULTED FROM MERGERS		-	-
XV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XVI. PROFIT/LOSS BEFORE TAXES (XIII+...+XV)		-	-
XVII. PROVISION FOR TAXES (±)		3.724.443	187.998
XVIII. TAX PROVISION FOR CONTINUING OPERATIONS (±)	(10)	914.494	44.885
18.1 Current Tax Provision		1.975.032	38.994
18.2 Deferred Tax Expense (+)		288.676	100.119
18.3 Deferred Tax Income (-)		1.349.214	94.228
XIX. NET OPERATING PROFIT/LOSS AFTER TAXES (XVI±XVII)	(9)	2.809.949	143.113
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
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		-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
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		-	-
XXII. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XIX-XX)		-	-
XXIII. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)	(9)	-	-
23.1 Current Tax Provision		-	-
23.2 Deferred Tax Expense (+)		-	-
23.3 Deferred Tax Income (-)		-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)		-	-
XXV. NET PROFIT/LOSS (XVIII+XXIII)		2.809.949	143.113
Earnings Per Share		0,02736	0,00139

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME AS OF DECEMBER 31, 2022
(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	PRIOR PERIOD
		(01/01/2022- 31/12/2022)	(01/01/2021- 31/12/2021)
I.	CURRENT PERIOD PROFIT/LOSS	2.809.949	143.113
II.	OTHER COMPREHENSIVE INCOME	1.479.200	36.701
2.1	Other Income/Expense Items not to be Recycled to Profit or Loss	(17.703)	(156)
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	(23.722)	(195)
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	6.019	39
2.2	Other Income/Expense Items to be Recycled to Profit or Loss	1.496.903	36.857
2.2.1	Translation Differences	-	-
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Financial Assets Measured at Fair Value through Other Comprehensive Income	1.966.717	38.284
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	(469.814)	(1.427)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	4.289.149	179.814

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2022
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

	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			Total Equity Except for Minority Interests	Total Shareholders' Equity												
	Paid-in Capital	Share Premium	Share Cancellati on Profits	Other Capital Reserves(*)	1				2		3		4		5		6		Prior Periods' Profit/Loss	Current Period's Net Profit/Loss
					Profit Reserves	Reserves			Profit	Periods' Profit/Loss	Periods' Profit/Loss	Periods' Profit/Loss	Periods' Profit/Loss	Periods' Profit/Loss	Periods' Profit/Loss	Periods' Profit/Loss	Periods' Profit/Loss	Periods' Profit/Loss		
Current Period (01.01.2022-31.12.2022)																				
I. Balances at Beginning Period	1,026,915	-	-	23,088	-	(1,411)	-	-	-	-	-	-	-	-	-	-	-	-	1,728,423	
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Adjusted Balances at Beginning of Period (I+II)	1,026,915	-	-	23,088	-	(1,411)	-	-	-	-	-	-	-	-	-	-	-	-	1,728,423	
IV. Total Comprehensive Income	-	-	-	-	-	(17,703)	-	-	-	-	-	-	-	-	-	-	-	-	4,289,149	
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Capital Increase from Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Other Changes	-	-	-	10,098	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,302	
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at end of the period (III+IV...+X+XI)																				
	1,026,915	-	-	33,186	-	(19,114)	-	-	-	-	1,542,227	-	630,711	-	2,809,949	-	6,023,874	-	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 Bank for profit or loss from other comprehensive income and other comprehensive income to be reclassified to other profit or loss),

(*) Includes the initial recognition effects of the subordinated loan provided by Türkiye Varlık Fonu Piyasa Istikrar ve Denge Alt Fonu with the approval of BRSA dated April 22, 2019, on April 24, 2019 amounting to 200 million Euro (Full Euro) within the scope of additional main capital and financial assets and liabilities measured (TL 23.088) at amortized costs and the initial recognition effects of the subordinated loan provided by Türkiye Varlık Fonu and Denge Alt Fonu with the approval of BRSA dated March 8, 2022, on March 9, 2022 amounting to 31.688.489 million Euro (Full Euro) within the scope of additional main capital and financial assets (Section 3 Note 6).

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2022
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

	Paid-in Capital	Share Premium	Share Cancellation	Share in Profits	Other Capital Reserves(*)	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss						Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
						1	2	3	4	5	6			
Prior Period (01.01.2021 – 31.12.2021)														
I. Balances at Beginning Period(**)	1,026,915	-	-	-	28,591	-	(1,255)	-	-	(984)	-	9,317	80,597	1,539,266
II. Correction made as per TAS 8	-	-	-	-	(5,503)	-	-	-	-	5,503	-	5,395	-	5,395
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	5,395	-	5,395
2.2 Effect of Changes in Accounting Policies	-	-	-	-	(5,503)	-	-	-	-	5,503	-	-	-	-
III. Adjusted Balances at Beginning of Period (I+II)	1,026,915	-	-	-	23,088	-	(1,255)	-	-	4,519	-	14,712	80,597	1,544,661
IV. Total Comprehensive Income	-	-	-	-	-	-	(156)	-	-	36,857	-	-	143,113	179,814
V. Capital Increase in Cash	276,915	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Other Changes	-	-	-	-	-	-	-	-	-	3,948	-	-	-	3,948
2XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	(9,317)	(80,597)	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	(89,914)	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	80,597	(80,597)	-
Balances at end of the period (III+IV...+X+XI)	1,026,915	-	-	-	23,088	-	(1,411)	-	-	45,324	-	5,395	143,113	1,728,423

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 Bank for profit or loss from other comprehensive income and other comprehensive income to be reclassified to other profit or loss),

(*) Includes the initial recognition effects of the subordinated loan provided by Türkiye Varlık Fonu Piyasa Isikrar ve Denge Alt Fonu with the approval of BRSA dated April 22, 2019, on April 24, 2019 amounting to 200 million Euro (Full Euro) within the scope of additional main capital and financial assets and liabilities measured (23,088 TL) at amortized costs (Section 3 Note 6).

(**) Transition to the calculation of expected credit loss in TFRS 9 and the impact of changes in accounting policies explained in Section Three Note xxiii.

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS AS OF DECEMBER 31, 2022
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

STATEMENT OF CASH FLOWS	THOUSAND TL CURRENT PERIOD (01/01/2022- 31/12/2022)	THOUSAND TL PRIOR PERIOD (01/01/2021- 31/12/2021)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit Before Changes In Assets And Liabilities from Banking Operations	11.038.118	1.820.236
1.1.1 Profit Share Income Received	7.804.670	2.221.848
1.1.2 Profit Share Expense Paid	(3.918.184)	(1.688.323)
1.1.3 Dividend Received	-	-
1.1.4 Fees and Commissions Received	436.515	100.631
1.1.5 Other Income	146.493	109.010
1.1.6 Collections from Previously Written off Loans	34.943	-
1.1.7 Payments to Personnel and Service Suppliers	(504.267)	(356.294)
1.1.8 Taxes Paid	(977.970)	(105.193)
1.1.9 Others	8.015.918	1.538.557
1.2 Changes in Assets and Liabilities from Banking Operations	13.119.460	291.640
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(384.364)	(1.175.286)
1.2.2 Net (Increase) Decrease in Due From Banks and Other Financial Institutions	(9.198.918)	(3.064.166)
1.2.3 Net (Increase) Decrease in Loans	(18.551.689)	(5.287.544)
1.2.4 Net (Increase) Decrease in Other Assets	(793.809)	21.930
1.2.5 Net Increase (Decrease) in Bank Deposits	(309.505)	108.180
1.2.6 Net Increase (Decrease) in Other Deposits	43.696.493	9.597.911
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	(2.384.498)	-
1.2.9 Net Increase (Decrease) in Matured Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	1.045.750	90.615
I. Net Cash Flows from Banking Operations	24.157.578	2.111.876
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash flow from investing activities	(12.763.110)	(1.781.307)
2.1 Cash Paid For Acquisition of Investments, Associates and Subsidiaries	-	-
2.2 Cash Obtained From Disposal of Investments, Associates and Subsidiaries	-	-
2.3 Purchases of Property and Equipment	(100.007)	(68.190)
2.4 Disposals of Property and Equipment	21.448	19.136
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(7.737.032)	(1.727.410)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income	1.441.051	31.290
2.7 Purchase of Financial Assets Measured at Amortised Cost	(6.209.920)	(16.231)
2.8 Sale of Financial Assets Measured at Amortised Cost	-	-
2.9 Other	(178.650)	(19.902)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Flows from Financing Activities	1.572.956	547.322
3.1 Cash Obtained from Funds Borrowed and Securities Issued	79.242.788	46.892.941
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	(77.636.966)	(46.284.677)
3.3 Issued Capital Instruments	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(32.866)	(60.942)
3.6 Other	-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	1.017.920	661.570
V. Net increase/(decrease) in cash and cash equivalents	13.985.344	1.539.461
VI. Net (Decrease) Increase in Cash and Cash Equivalents	3.262.469	1.723.008
VII. Cash and Cash Equivalents at the End of the period	17.247.813	3.262.469

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION AS OF DECEMBER 31, 2022
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

STATEMENT OF PROFIT DISTRIBUTION	Current Period(*) December 31, 2022	Prior Period December 31, 2021
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1. CURRENT YEAR INCOME	3.724.443	187.998
1.2. TAX AND DUTIES PAYABLE (-)	914.494	44.885
1.2.1. Corporate tax (Income tax)	1.975.032	38.994
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and legal liabilities (*)	(1.060.538)	5.891
A. NET INCOME FOR THE YEAR (1.1-1.2)	2.809.949	143.113
1.3. PRIOR YEAR LOSSES (-)	-	-
1.4. First legal reserves (-)	-	7.156
1.5. Other statutory reserves (-)	-	3.796
B. DISTRIBUTABLE NET PERIOD INCOME [(A-(1.3+1.4+1.5))](*)	-	-
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	-	128.801
1.13. OTHER RESERVE	-	7.156
1.14. SPECIAL FUNDS	-	-
II. DISTRIBUTION FROM RESERVES		
2.1. DISTRIBUTED RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. SHARE TO SHAREHOLDERS (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of preferred shares	-	-
2.3.3. To owners of preferred shares (Preemptive rights)	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To owners of the profit /loss sharing certificates	-	-
2.4. SHARED TO PERSONNEL (-)	-	-
2.5. SHARE TO BOARD OF DIRECTIONS (-)	-	-
III. EARNINGS PER SHARE		
3.1. TO OWNERS OF ORDINARY SHARES (**)(Full TL)	0,02736	0,00139
3.2. TO OWNERS OF ORDINARY SHARES (%)	274	14
3.3. TO OWNERS OF PREFERRED SHARES	-	-
3.4. TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1. TO OWNERS OF ORDINARY SHARES (**)(Full TL)	-	-
4.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3. TO OWNERS OF PREFERRED SHARES	-	-
4.4. TO OWNERS OF PREFERRED SHARES (%)	-	-

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

(**) Deferred tax income has not been subjected to profit distribution.

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

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

SECTION THREE

Accounting policies

I. Explanations on basis of presentation

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

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette numbered 26333 dated November 1, 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” and “Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks” and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

The unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain accounting estimates by the Bank management to exercise its judgement on the assets and liabilities on the balance sheet and contingent assets and liabilities as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are explained in the related notes and reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

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

The accounting policies and valuation principles applied in the preparation of unconsolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TAS and TFRS. The accounting policies and valuation principles related with current period are explained in Notes II to XXIII below.

The preparation of unconsolidated financial statements in conformity with TFRS requires the use of certain critical accounting estimates by the Participation Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent matters as of the balance sheet date.

I. Explanations on basis of presentation (continued):

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

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 December 2022 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of December 31, 2022.

The tension between Russia and Ukraine since January 2022 turned to be a crisis and hot conflict. The Bank does not carry out any activities in the two countries that are subject to this crisis. Considering the territories that the Bank carries out its activities, the effects brought by the crisis are monitored by the Bank and financial tables are prepared with best forecasting methods accordingly.

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.

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

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 the Bank and resulting evaluation differences are reflected as foreign exchange gain or loss.

There are no foreign currency differences capitalized by the Bank.

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 "TFRS 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 TFRS 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.

V. 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.

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.

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.

As of December 31, 2022 the Bank has two subordinated debts 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 with TRT250232F15 with the initial date March 9, 2022 with at least ten-year repayment option with no fixed term, amounting to 31.688.489 Euro (Full Euro), 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 (Section 5 Part 2 Note 9 and Note 11).

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 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 (Section 5 Part 1 Note 7).

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 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 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 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 Bank has not developed an internal model for estimating these risk parameters due to insufficient historical data for modeling. In ECL calculations, the Bank consider sectoral average NPL ratio as PD with reasonable approach and the ratio of non-performing loans to gross loans, in line with the projection of the next year. For LGD, the Bank 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).

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.

VII. Explanations on expected credit losses (continued):

Default (3rd 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 installment (In this case, the customer is monitored 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.

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, 2022, there is no goodwill in the financial statements of the Bank. The Bank's intangible assets consist of softwares and intangible rights (December 31, 2021: 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 amount is less than the carrying value of the related asset, a provision for impairment loss is provided.

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:

XII. Explanations on tangible assets (continued):

	Depreciation Rate (%)
Computers	10-33
Furniture and equipment	20
Other moveables	7-33
Vehicles	20
Intangible assets (Rights)	7-33

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.

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 17% for leasing agreements denominated in Turkish liras.

XIII. Explanations on leasing transactions (continued):

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.

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

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

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

XV. Explanations on liabilities regarding employee rights

i) *Defined benefit plans:*

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

Provision for employee termination benefits is calculated at net present value of the estimated future probable obligation arising from the retirement of the employees in accordance with the Turkish Labor Law or the termination of the employee relationship by completing at least one year service, calling for military service, or in case of death.

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

Some of the bank employees were used to stated as member of T.C. Ziraat Bankası A.Ş. and T. Halk Bankası A.Ş. Mensupları Emekli ve Yardım Sandığı Vakfı. With the decision of BOD, numbered 42, dated February 14, 2022, all of the bank employees are nominated to be member of T.C. Ziraat Bankası A.Ş. and T. Halk Bankası A.Ş. Mensupları Emekli ve Yardım Sandığı Vakfı.

ii) *Defined contribution plans:*

The Bank pays defined contribution plans to publicly administered Social Security Funds for its employees. The Bank has no further payment obligations other than this contribution share. The contributions are recognized as personnel expenses when they accrue.

iii) *Short term benefits to employees:*

The Bank measures the expected costs of cumulative paid leave as part of TAS 19 as additional amounts that it expects to pay due to accumulated unused rights as of the end of the reporting period.

XVI. Explanations on taxation

Current tax:

According to the law of Taxation of Immovable Property Owned by Treasury and Amendment on the Value Added Tax Law numbered 7394 dated April 15, 2022 , published on Official Gazette numbered 31810 and article 26 of law of Amendment on Certain laws and Secondary Laws and provisional article 13 of Corporate Tax Law, corporate tax rate is applied as %25 on entities' income .

In accordance by the Corporate Tax Law, temporary tax is calculated according to the corporate tax rate and paid in three-month term in compliance with principles stated in Income Tax Law. Temporary taxes are deducted from the corporate tax of the current taxation period.

Tax expenditure is the sum of current tax and deferred tax expense. The tax liability of current period is calculated over taxable portion of the income for the period. Taxable profit may differ from profit reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and items that are not taxable or deductible. Current tax amounts to be paid are netted with prepaid tax amounts and shown in the financial statements.

Within the framework of the principles of the Corporate Tax Law No. 5520, while 75% of the income of corporation generated from participation stocks held to be in assests for least 2 years and sales of immovable properties and the income of immovable properties gained by bank's receivables and sales of participation stocks is exempted from tax obligation, it is reduced to 50% by the Law No.7061, article 89/a which has been released on December 5, 2017, published on Offical Gazette No.30261 and Corporate Tax Law, amended articles 5.1.e and 5.1.f.

Inflation accounting practice has been deferred by Tax Procedure Law which has accepted by Türkiye Büyük Millet Meclisi on January 20, 2022 and Law on Amending Corporate Tax Law, starting from the balance sheet as of December 31, 2023.

XVI. Explanations on taxation (continued):

Deferred Taxes

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 possiibilty 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 25% tax rate is used for temporary differences realized at the end of 2022 or after or expected to close.

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.

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 X.

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

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

XXII. Information on other issues

None.

SECTION FOUR

Information on financial structure and risk management

I. Explanations on capital adequacy standard ratio

The calculation of the own funds and the capital adequacy standard ratio are performed in accordance with the communiqués such as “Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy Ratio”, and “Regulation Regarding Banks’ Shareholders’ Equity”. The Bank’s common Equity Tier 1 Capital is TL 9.555.482 (December 31, 2021: TL 4.006.677) which calculated as of December 31, 2022 and the capital adequacy ratio is 27,98% (December 31, 2021: 27,83%). Bank’s capital adequacy standard ratio is above the minimum rate determined by related legislation.

a) Information about total capital items

	Current Period December 31, 2022	Prior Period December 31, 2021
COMMON EQUITY TIER 1 CAPITAL		
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	630.711	485.999
Gains recognized in equity as per TAS	1.440.881	35.873
Profit	2.809.949	148.508
Current Period Profit	2.809.949	143.113
Prior Period Profit	-	5.395
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	5.908.456	1.697.295
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1 st 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	1.411
Leasehold improvements	85.314	76.233
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	100.413	22.692
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	204.841	100.336
Total Common Equity Tier 1 Capital	5.703.615	1.596.959

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

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NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

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

a) Information about total capital items (continued):

ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	3.498.078	2.359.569
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	3.498.078	2.359.569
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	3.498.078	2.359.569
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	9.201.693	3.956.528
TIER 2 CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	371.657	55.508
Contribution Capital Before Discounts	371.657	55.508
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	371.657	55.508
Total Capital (The sum of Tier I Capital and Tier II Capital)	9.573.350	4.012.036
Deductions from Capital		
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	17.869	5.360

I. Explanations on capital adequacy standard ratio (continued):**a) Information about total capital items (continued):**

In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)	9.555.482	4.006.677
Total Risk Weighted Amounts	34.146.697	14.398.597
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	16,10	11,09
Tier 1 Capital Adequacy Ratio (%)	26,95	27,48
Capital Adequacy Ratio (%)	27,98	27,83
BUFFERS		
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 (%)	12,20	6,59
Amounts Lower Than Excesses as per Deduction Rules		
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	-	92.494
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	371.657	55.508
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	371.657	55.508
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

The Banking Regulatory and Supervisory Authority ("BRSA") issued a press release on March 23, 2020 announcing certain measures due to financial market fluctuations caused by the COVID-19 pandemic. The Banks are entitled to use the year-end buying exchange in calculating the amount subject to credit risk as per the Regulation on the Calculation and the Evaluation of Banks' Capital Adequacy for the valuated amounts as per the Turkish Accounting Standards; and the relevant reserves to set aside related to its monetary and non-monetary assets, excluding the assets in foreign currency measured in historical cost. The bank's capital adequacy as of September 30, 2022 did not account for this possibility in his calculations.

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
Special Consideration in the Calculation of Equity	
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)	3.138.103
Par Value of Instrument	3.991.128
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	-
Profit Share/Dividends	
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
Convertible or Non-convertible	
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	-
Write-down feature	
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 incompliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

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.)	TRT250232F15
Governing Law(s) of the Instrument	Regulation on Banks"Equity Communique on Principles Regarding Borrowing Instruments to be Included in Bank"Equity Calculation
Special Consideration in the Calculation of Equity	
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)	359.975
Par Value of Instrument	632.364
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: EUR 31.688.489 million (full)
Subsequent call dates	-
Profit Share/Dividends	
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
Convertible or Non-convertible	
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	-
Write-down feature	
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

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

1. Credit risk is defined as the probability of loss that the Bank 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".

II. Explanations on credit risk (continued):

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

Risk Categories		Current Period Risk Amount	Average Risk Amount(*)
1	Receivables from central governments or central banks	37.317.894	23.837.427
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	7.099.200	6.899.190
7	Receivables from corporates	27.376.591	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
Total^(*)		81.265.943	58.464.654

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

Risk Categories		Prior Period Risk Amount	Average Risk Amount(*)
1	Receivables from central governments or central banks	9.589.054	6.331.937
2	Receivables from regional or local governments	88.578	81.890
3	Receivables from administrative units and non-commercial enterprises	908	40.065
4	Receivables from multilateral development banks	-	-
5	Receivables from international organizations	-	-
6	Receivables from banks and brokerage houses	1.093.531	1.616.421
7	Receivables from corporates	12.325.899	10.791.114
8	Retail receivables	3.250.086	1.519.446
9	Receivables secured by mortgages on property	998.207	628.131
10	Past due receivables	6.224	1.856
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	1.277.497	1.195.095
Total^(*)		28.629.984	22.205.955

(*)Average risk amount was tested by taking the arithmetic average of monthly risk amounts for 2021.

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 inquiries (economic, cyclical, etc.) are carried out during the allocation and revision of such credit lines.

For the banks where correspondent activity and international commodity transactions are intended to be carried out, credit limits are allocated by the related credit committees taking into account the size of the correspondent bank and the size of Bank itself and concentration of risk is avoided. The Bank does not carry any serious risk in this respect.

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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*																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
Current Period																		
1 Domestic	37.317.894	256.026	19.898	-	-	3.880.678	26.904.933	4.175.899	1.281.71	1	9.573	-	-	-	-	-	3.710.671	77.557.283
2 EU Countries	-	-	-	-	-	301.093	36.107	105	144	-	-	-	-	-	-	-	-	337.449
3 OECD Countries (**)	-	-	-	-	-	910.631	-	277	-	-	-	-	-	-	-	-	-	910.908
4 Off-shore Banking Regions	-	-	-	-	-	-	427.221	15.741	-	-	-	-	-	-	-	-	-	442.962
5 USA, Canada	-	-	-	-	-	858.186	-	-	-	-	-	-	-	-	-	-	-	858.186
6 Other Countries	-	-	-	-	-	1.148.612	8.331	2.112	-	-	-	-	-	-	-	-	-	1.159.055
7 Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100	100
8 Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Total	37.317.894	256.026	19.898	-	-	7.099.200	27.376.592	4.194.134	1.281.855	9.573	-	-	-	-	-	-	3.710.771	81.265.943
Prior Period																		
1 Domestic	9.589.054	88.578	908	-	-	223.334	12.296.906	3.243.584	998.057	6.224	-	-	-	-	-	-	1.274.056	27.720.701
2 EU Countries	-	-	-	-	-	300.120	-	115	150	-	-	-	-	-	-	-	-	300.385
3 OECD Countries (**)	-	-	-	-	-	189.938	-	-	-	-	-	-	-	-	-	-	3.341	193.279
4 Off-shore Banking Regions	-	-	-	-	-	-	28.993	3.366	-	-	-	-	-	-	-	-	-	32.359
5 USA, Canada	-	-	-	-	-	318.624	-	-	-	-	-	-	-	-	-	-	-	318.624
6 Other Countries	-	-	-	-	-	61.515	-	3.021	-	-	-	-	-	-	-	-	-	64.536
7 Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100	100
8 Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Total	9.589.054	88.578	908	-	-	1.093.531	12.325.899	3.250.086	998.207	6.224	-	-	-	-	-	-	1.277.497	28.629.984

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

- | | | | |
|---|----------------------------------------------------------------------------------------------------|----|---------------------------------------------------------------------------------------------|
| 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 | | |

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

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

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II. Explanations on credit risk (continued):

Profile on significant risks in significant regions

Current Period			Risk Categories*																	Total			
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		TL	FC	
1	Agriculture	-	-	-	-	-	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Manufacturing	-	-	-	-	-	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	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	
3	Construction	-	-	-	-	-	4.906.377	755.746	395.387	2.916	-	-	-	-	-	-	-	-	84	758.794	5.301.716	6.060.510	
4	Services	19.148.698	14.331	15.589	-	7.099.200	10.976.299	1.497.017	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	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	
5	Other	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
6	Total	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

(*) 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		

** Before Credit Risk Mitigation, risk amounts after loan conversion rate are given.

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II. Explanations on credit risk (continued):

Profile on significant risks in significant regions

	Prior Period	Risk Categories*																	Total
		1	2	3	4	5	6	7	8	9	10	1	12	13	14	15	16	17	
1 Agriculture	-	-	-	-	-	-	-	46.041	23.790	444	-	-	-	-	-	-	-	-	70.275
1.1 Farming and stockbreeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Forestry	-	-	-	-	-	-	-	46.041	23.790	444	-	-	-	-	-	-	-	-	-
1.3 Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70.275
2 Manufacturing	-	-	-	-	-	-	-	4.103.547	923.687	151.061	1.723	-	-	-	-	-	-	-	-
2.1 Mining and quarrying	-	-	-	-	-	-	-	278.142	14.753	2.027	-	-	-	-	-	-	-	-	5.180.364
2.2 Production	-	-	-	-	-	-	-	3.667.924	879.188	129.019	1.723	-	-	-	-	-	-	-	294.922
2.3 Electricity, gas, water	-	-	-	-	-	-	-	157.481	29.746	20.015	-	-	-	-	-	-	-	-	4.677.867
3 Construction	-	-	-	-	-	-	-	2.386.504	394.713	458.727	279	-	-	-	-	-	-	-	207.575
4 Services	6.500.655	76.578	69	-	-	-	1.083.200	4.967.039	1.110.185	213.865	4.188	-	-	-	-	-	-	-	3.240.257
4.1 Wholesale and retail trade	-	-	-	-	-	-	-	2.166.299	815.376	148.654	2.734	-	-	-	-	-	-	-	14.064.553
4.2 Hotel, food and beverage services	-	-	-	-	-	-	-	43.491	23.471	4.959	-	-	-	-	-	-	-	-	3.133.167
4.3 Transportation and telecommunication	-	-	-	-	-	-	-	1.107.370	104.233	24.238	1.352	-	-	-	-	-	-	-	71.925
4.4 Financial institutions	886.915	-	-	-	-	-	1.083.200	746.362	4.363	645	-	-	-	-	-	-	-	-	1.237.283
4.5 Real estate and renting services	-	-	-	-	-	-	-	149.780	5.179	17.679	102	-	-	-	-	-	-	-	2.830.048
4.6 Self-employment services	-	-	-	-	-	-	-	695.163	130.532	15.300	-	-	-	-	-	-	-	-	172.743
4.7 Education services	-	-	-	-	-	-	-	10.146	1.854	-	-	-	-	-	-	-	-	-	840.999
4.8 Health and social services	5.613.740	76.578	-	-	-	-	-	48.428	25.177	2.390	-	-	-	-	-	-	-	-	12.075
5 Other	3.088.399	12.000	839	-	-	-	10.331	822.768	797.711	174.110	34	-	-	-	-	-	-	-	2.906.105
6 Total	9.589.054	88.578	908	-	-	-	1.093.531	12.325.899	3.250.086	998.207	6.224	-	-	-	-	-	-	-	15.585.665
																			13.044.319
																			28.629.984

(*) 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 | | |

** Before Credit Risk Mitigation, risk amounts after loan conversion rate are given.

II. Explanations on credit risk (continued):

Distribution of risks with term structure according to remaining maturities

		Time to Maturity					Undistributable
Risk Categories – Current Period		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	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	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	-	-	-	-	-
Total		43.174.408	3.602.579	2.721.473	6.626.349	25.133.475	7.659

		Time to Maturity					Undistributable
Risk Categories – Prior Period		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	5.798.566	367.734	97.670	90.807	3.234.277	-
2	Conditional and unconditional receivables from regional or local governments	14.000	-	-	17.171	57.407	-
3	Conditional and unconditional receivables from administrative units and non-commercial enterprises	908	-	-	-	-	-
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	1.081.942	9.224	2.365	-	-	-
7	Conditional and unconditional receivables from corporates	4.393.431	932.475	1.001.056	1.935.525	4.055.753	7.659
8	Conditional and unconditional retail receivables	1.430.274	179.279	282.322	421.386	936.825	-
9	Receivables secured by mortgages on property	440.372	23.124	41.490	77.108	416.113	-
10	Past due receivables	3.679	382	92	338	1.733	-
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	1.277.497	-	-	-	-	-
Total		14.440.669	1.512.218	1.424.995	2.542.335	8.702.108	7.659

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. Turkey's long-term foreign currency credit rating (BBB-), is used for foreign currency securities issued by the Republic of Turkey's Treasury and for other foreign currency risks associated with the government of Republic of Turkey.

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 capital included in the qualification calculation.

II. Explanations on credit risk (continued):

Receivables whose counterparty is domiciled are considered unrated and included in the capital adequacy calculation. The "Credit Quality Levels" corresponding to the ratings assigned by rating institutions authorized or directly recognized by the Board are given in the table below.

Risk amounts according to risk weights

Risk Weights-- Current Period	%0	%10	%20	%35	%50	%75	%100	%150	%200	%250	Deductions from Shareholders' Equity
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

Risk Weights-- Prior Period	%0	%10	%20	%35	%50	%75	%100	%150	%200	%250	Deductions from Shareholders' Equity
1 Amount before credit risk mitigation	9.949.220	-	1.404.629	286.823	1.154.868	3.246.592	12.584.583	3.269	-	-	105.696
2 Amount after credit risk mitigation	10.454.793	-	1.565.879	280.109	1.256.170	3.106.944	11.962.820	3.269	-	-	105.696

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, 2022 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.

Non-Performing Loans are loans that have overdue up to 90 days as of December 31, 2022 but not impaired. "General Provision" calculation is made for these loans.

		Loans (*)		Provisions(**)
Current Period		Impaired Credits (IFRS 9)		
Important Sectors/Counterparties		Significant increase in credit risk (Stage 2)	Non-performing (Stage 3)	Expected Loss Provisions (IFRS9)
1	Agriculture	-	-	-
1.1	Farming and stockbreeding	-	-	-
1.2	Forestry	-	-	-
1.3	Fishery	-	-	-
2	Manufacturing	21.648	47.477	61.285
2.1	Mining and quarrying	-	-	-
2.2	Production	20.032	47.090	60.857
2.3	Electricity, gas, water	1.616	387	428
3	Construction	9.417	17.845	14.812
4	Services	23.101	26.452	24.186
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	-	-	-
5	Agriculture	3.524	1.602	1.322
Total		57.690	93.376	101.605

(*) The breakdown of cash loans is given.

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

II. Explanations on credit risk (continued):

Prior Period		Loans (*)		Provisions(**)
		Impaired Credits (TFRS 9)		
		Significant increase in credit risk (Stage 2)	Non-performing (Stage 3)	Expected Loss Provisions (TFRS9)
Important Sectors/Counterparties				
1	Agriculture	-	-	-
1.1	Farming and stockbreeding	-	-	-
1.2	Forestry	-	-	-
1.3	Fishery	-	-	-
2	Manufacturing	6.662	44.540	41.648
2.1	Mining and quarrying	-	32.892	32.872
2.2	Production	6.319	11.648	8.773
2.3	Electricity, gas, water	343	-	3
3	Construction	980	5.540	5.112
4	Services	24.947	129.022	122.624
4.1	Wholesale and retail trade	24.890	9.107	5.779
4.2	Hotel, food and beverage services	-	-	-
4.3	Transportation and telecommunication	57	5.608	3.244
4.4	Financial institutions	-	-	-
4.5	Real estate and renting services	-	114.307	113.601
4.6	Self-employment services	-	-	-
4.7	Education services	-	-	-
4.8	Health and social services	-	-	-
5	Agriculture	1.833	16.427	16.479
Total		34.422	195.529	185.863

(*) The distribution of cash loans is given.

Information about value adjustment and change in provisions

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1 Third Stage	185.680	62.260	(168.069)	-	79.871
2 First and Second Stage	146.666	427.257	-	-	573.923

Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1 Specific Provisions	172.690	12.990	-	-	185.680
2 General Provisions	92.666	104.109	(50.109)	-	146.666

II. Explanations on credit risk (continued):

Risk involved in counter-cyclical capital buffer calculation

Current Period Country where risk is ultimately taken	Private sector loans in banking books	Risk weighted amount calculated within trading book	Total
Turkey	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

Prior Period Country where risk is ultimately taken	Private sector loans in banking books	Risk weighted amount calculated within trading book	Total
Turkey	29.239.730	763.786	30.003.516
United Arab Emirates	9.028	-	9.028
Marshall Islands	35.434	-	35.434
Other Countries	13.287	-	13.287

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 30, 2022 - Balance sheet evaluation rate	18,7157	19,9556
As of December 29, 2022	18,7159	19,9067
As of December 28, 2022	18,7097	19,9094
As of December 27, 2022	18,6989	19,9151
As of December 26, 2022	18,6444	19,9711
As of December 23, 2022	18,6806	19,9212

- 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 18,6587 for 1 USD (December 2021: full TL 13,6246), full TL 19,7536 for 1 Euro (December 2021: full TL 15,3855).

The Bank is mainly exposed to USD and Euro currency risks.

III. Explanations on currency risk (continued):

Information on the Bank's Currency Risk

	EURO	USD	Other FC	Total
Current Period				
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	5.346.226	18.744.043	316.140	24.406.409
Banks (****)	798.748	1.269.144	2.806.789	4.874.681
Financial assets at fair value through profit and loss	79.951	141.530	721.982	943.463
Money market placements	-	-	-	-
Financial Assets Valued At Fair Value Through Profit And Loss	621.450	1.893.165	-	2.514.615
Loans and financial lease receivables (*)	6.495.852	5.859.611	-	12.355.463
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	4.139.848	-	-	4.139.848
Derivative financial assets for hedging purposes(*****)	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	2.782	1.092	-	3.874
Total Assets	17.484.857	27.908.585	3.844.911	49.238.353
Liabilities				
Current account and funds collected from banks via participation accounts	-	-	16.596	16.596
Other current and profit sharing accounts (**)	9.362.282	31.482.190	3.421.540	44.266.012
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	4.436.273	423.668	-	4.859.941
Marketable securities issued	-	-	-	-
Miscellaneous payables	-	-	-	-
Derivative financial liabilities for hedging purposes(*****)	-	-	-	-
Other liabilities	146.305	342.100	85.280	573.685
Total liabilities	13.944.860	32.247.958	3.523.416	49.716.234
Net balance sheet position	3.539.997	(4.339.373)	321.495	(477.881)
Net balance sheet position	(3.555.105)	4.308.704	(319.605)	433.994
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
Prior Period				
Total assets	11.996.492	8.011.515	1.235.185	21.243.192
Total liabilities	10.706.239	10.155.169	1.460.407	22.321.815
Net balance sheet position	1.290.253	(2.143.654)	(225.222)	(1.078.623)
Net off balance sheet position	(1.191.464)	2.218.808	258.800	1.286.144
Derivative financial instruments assets	5.987	2.617.311	500.074	3.123.372
Derivative financial instruments liabilities	1.197.451	398.503	241.274	1.837.228
Non-cash loans	1.405.454	1.731.014	-	3.136.468

(*) Includes expected loss provisions amounting to TL 189.254 in the balance sheet.

(**) Non-cash loans are not taken into account in the calculation of foreign currency position.

(****) Precious metals are also shown in the "Other FC" column.

(*****) Includes expected loss provisions amounting to TL 10.703 in the balance sheet.

(*****) Income rediscounts of derivative financial instruments amounting to TL 12.681 (December 31, 2021: TL 3.280) and expense rediscounts of exchange amounting to TL 11.536 (December 31, 2021: TL 3.810) are not included.

III. Explanations on currency risk (continued):

Explanations on position risk of equity securities in banking book

None (December 31, 2021: 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.

The level of spread of Covid-19 virus worldwide and the negative effects (country risks and foreign bank limits / correspondent bank relations etc.) in areas such as real sector and banking sector are carefully monitored. In this regard, liquidity adequacy is constantly monitored by stress tests and scenario analyzes among risk management activities.

IV. Explanations on liquidity risk (continued):

Liquidity Coverage Ratio

		Rate of "Percentage to be taken into account " not Implemented Total value ^(*)		Rate of "Percentage to be taken into account " Implemented Total value ^(*)	
Current Period		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	HIGH QUALITY LIQUID ASSETS			49.255.131	37.802.121
CASH OUTFLOWS					
2	Retail and Real Person 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 Real Person	42.442.442	38.409.896	18.105.933	15.703.203
6	Customers Deposits	-	-	-	-
7	Operational Funds Collected	41.993.231	38.362.259	17.656.722	15.655.566
8	Non-Operational Funds Collected	449.211	47.637	449.211	47.637
9	Other Unsecured Funding			-	-
10	Secured funding	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	Unconditionally revocable off-balance sheet other liabilities and other contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	14.086.455	3.532.269	4.232.041	331.857
16	TOTAL CASH OUTFLOWS			34.182.026	22.110.344
CASH INFLOWS					
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
20	TOTAL CASH INFLOWS	29.414.536	21.954.684	27.283.646	21.306.920
		Upper limit applied amounts			
21	TOTAL HQLA			49.255.131	37.802.121
22	TOTAL NET CASH OUTFLOWS			8.545.507	5.527.586
23	LIQUIDITY COVERAGE RATIO (%)			576,39	683,88

(*) 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 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:

Liquidity Coverage Ratio (%)	Current Period -31.12.2022	
	TL+FC	FC
Lowest (%)	428,87	524,40
Date	October , 2022	October , 2022
Highest (%)	493,47	695,05
Date	November 17, 2022	November 17, 2022
Average	458,96	606,64

IV. Explanations on liquidity risk (continued):

Liquidity Coverage Ratio (continued):

Prior Period	Rate of "Percentage to be taken into account " not Implemented Total value ⁽¹⁾		Rate of "Percentage to be taken into account " Implemented Total value ⁽¹⁾	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 HIGH QUALITY LIQUID ASSETS			10.845.784	7.806.796
CASH OUTFLOWS				
2 Retail and Real Person Funds Collected	4.513.070	3.444.744	437.597	344.474
3 Stable Funds Collected	274.211	-	13.711	-
4 Less stable Funds Collected	4.238.859	3.444.744	423.886	344.474
5 Unsecured Funding other than Retail and Real Person	6.019.703	4.873.469	2.993.565	2.362.874
6 Customers Deposits	-	-	-	-
7 Operational Funds Collected	5.790.600	4.815.471	2.764.462	2.304.876
8 Non-Operational Funds Collected	229.103	57.998	229.103	57.998
9 Other Unsecured Funding			-	-
10 Secured funding	2.998.702	1.417.599	2.998.702	1.417.599
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	1.782.162	1.417.599	1.782.162	1.417.599
12 Debts related to the structured financial products	1.216.540	-	1.216.540	-
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	6.532.140	2.852.883	1.302.032	245.279
16 TOTAL CASH OUTFLOWS			7.731.896	4.370.226
CASH INFLOWS				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	3.644.672	1.908.314	2.869.466	1.710.287
19 Other contractual cash inflows	1.385.812	1.229.025	1.385.812	1.229.025
20 TOTAL CASH INFLOWS	5.030.484	3.137.339	4.255.278	2.939.312
			Upper limit applied amounts	
21 TOTAL HQLA			10.845.784	7.806.796
22 TOTAL NET CASH OUTFLOWS			3.476.618	1.430.914
23 LIQUIDITY COVERAGE RATIO (%)			311,96	545,58

⁽¹⁾ 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 – 31.12.2021	
	TL+FC	FC
Lowest (%)	311,11	333,08
Date	October, 2021	October, 2021
Highest (%)	403,97	847,77
Date	December, 2021	November, 2021
Average	352,95	615,49

Liquidity coverage ratio is calculated by comparing the high quality liquid assets owned by the Bank to net cash outflow in 30 days maturity. Important balance sheet items that determined on the ratio can be listed as CBRT required reserves, receivables from banks and funds collected. These figures the fact that they have a high share in liquid assets and net cash outflows means that they are considered since they are high and can high and change over time, their effects on the liquidity coverage ratio are other more than figures. 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.

IV. Explanations on liquidity risk (continued):**Liquidity coverage ratio (continued):**

The Bank's high quality liquid assets are composed of 2,74% cash, 64,57% deposits in central banks and 32,70% 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 87,55% funds collected, 4,54% funds borrowed and 7,91% subordinated debt instruments.

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
Current Period								
Assets								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	12.346.278	13.703.939	-	-	-	-	-	26.050.217
Banks	4.877.123	-	-	-	-	-	-	4.877.123
Financial Assets at Fair Value Through Profit and Loss	-	98.078	9.445	385.891	1.724.547	-	-	2.217.961
Money Market Placements	-	-	-	-	-	-	-	-
Financial assets valued at fair value through other comprehensive income	-	-	79.854	1.716.677	8.101.606	535.589	7.659	10.441.385
Loans	-	4.875.978	6.916.880	16.589.337	13.421.996	1.816.744	63.713	43.684.648
Financial assets valued at amortised cost	-	-	-	-	7.184.590	3.210.030	-	10.394.620
Other Assets (*)	-	-	-	-	-	-	2.560.981	2.560.981
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
Liabilities								
Current account and funds collected from banks via participation accounts	302.929	-	-	-	-	-	-	302.929
Other current and profit sharing accounts	44.187.869	20.697.462	8.882.652	4.986.764	166.189	-	-	78.920.936
Funds provided from other financial institutions and subordinated loans	-	1.520.462	3.001.547	1.448.155	1.182.889	-	4.110.376	11.263.429
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Other liabilities (**)	-	907.429	-	-	-	-	8.832.212	9.739.641
Total Liabilities	44.490.798	23.125.353	11.884.199	6.434.919	1.349.078	-	12.942.588	100.226.935
Liquidity Gap	(27.267.397)	(4.447.358)	(4.878.020)	12.256.986	29.083.661	5.562.363	(10.310.235)	-
Net Off-balance sheet Position	-	(7.959)	128	744	-	-	-	(7.087)
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
Non-cash Loans	-	298.864	959.878	3.880.727	1.615.240	21.397	3.069.165	9.845.271
Prior Period								
Total Assets	2.417.162	8.720.299	2.673.133	8.341.714	14.365.935	1.511.364	730.293	38.759.900
Total Liabilities	8.729.339	17.348.404	6.215.598	1.169.929	2.729.372	-	2.567.258	38.759.900
Liquidity Gap	(6.312.177)	(8.628.105)	(3.542.465)	7.171.785	11.636.563	1.511.364	(1.836.965)	-
Net Off-balance sheet Position	-	(31.071)	(56.149)	(1.175)	-	-	-	(88.395)
Financial Derivative Assets	-	2.508.922	756.035	91.169	-	-	-	3.356.126
Financial Derivative Liabilities	-	2.539.993	812.184	92.344	-	-	-	3.444.521
Non-cash Loans	1.354.438	1.108.447	343.855	1.578.062	495.818	-	-	4.880.620

(*) Other non-distributable assets column consists of assets held for sale, partnership investments, tangible and intangible assets, current and deferred tax assets and other assets.

(**) Other non-distributable liabilities column consists of equity and provision balances.

V. Explanations on leverage ratio

As of December 31, 2022, leverage ratio of the Bank calculated from the arithmetic average of the last 3 months is 6,49% (December 31, 2021: 8,45%). 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:

	Current Period December 31, 2022(*)	Prior Period December 31, 2021(*)
Balance sheet assets		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	107.854.252	33.353.859
2 (Assets deducted from Core capital)	163.498	103.381
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	107.690.754	33.250.478
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	-	-
5 Potential credit risk amount of derivative financial assets and credit derivatives	112.984	92.887
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	112.984	92.887
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	10.030.149	2.441.721
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)	10.030.149	2.441.721
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	20.891.725	7.757.835
11 (Correction amount due to multiplication with credit conversion rates)	-	-
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	20.891.725	7.757.835
Capital and total risk		
13 Core Capital	9.004.727	3.679.879
14 Total risk amount (sum of lines 3, 6, 9 and 12)	138.725.612	43.542.921
Leverage ratio		
15 Leverage ratio (%)	6,49	8,45

(*) Amounts in the table show quarterly averages.

VI. Explanations regarding the fair value of financial assets and liabilities**a. Information regarding the fair value of financial assets and liabilities**

	Book Value		Fair Value	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Financial Assets				
Due from Interbank Money Market	-	-	-	-
Banks	4.887.831	1.533.115	4.887.831	1.533.115
Financial Assets at Fair Value through Profit or Loss	2.217.961	1.800.024	2.217.961	1.800.024
Financial Assets at Fair Value Through Other Comprehensive Income	10.441.385	4.173.153	10.441.385	4.173.153
Financial Assets Valued Over Amortized Cost	10.440.441	2.713.586	10.196.149	2.537.586
Loans and financial lease receivables	44.292.621	21.907.324	53.760.934	25.922.905
Financial Liabilities				
Funds collected from banks through current accounts and participation accounts	302.929	581.502	302.929	581.502
Other current accounts and participation accounts	78.920.936	26.211.847	78.920.936	26.211.847
Funds from other financial institutions	11.263.429	4.653.931	11.263.429	4.566.889
Debts to Money Markets	-	1.984.303	-	1.984.303
Other Liabilities	1.009.560	429.545	1.009.560	429.545

VI. Explanations regarding the fair value of financial assets and liabilities (continued):**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.

- 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,
- At level two, the financial instruments whose fair value is based on the directly or indirectly observable market indicators,
- 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:

Current Period	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Assets at Fair Value Through Profit or (Loss)	1.181.401	1.036.560	-	2.217.961
Government Debt Securities	141.530	803.429	-	944.959
Share Certificates	-	-	-	-
Other financial assets	1.039.871	233.131	-	1.273.002
Financial Assets at Fair Value Through Other Comprehensive Income	2.517.101	7.916.625	-	10.433.726
Equity Securities (*)	-	-	-	-
Government Debt Securities	2.517.101	7.916.625	-	10.433.726
Other financial assets	-	-	-	-
Derivative Financial Assets	-	17.597	-	17.597
Financial liabilities				
Derivative financial liabilities	-	13.797	-	13.797

(*) 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.

Prior Period	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Assets at Fair Value Through Profit or (Loss)	1.219.977	580.047	-	1.800.024
Government Debt Securities	275.653	572.280	-	847.933
Share Certificates	-	-	-	-
Other financial assets	944.324	7.767	-	952.091
Financial Assets at Fair Value Through Other Comprehensive Income	962.858	3.202.636	-	4.165.494
Equity Securities	-	-	-	-
Government Debt Securities	962.858	3.202.636	-	4.165.494
Other financial assets	-	-	-	-
Derivative Financial Assets	-	65.158	-	65.158
Financial liabilities				
Derivative financial liabilities	-	109.990	-	109.990

VII. Explanations Regarding the Activities Carried Out on Behalf and Account of Other Persons

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

VIII. Explanations on risk management

Notes and explanations in this section have been prepared in accordance with the Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks that have been published in Official Gazette numbered 29511 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.

VIII. Explanations on risk management (continued):

a. Risk management strategy and risk weighted amounts (continued):

a.1. Explanations on risk management (continued):

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.

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.

VIII. Explanations on risk management (continued):

Credit risk

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

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.

VIII. Explanations on risk management (continued):**Other risks (continued):**

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.

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)	32.027.595	12.883.029	2.562.208
2	Of which standardised approach (SA)	32.027.595	12.883.029	2.562.208
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	28.930	26.820	2.314
5	Of which standardised approach for counterparty credit risk (SA-CCR)	28.930	26.820	2.314
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	1.106.031	763.786	88.482
17	Of which standardised approach (SA)	1.106.031	763.786	88.482
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	984.141	724.962	78.731
20	Of which Basic Indicator Approach	984.141	724.962	78.731
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	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	34.146.697	14.398.597	2.731.736

VIII. Explanations on risk management (continued):**b. Financial statements and regulatory exposures reconciliation****b.1. Differences and matching between accounting-related consolidation and legal consolidation**

Current Period	Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)	Carrying values of items in accordance with Turkish Accounting Standards (TAS)				Not subject to capital requirements or deducted from capital
		Subject to credit risk	Subject to counterparty credit risk	Securitization positions	Subject to market risk ^(*)	
Assets						
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	-	-	-	-	-	-
Deferred tax assets	663.317	663.317	-	-	-	-
Other assets	1.376.359	1.376.359	-	-	-	122.297
Total Assets	100.226.935	97.991.377	17.597	-	2.235.558	222.710
Liabilities						
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	-	-	-	-	-
Total Liabilities	100.226.935	-	13.797	-	13.797	-

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

VIII. Explanations on risk management (continued):**b. Financial statements and regulatory exposures reconciliation (continued):****b.1. Differences and matching between accounting-related consolidation and legal consolidation (continued):**

Prior Period	Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)	Carrying values of items in accordance with Turkish Accounting Standards (TAS)					Not subject to capital requirements or deducted from capital
		Subject to credit risk	Subject to counterparty credit risk	Securatization positions	Subject to market risk ^(*)		
Assets							
Cash and balances at central bank	6.236.435	6.236.435	-	-	-	-	-
Banks	1.533.115	1.533.115	-	-	-	-	-
Receivables from Money markets	-	-	-	-	-	-	-
Expected Loss Provisions (-)	1.647	1.647	-	-	-	-	-
Financial assets at fair value through profit or Loss	1.800.024	-	-	-	1.800.024	-	-
Financial assets at fair value through other comprehensive income	4.173.153	4.173.153	-	-	-	-	-
Derivative financial assets	65.158	-	65.158	-	65.158	-	-
Loans	21.724.480	21.724.480	-	-	-	-	-
Leasing receivables	182.844	182.844	-	-	-	-	-
Financial assets measured at amortized cost	2.713.586	2.713.586	-	-	-	-	-
Expected loss provisions	332.383	332.383	-	-	-	-	-
Assets held for sale and discontinued operations (net)	8.000	8.000	-	-	-	-	-
Partnership investments	100	100	-	-	-	-	-
Tangible fixed asset (net)	330.398	330.398	-	-	-	-	-
Intangible asset (net)	23.462	23.462	-	-	-	-	23.462
Investment properties (net)	-	-	-	-	-	-	-
Current tax asset	-	-	-	-	-	-	-
Deferred tax assets	66.574	66.574	-	-	-	-	-
Other assets	236.601	236.601	-	-	-	-	82.234
Total Assets	38.759.900	36.894.718	65.158	-	1.865.182	105.696	
Liabilities							
Funds collected	26.793.349	-	-	-	-	-	-
Funds borrowed	4.653.931	-	-	-	-	-	-
Debt to Money markets	1.984.303	-	-	-	-	-	-
Debt securities in issue	-	-	-	-	-	-	-
Financial liabilities at fair value through profit and loss	-	-	-	-	-	-	-
Derivative financial liabilities	109.990	-	109.990	-	109.990	-	-
Liabilities from leases	191.498	-	-	-	-	-	-
Provisions	118.239	-	-	-	-	-	-
Current tax liability	81.210	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-	-
Non-current assets held for sale and discontinued operations (net)	-	-	-	-	-	-	-
Subordinated debt	2.669.412	-	-	-	-	-	-
Other liabilities	429.545	-	-	-	-	-	-
Equity	1.728.423	-	-	-	-	-	-
Total Liabilities	38.759.900	-	109.990	-	109.990	-	

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

VIII. Explanations on 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)

	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)	100.226.935	97.991.377	-	17.597	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
3	Total net amount within the scope of legal consolidation	100.213.138	97.991.377	-	3.800	2.221.761
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	-	(30.910.786)	-	-	-
10	Risk amounts	131.130.657	73.870.339	-	68.557	2.286.518

^(*) 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)	38.759.900	36.894.706	-	65.158	1.865.194
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	109.990	-	-	109.990	109.990
3	Total net amount within the scope of legal consolidation	38.649.910	36.894.706	-	(44.832)	1.755.204
4	Off balance sheet amounts	15.066.724	4.434.395	-	3.599.735	3.599.735
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	-	(8.479.729)	-	-	-
10	Risk amounts	53.716.634	32.849.372	-	3.554.903	5.354.939

^(*) 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.

VIII. Explanations on risk management (continued):**b. Financial statements and regulatory exposures reconciliation (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**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.

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	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
4 Total	122.087	77.208.968	589.422	76.741.633

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	195.529	21.711.795	332.857	21.574.467
2 Debt securities	-	8.686.763	9.487	8.677.276
3 Off-balance sheet exposures	450	6.160.451	29.342	6.131.559
4 Total	195.979	36.559.009	371.686	36.383.302

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

	Current Period	Prior Period
1 Defaulted loans and debt securities at end of the previous reporting period	195.529	172.697
2 Loans and debt securities that have defaulted since the last reporting period	74.049	22.832
3 Receivables back to non-defaulted status	-	-
4 Amounts written off	(168.069)	-
5 Other changes	(8.133)	-
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	93.376	195.529

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.

VIII. Explanations on risk management (continued):

c. Credit risk (continued):

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

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 2021: None).

Receivables that provisions are set in terms of geographical region

Current Period	Non-performing Loans^(*)	Specific Provision^(*)
Domestic	93.376	185.680
Off-shore Banking Countries	-	-
Other Countries	-	-
General Total	93.376	185.680

^(*) Represents amounts for cash loans.

Prior Period	Non-performing Loans^(*)	Specific Provision^(*)
Domestic	195.529	185.680
Off-shore Banking Countries	-	-
Other Countries	-	-
General Total	195.529	185.680

^(*) Represents amounts for cash loans.

Breakdown according to sector:

	Sectors / Counterparties Current Period	Non-performing loans	Provisions
1	Agriculture	-	-
1.1	Farming and stockbreeding	-	-
1.2	Forestry	-	-
1.3	Fishery	-	-
2	Manufacturing	47.477	44.449
2.1	Mining and quarrying	-	-
2.2	Production	47.090	44.175
2.3	Electricity, gas, water	387	274
3	Construction	17.845	13.530
4	Services	26.452	20.871
4.1	Wholesale and retail trade	22.785	17.485
4.2	Hotel, food and beverage services	-	-
4.3	Transportation and telecommunication	3.333	3.098
4.4	Financial institutions	-	-
4.5	Real estate and renting services	334	288
4.6	Self-employment services	-	-
4.7	Education services	-	-
4.8	Health and social services	-	-
5	Other	1.602	1.020
	Total	93.376	79.870

VIII. Explanations on risk management (continued):

c. Credit risk (contiuned):

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

	Sectors / Counterparties Prior Period	Non-performing loans	Provisions
1	Agriculture	-	-
1.1	Farming and stockbreeding	-	-
1.2	Forestry	-	-
1.3	Fishery	-	-
2	Manufacturing	44.540	41.626
2.1	Mining and quarrying	32.892	32.872
2.2	Production	11.648	8.754
2.3	Electricity, gas, water	-	-
3	Construction	5.540	5.109
4	Services	129.022	122.518
4.1	Wholesale and retail trade	9.107	5.673
4.2	Hotel, food and beverage services	-	-
4.3	Trasportation and telecommunication	5.608	3.244
4.4	Financial institutions	-	-
4.5	Real estate and renting services	114.307	113.601
4.6	Self-employment services	-	-
4.7	Education services	-	-
4.8	Health and social services	-	-
5	Other	16.427	16.427
	Total	195.529	185.680

VIII. Explanations on risk management (continued):**c. Credit risk (continued):****c.2. Credit risk mitigation****c.2.1. Qualitative disclosure on credit risk mitigation techniques**

On and off balance sheet offsetting agreements are not utilized. The risk mitigators that are used in credit process in compliance with Communiqué "The Risk Mitigation Techniques" which is published at September 6, 2014 are stated below:

a) Financial Collaterals (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.

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

Current Period		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	59.245.007	5.725.731	3.099.977	5.150.797	2.501.983	-	-
2	Debt securities	23.099.787	-	-	-	-	-	-
3	Total	82.344.794	5.725.731	3.099.977	5.150.797	2.501.983	-	-
4	Of which defaulted	93.376	-	-	-	-	-	-

Prior Period		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	29.297.479	4.365.490	1.854.133	3.886.645	1.367.928	-	-
2	Debt securities	8.686.763	-	-	-	-	-	-
3	Total	37.984.242	4.365.490	1.854.133	3.886.645	1.367.928	-	-
4	Of which defaulted	195.529	-	-	-	-	-	-

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.

VIII. Explanations on 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

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
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	-	-	-	-	-	-
Total	67.080.591	14.070.444	67.080.591	6.789.748	32.027.063	43,36%

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	9.545.746	43.308	9.552.334	43.446	-	-
Receivables from regional or local governments	74.578	14.000	12.466	7.015	9.741	%50,00
Receivables from administrative units and non-commercial enterprises	-	908	16.372	2.925	19.297	%100,00
Receivables from multilateral development banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and brokerage houses	1.039.558	53.973	1.225.378	53.973	340.890	%26,65
Receivables from corporates	7.867.116	4.458.782	7.725.201	2.662.046	9.725.964	%93,63
Retail receivables	1.769.226	1.480.862	1.764.471	683.811	1.770.649	%72,32
Receivables secured by mortgages on property	247.268	39.555	247.268	25.628	93.446	%34,24
Receivables secured by mortgages on commercial property	310.930	400.453	310.930	222.805	337.217	%63,18
Past due receivables	6.224	-	6.224	-	4.508	%72,43
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	1.277.497	-	1.277.497	-	580.357	%45,43
Equity share investments	-	-	-	-	-	-
Total	22.138.143	6.491.841	22.138.141	3.701.649	12.882.069	%49,85

VIII. Explanations on risk management (continued)

c. Credit risk (continued):

c.3. Credit risk under standardised approach (continued):

c.3.3. Exposures by asset classes and risk weights

Risk Classes/Risk Weighted		%0	%10	%20	35% secured by Property mortgage	%50	%75	%100	%150	%200	Others	Total risk amount (post-CCF and CRM)
Current Period												
1	Receivables from central governments or central banks	37.349.088	-	-	-	-	-	-	-	-	-	37.349.088
2	Receivables from regional or local governments	1.723	-	-	-	80.575	-	-	-	-	-	82.298
3	Receivables from administrative units and non-commercial enterprises	15.092	-	-	-	-	-	15.052	-	-	-	30.144
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	-	-	6.018.558	-	230.574	-	978.745	-	-	-	7.227.877
7	Receivables from corporates	599.375	-	320.331	-	1.194.463	-	13.782.919	-	5.168.499	18.209	21.083.796
8	Retail receivables	132.496	-	76.451	-	-	3.010.318	5.868	1.170	-	-	3.226.303
9	Receivables secured by mortgages on property	17.616	-	19.092	362.935	-	-	-	-	-	-	399.643
10	Receivables secured by mortgages on commercial property	-	-	-	-	502.972	-	247.872	-	-	-	750.844
11	Past due receivables	-	-	-	-	9.313	-	260	-	-	-	9.573
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Other receivables	-	-	-	-	-	-	-	-	-	-	-
17	Equity share investments	1.095.695	-	911.415	-	-	-	1.703.663	-	-	-	3.710.773
18	Total	39.211.085	-	7.345.847	362.935	2.017.897	3.010.318	16.734.379	1.170	5.168.499	18.209	73.870.339

Risk Classes/Risk Weighted		%0	%10	%20	35% secured by Property mortgage	%50	%75	%100	%150	%200	Others	Total risk amount (post- CCF and CRM)
Current Period												
1	Receivables from central governments or central banks	9.595.780	-	-	-	-	-	-	-	-	-	9.595.780
2	Receivables from regional or local governments	-	-	-	-	19.481	-	-	-	-	-	19.481
3	Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	19.297	-	-	-	19.297
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	-	-	982.090	-	269.269	-	27.992	-	-	-	1.279.351
7	Receivables from corporates	406.598	-	83.461	-	369.112	-	9.528.076	-	-	-	10.387.247
8	Retail receivables	52.943	-	41.926	-	-	2.349.920	224	3.269	-	-	2.448.282
9	Receivables secured by mortgages on property	5.313	-	1.389	266.194	-	-	-	-	-	-	272.896
10	Receivables secured by mortgages on commercial property	2.900	-	8.445	-	373.724	-	148.666	-	-	-	533.735
11	Past due receivables	-	-	-	-	3.431	-	2.793	-	-	-	6.224
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Other receivables	-	-	-	-	-	-	-	-	-	-	-
17	Equity share investments	360.166	-	421.217	-	-	-	496.114	-	-	-	1.277.497
18	Total	10.423.700	-	1.538.528	266.194	1.035.017	2.349.920	10.223.162	3.269	-	-	25.839.790

VIII. Explanations on 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

Current Period		Replacement cost	Potential Future exposure	EEPE ^(*)	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	(254)	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					-	-
6	Total						28.929

(*) Effective Expected Positive Exposure

VIII. Explanations on risk management (continued)**d. Counterparty credit risk****d.2. Counterparty credit risk (CCR) approach analysis**

Prior Period		Replacement cost	Potential Future exposure	EEPE ^(*)	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	(51.240)	36.510		-	98.334	26.820
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						26.820

(*) 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	114.908	28.929	98.334	26.820
4	Total subject to the CVA capital obligation	114.908	28.929	98.334	26.820

VIII. Explanations on risk management (continued)

d. Counterparty credit risk (continued):

d.4. CCR exposures by risk class and risk weights

Current Period										
	Risk Weighted									Total credit exposure(*)
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	-	-	-	-	-	-	-	-	-	
Total	6.561	-	94.896	7.001	-	6.450	-	-	114.908	

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

Prior Period										
Risk Classes	Risk Weighted									Total credit exposure(*)
	%0	%10	%20	%50	%75	%100	%150	Other		
Receivables from central governments or central banks	43.308	-	-	-	-	-	-	-	-	43.308
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	-	-	12.042	31.493	-	-	-	-	-	43.535
Receivables from corporates	-	-	1.322	-	-	3.096	-	-	-	4.418
Retail receivables	-	-	-	-	7.073	-	-	-	-	7.073
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	-	-	-	-	-	-	-	-	-	-
Total	43.308	-	13.364	31.493	7.073	3.096	-	-	-	98.334

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

VIII. Explanations on risk management (continued):

d. Counterparty credit risk (continued):

d.5. Used collaterals for counterparty credit risk

None (December 31, 2021:None).

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

None (December 31, 2021:None).

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

None (December 31, 2021:None).

e. Information to be announced to public on Securitization

None (December 31, 2021: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.

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.

VIII. Explanations on risk management (continued):**f. Market risk (continued):****f.2. Market risk under standardised approach**

		Current Period	Prior Period
		RWA	RWA
Outright products			
1	Profit rate risk (general and specific)	579.309	389.407
2	Equity share (general and specific)	-	-
3	Foreign exchange risk	259.477	105.594
4	Commodity risk	267.245	268.785
Options			
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	1.106.031	763.786

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	500.377	801.333	6.232.412	2.511.374	%15	376.706
Amount subject to Operational Risk (Total*12,5)						4.708.826

Current Period	2 PP Value	1 PP Tutar	CP Value	Total number of years for which gross income is positive	Rate (%)	Total
Gross Income	272.916	500.377	801.333	524.875	%15	78.731
Amount subject to Operational Risk (Total*12,5)						984.138

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.

VIII. Explanations on risk management (continued):

h. Qualitative disclosure on profit rate risk arising from banking books (continued):

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	(529.967)	(5,55)
TRY	(-) 400bp	499.974	5,23
USD Dolar	(+) 200bp	(49.947)	(0,52)
USD Dolar	(-) 200bp	64.836	0,68
EUR	(+) 200bp	101.384	1,06
EUR	(-) 200bp	(107.421)	(1,12)
Total (For Negative Shocks)	-	457.389	4,79
Total (For Positive Shocks)	-	(478.530)	(5,01)

Prior Period

Currency	Applied Shock (+/-x basis point)	Gains/ (Losses)	Gains/Equity (Losses/Equity) (%)
TRY	(+) 500bp	(168.087)	(4,20)
TRY	(-) 400bp	158.893	3,97
USD Dolar	(+) 200bp	(59.535)	(1,49)
USD Dolar	(-) 200bp	65.639	1,64
EUR	(+) 200bp	(57.620)	(1,44)
EUR	(-) 200bp	61.148	1,53
Total (For Negative Shocks)	-	(285.242)	(7,13)
Total (For Positive Shocks)	-	285.680	7,14

IX. Explanations on business segments

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

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	2.963.819	39.103.109	56.564.347	1.595.660	100.226.935
Total Liabilities					
Total Equity	48.236.244	35.857.392	7.812.211	2.297.214	94.203.061
	-	-	-	6.023.874	6.023.874
Net profit share income/(expense) (*)					
Net fees and commissions income/(expense)	486.592	2.659.158	712.796	59.627	3.918.173
Other operating income/(expense)	148.152	241.741	(10.182)	(79.002)	300.709
Provision expenses	1.540.904	(554.805)	(808.377)	115.433	293.155
Profit/(loss) before tax	(37.518)	(608.423)	(115.137)	(26.516)	(787.594)
Provision for tax	2.138.130	1.737.671	(220.900)	69.542	3.724.443
Net profit / (loss) for the period	2.138.130	1.737.671	(220.900)	(844.952)	2.809.949

(*) The distribution difference in the retail, commercial and corporate segments stems from fund allocation and fund collection methods of the Bank.

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	3.740.018	17.803.958	16.400.186	815.738	38.759.900
Total Liabilities	8.339.463	20.883.968	7.442.924	365.122	37.031.477
Total Equity	-	-	-	1.728.423	1.728.423
Net profit share income/(expense) (*)					
Net fees and commissions income/(expense)	173.067	593.194	(158.806)	(75.070)	532.385
Other operating income/(expense)	38.011	54.163	(9.655)	(38)	82.481
Provision expenses	46.140	69.621	(25.294)	(407.122)	(316.655)
Profit/(loss) before tax	(10.129)	(84.482)	(5.001)	(10.601)	(110.213)
Provision for tax	247.089	632.496	(198.756)	(492.831)	187.998
	-	-	-	(44.885)	(44.885)
Net profit / (loss) for the period					

(*) The distribution difference in the retail, commercial and corporate segments stems from fund allocation and fund collection methods of the Bank.

SECTION FIVE

Explanations and notes on the unconsolidated financial statements

I. Explanations and notes related to assets

1. a) Cash and balances with the Central Bank of Republic of Turkey (CBRT)

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash / Foreign currency	63.660	188.870	27.027	82.778
CBRT	1.498.475	23.081.139	860.099	4.490.642
Other (*)	82.652	1.167.784	10.704	765.185
Total	1.644.787	24.437.793	897.830	5.338.605

(*) As of December 31, 2022 it includes precious metal deposit account amounting to TL 42.641 (December 31, 2021: TL 165.496) and money in transit account amounting to TL 1.207.795 (December 31, 2021: TL 610.393)

b) Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	1.498.475	9.358.541	843.500	159
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Reserve requirements	-	13.722.598	16.599	4.490.483
Total	1.498.475	23.081.139	860.099	4.490.642

c) Explanations on implementing requested reserves :

In accordance with the "Communiqué Regarding the Reserve Requirements numbered 2013/15", banks operating in Turkey are required to maintain reserves in CBRT for TL and foreign currency liabilities. The valid rates for Turkish lira required reserves are between 3% and 8% depending on the maturity structure ;the rates for foreign currency required reserves are between 19% and 26% depending on the maturity structure and the rates for other foreign currency liabilities required reserves are between 5% and 21% implemented in the financial table.

According to the Communiqué on Required Reserves published in the Official Gazette dated July 1, 2021, No. 31528, establishing turkish lira requested reserves in currency basis has been terminated as of July 1, 2021.

According to the article on "Commission Application" in the Turkish Lira Share for "Foreign Currency Accounts with Required Reserves and Notice" dated 31.08.2022 and numbered 1579 with the Central Bank of the Republic of Turkey, except for banks with a fund share of more than 50% in both real and legal person deposits/participation funds, Turkish Lira deposits/participation foreign currency deposit/participation fund liabilities (excluding foreign banks) It was decided to charge 3% annual commission over the required reserve amount.

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

c) Explanations on implementing requested reserves (continued):

The liabilities and assets specified in the "Communiqué on the Establishment of Securities" No. 2022/20 on Banks create securities. Liabilities have a facility rate of 3%, while assets have a facility rate of 30% is implemented.

If the Turkish Lira deposit/participation fund share exceeds 50% in both real and legal person deposits/participation funds for banks with less than 2 points, the liability securities establishment ratio for banks with more than 2 points is increased.

The profit share rate for loans subject to the issuance of securities, the procedures and principles of which are set by the Central Bank securities are established in accordance with the Central Bank's principles and procedures.

Securities are established in accordance with the Central Bank's procedures and principles for loans subject to the establishment of securities, the procedures and principles of which are determined by the Central Bank based on the profit share rate the Communiqué on the Procedures and Principles Regarding the Fees That Banks Can Charge Commercial Customers, dated 10.02.2020 and numbered 31035, with annual compound profit share rate from loans extended until 30/12/2022 (inclusive) calculation date (Number: 2020/4) with 90% of Turkish lira-denominated securities are blocked if they are between 1,4 and 1,8 (inclusive) times the annual compound reference rate announced by the Central Bank, calculated within the framework of the determined procedures and principles, and if they are greater than 20,1,8%.

2. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	2.447	482.017	1.593	254.853
Abroad	-	4.403.367	-	1.276.669
Total	2.447	4.885.384	1.593	1.531.522

b) Information on Foreign Bank Accounts

	Current Period		Prior Period	
	Unrestricted Period	Restricted Period	Unrestricted Period	Restricted Period
European Union Countries	1.562.962	-	710.956	-
USA, Canada	1.227.373	-	476.141	-
OECD Countries (*)	-	-	-	-
Off-shore Banking Regions	-	-	3.107	-
Other	1.613.032	-	86.465	-
Total	4.403.367	-	1.276.669	-

(*) OECD countries except EU countries, USA and Canada.

I. Explanations and notes related to 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, 2022, there is no repurchase agreements in financial assets at fair value through profit and loss is not available (December 31, 2021: None). As of December 31, 2022, amount subject to guaranteed/blocked is TL 2.184.200 (December 31, 2021: TL 355.782).

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

	Current Period	Prior Period
Debt securities	2.221.047	1.806.397
Quoted on a stock exchange	1.037.169	580.882
Unquoted on a stock exchange (*)	1.183.878	1.225.515
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted on a stock exchange	-	-
Impairment provision (-)	(3.086)	(6.373)
Total	2.217.961	1.800.024

(*) 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, 2022: None (December 31, 2021: 2.073.137). As of December 31, 2022, amount subject to guaranteed/blocked is TL 2.184.200 (December 31, 2021: 326.675).

b. Financial assets valued at fair value through other comprehensive income

	Current Period	Prior Period
Debt securities	10.481.318	4.201.759
Quoted on a stock exchange(*)	7.916.788	3.221.985
Unquoted on a stock exchange	2.564.530	979.774
Share certificates	7.659	7.659
Quoted on a stock exchange(*)	-	-
Unquoted on a stock exchange	7.659	7.659
Impairment provision (-)	(47.592)	(36.265)
Total	10.441.385	4.173.153

(*) Includes debt securities that are listed on the stock exchange but are not traded at the end of the relevant period.

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

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	3.264	12.406	29.633	419
Forward Transactions	1.652	275	32.245	2.861
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	4.916	12.681	61.878	3.280

6. Information on loans

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

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	1.273.002	-	714.824	-
Corporate shareholders	1.273.002	-	714.824	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	2.355	-	973	-
Loans granted to employees	2.355	-	973	-
Total	1.275.357	-	715.797	-

- I. **Explanations and notes related to assets (continued):**
6. **Information on loans (continued):**
- b. **Information on the first and second group loans including restructured loans**
- b1. **Detail table on the first and second group loans including restructured loans**

Cash Loans Current Period	Standard Loans	Loans Under Close Monitoring		
		Loans Not subject to restructured loans	Restructured Loans	
			Loans with Revised Contract Terms	Refinance
Loans	43.578.249	35.147	95.567	-
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 (*)	6.073.791	18.891	-	-
Other receivables	-	-	-	-
Total	43.578.249	35.147	95.567	-

(*)The details of other loans are as follows:

Commercial loans with installments	4.888.469
Loans given to abroad	43.842
Other investment credits	1.160.191
Other	180
Total	6.092.682

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

6. Information on loans (continued):

b. Information on the first and second group loans including restructured loans (continued):

b1. Detail table on the first and second group loans including restructured loans (continued):

Cash Loans Prior Period	Standard Loans	Loans Under Close Monitoring		
		Loans Not subject to restructured loans	Restructured Loans	
			Loans with Revised Contract Terms	Refinance
Loans	21.494.531	31.683	2.739	-
Export loans	-	-	-	-
Import loans	1.565.042	410	-	-
Business loans	15.289.593	26.755	2.739	-
Consumer loans	998.365	1.387	-	-
Credit cards	-	-	-	-
Loans given to financial sector	411.871	-	-	-
Other (*)	3.229.660	3.131	-	-
Other receivables	-	-	-	-
Total	21.494.531	31.683	2.739	-

(*)The details of other loans are as follows:

Commercial loans with installments	2.969.857
Loans given to abroad	174.503
Other investment credits	84.140
Other	4.291
Total	3.232.791

b2. Detail table on the first and second group loans including restructured loans

Current Period	Standard Loans	Loans Under Close Monitoring
Expected loss of provision for 12 Months	552.189	-
Substantial increase in credit risk	-	21.734
Prior Period	Standard Loans	Loans Under Close Monitoring
Expected loss of provision for 12 Months	146.482	-
Substantial increase in credit risk	-	184

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

6. Information on loans (continued):

c. Maturity analysis of cash loans

Current Period	Standard Loans and Other receivables		Loans Under Follow-Up and Other receivables	
	Loans and Other receivables	Amendments to terms or contract	Loans and Other receivables	Amendments to terms or contract
Cash Loans				
Short term loans and other receivables	23.370.093	-	16.630	42.649
Loans	23.370.093	-	16.630	42.649
Other receivables	-	-	-	-
Medium and long-term loans and other receivables (*)	20.208.156	-	18.517	52.918
Loans	20.208.156	-	18.517	52.918
Other receivables	-	-	-	-
Total	43.578.249	-	35.147	95.567

(*) Loans with original maturities of more than 1 year when first granted are classified as "Medium and long term loans".

Prior Period	Standard Loans and Other receivables		Loans Under Follow-Up and Other receivables	
	Loans and Other receivables	Amendments to terms or contract	Loans and Other receivables	Amendments to terms or contract
Cash Loans				
Short term loans and other receivables	5.573.870	-	21.469	72
Loans	5.573.870	-	21.469	72
Other receivables	-	-	-	-
Medium and long-term loans and other receivables (*)	15.918.406	-	12.469	2.667
Loans	15.918.406	-	12.469	2.667
Other receivables	-	-	-	-
Total	21.492.276	-	33.938	2.739

(*) Loans with original maturities of more than 1 year when first granted are classified as "Medium and long term loans".

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

I. Explanations and notes related to 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
Consumer loans-TL	57.983	1.098.696	1.156.679
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	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	24	2.331	2.355
Housing loans	-	1.527	1.527
Vehicle loans	-	601	601
Consumer loans	24	203	227
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL(Real Person)	-	-	-
Overdraft account-FC(Real Person)	-	-	-
Total	58.007	1.101.027	1.159.034

I. Explanations and notes related to 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
Consumer loans-TL	2.549	996.230	998.779
Housing loans	945	913.481	914.426
Vehicle loans	1.228	36.953	38.181
Consumer loans	376	45.796	46.172
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	24	949	973
Housing loans	-	833	833
Vehicle loans	-	48	48
Consumer loans	24	68	92
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL(Real Person)	-	-	-
Overdraft account-FC(Real Person)	-	-	-
Total	2.573	997.179	999.752

I. Explanations and notes related to assets (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
Commercial installment loans-TL	1.562.386	2.944.839	4.507.225
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	-	-	-
Commercial installment loans-FC indexed	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	9.256	314.997	324.253
Business loans	-	16.111	16.111
Vehicle loans	9.256	135.535	144.791
Consumer loans	-	163.351	163.351
Other	-	-	-
Corporate credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	3.111	-	3.111
Overdraft account-FC(Legal Entity)	53.880	-	53.880
Total	1.628.633	3.259.836	4.888.469

Prior Period	Short-Term	Medium and Long-Term	Total
Commercial installment loans-TL	287.471	2.191.296	2.478.767
Business loans	10.572.	278.396	288.968
Vehicle loans	233.688	1.082.909	1.316.597
Consumer loans	43.211	829.991	873.202
Other	-	-	-
Commercial installment loans-FC indexed	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	116.377	329.601	445.978
Business loans	1.137	9.375	10.512
Vehicle loans	-	136.500	136.500
Consumer loans	115.240	183.726	298.966
Other	-	-	-
Corporate credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	15.176	-	15.176
Overdraft account-FC(Legal Entity)	29.936	-	29.936
Total	448.960	2.520.897	2.969.857

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

6. Information on loans (continued):

f. Loans according to types of borrowers

	Current Period	Prior Period
Public	3.344.569	946.228
Private	40.364.394	20.582.725
Total	43.708.963	21.528.953

g. International and domestic loans:

The distribution of loans excluding non-performing loans is as follows:

	Current Period	Prior Period
Domestic loans	42.548.772	21.354.450
Foreign loans	1.160.191	174.503
Total	43.708.963	21.528.953

h. Loans granted to subsidiaries and participations

None (December 31, 2021: None).

h.1 Default provisions for loans (Third Stage) provisions

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	35.433	4.162
Doubtful Loans and Other Receivables	18.045	7.835
Uncollectible Loans and Receivables	26.393	173.683
Total	79.871	185.680

i. Information on non-performing loans and receivables (net)

i.1. Non-performing loans and receivables which are restructured or rescheduled

None (December 31, 2021: None).

I. Explanations and notes related to assets (continued):**6. Information on loans (continued):****i. Information on non-performing loans and receivables (net) (continued):****i.2. Movements of non-performing loans**

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period			
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
Net balance at the balance sheet	517	11.215	5.773
(*) Non-performing loans totaling TL 168,069 were de-recognized on October 3, 2022, in accordance with the Board of Directors' Decision. TFRS 9 accounting write-off The transaction has a 376 basis point impact on the NPL ratio.			
	III. Group	IV. Group	V. Group
	Loans an receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Prior Period			
Closing balance of prior period	-	12	172.685
Additions in the current period (+)	24.057	305	100
Transfers from other categories of non-performing loans (+)	-	15.647	1.403
Transfers to other categories of non-performing loans (-)	15.647	1.403	-
Collections in the current period (-)	96	1.490	44
Write offs (-)	-	-	-
Sales (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	8.314	13.071	174.144
Provisions (-)	4.162	7.835	173.683
Net balance at the balance sheet	4.152	5.236	461

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

None (December 31, 2021: None).

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

6. Information on loans (continued):

i. Information on non-performing loans and receivables (net) (continued):

i.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
Current Period (net)	517	11.215	5.773
Loans to individuals and corporates (gross)	35.950	29.260	32.166
Provision (-)	35.433	18.045	26.393
Loans to individuals and corporates (net)	517	11.215	5.773
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	4.152	5.236	461
Loans to Real Persons and Legal Entities (Gross)	8.314	13.071	174.144
Specific provision (-)	4.162	7.835	173.683
Loans to Real Persons and Legal Entities (Net)	4.152	5.236	461
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-

i.5. Information on Interest Accruals, Rediscounts and Valuation Differences Calculated for Non-Performing Loans and Their Provisions

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans and Receivables
Current Period (Net)	62	818	338
Profit share accruals and valuation differences	102	2.057	1.845
Provisions (-)	40	1.239	1.507
Prior Period (Net)	149	272	3
Profit share accruals and valuation differences	288	637	8
Provision (-)	139	365	5

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

6. Information on loans (continued):

k. 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.

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. The amount of TL 168.069 for loans deemed impossible to collect in 2022 has been written-off due to the decision taken by the bank's management (December 31, 2021: 15.707).

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 (*)	10.440.441	2.713.586
Total	10.440.441	2.713.586

(*) The Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. Subordinated debt instrument with the ISIN code TRT240424F22, starting date of April 24, 2019, with the earliest five-year repayment option and a demand deposit of 200.000.000 Euro (Full Euro) and the Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. It consists of subordinated debt instruments with an ISIN code of TRT250232F15, 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).

b. Information on investment securities measured at amortized cost

	Current Period	Prior Period
Debt Securities	10.440.441	2.713.586
Quoted on a stock Exchange	1.904.621	-
Unquoted (*)	8.535.820	2.713.586
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Impairment Provision (-)	-	-
Total	10.440.441	2.713.586

(*) The Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. Subordinated debt instrument with the ISIN code TRT240424F22, starting date of April 24, 2019, with the earliest five-year repayment option and a demand deposit of 200.000.000 Euro (Full Euro) and the Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. It consists of subordinated debt instruments with an ISIN code of TRT250232F15, 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).

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

I. Explanations and notes related to 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
Balance at beginning of period (*)	2.713.586	1.568.929
Foreign currency differences on monetary assets (**)	1.533.167	1.128.426
Purchases during period	6.209.920	16.231
Disposals through sales and redemptions	(16.232)	-
Impairment provision (-)	-	-
Closing Balance	10.440.441	2.713.586

(*) The Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. Subordinated debt instrument with the ISIN code TRT240424F22, starting date of April 24, 2019, with the earliest five-year repayment option and a demand deposit of 200.000.000 Euro (Full Euro) and the Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. It consists of subordinated debt instruments with an ISIN code of TRT250232F15, 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).

(**) TL 737.115 income rediscount is included in this amount. (December 31, 2021: TL 308.308)

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	61.869	58.166	8.922	8.799
1 to 4 years	460.014	377.536	141.131	118.381
More than 4 years	55.961	50.580	62.322	55.664
Total	577.844	486.282	212.375	182.844

b. Information on net investments through finance lease

	Current Period	Prior Period
Finance lease receivables (gross)	577.844	212.375
Unearned finance lease receivable (-)	91.562	29.531
Receivable from finance leases (net)	486.282	182.844

I. Explanations and notes related to 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:

		Leasing Receivables Under Close Monitoring		
Finance Lease	Standard Loans	Leasing receivables not subject to restructured loans	Restructured or rescheduled	
			Leasing Receivables with Revised Contract Terms	Refinance
Current Period				
Finance lease receivables (Net)	486.282	-	-	-
Prior Period				
Finance lease receivables (Net)	182.844	-	-	-

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	8.000	23.797
Additions	4.360	-
Disposals	(7.118)	(15.797)
Transfers	-	-
Impairment Provision (-)	-	-
Closing balance	5.242	8.000

10. Information on associates

a. Associates (net)

a.1. Information on unconsolidated associates

None (December 31, 2021: None).

a.2 Information on consolidated associates

None (December 31, 2021: 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 December 31, 2022 and December 31, 2021.

I. Explanations and notes related to assets (continued):**10. Information on associates (continued):****b. Information on subsidiaries (net) (continued):****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 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 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 Bank.

Emlak Katılım Varlık Kiralama A.Ş., 100% subsidiaries of the 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 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	Address (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

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, 2022.

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
Emlak Varlık Kiralama A.Ş.	1.248.483	347	-	42.403	-	298	-	-
Emlak Katılım Varlık Kiralama A.Ş.	3.577.353	50	-	569.706	-	-	-	-

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	-	-
Bonus shares	-	-
Profit received from current year share	-	-
Sales	-	-
Revaluation increases	-	-
Impairments	-	-
Amount at the end of the period	100	100
Capital commitments	-	-
Share of the capital at the end of the period (%)	100	100

c. Information on investments in joint-ventures

None (December 31, 2021: None).

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

11. Information on tangible assets

Current Period	Immovables(*)	Leased tangible assets	Vehicles	Other TA	Total
Cost					
Opening Balance: January 1, 2021	199.754	-	24.470	210.911	435.135
Additions	74.484	-	52.323	69.339	196.146
Revaluation differences	-	-	-	-	-
Disposals	-	-	-	(2.427)	(2.427)
Impairment losses(-)/	-	-	-	-	-
Reversal of impairment	-	-	-	-	-
Transfers	-	-	-	-	-
Ending Balance: December 31, 2021	274.238	-	76.793	277.823	628.854
Accumulated depreciation (-)					
Opening balance: January 1, 2021	32.190	-	11.716	60.831	104.737
Depreciation expense	35.765	-	8.373	47.913	92.051
Reversal of depreciation of the disposed assets	-	-	-	(222)	(222)
Transfers	-	-	-	-	-
Ending balance: December 31, 2021	67.955	-	20.089	108.522	196.566
Total cost at the end of the year	274.238	-	76.793	277.823	628.854
Total accumulated depreciation at the end of the year	(67.955)	-	(20.089)	(108.522)	(196.566)
Closing net book values	206.283	-	56.704	169.301	432.288

(*) 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 "TFRS 16 Leases" standard, and the depreciation amount is TL 67.955. (December 31, 2021: TL 32.190)

Prior Period	Immovables(*)	Leased tangible assets	Vehicles	Other TA	Total
Cost					
Opening Balance: January 1, 2021	118.749	-	20.208	151.873	290.830
Additions	81.884	-	4.346	61.414	147.644
Revaluation differences	-	-	-	-	-
Disposals	(879)	-	(84)	(2.376)	(3.339)
Impairment losses(-)/Reversal of impairment	-	-	-	-	-
Transfers	-	-	-	-	-
Ending Balance: December 31, 2021	199.754	-	24.470	210.911	435.135
Accumulated depreciation (-)					
Opening balance: January 1, 2021	10.957	-	5.250	23.394	39.601
Depreciation expense	21.318	-	6.468	37.652	65.438
Reversal of depreciation of the disposed assets	(85)	-	(2)	(215)	(302)
Transfers	-	-	-	-	-
Ending balance: December 31, 2021	32.190	-	11.716	60.831	104.737
Total cost at the end of the year	199.754	-	24.470	210.911	435.135
Total accumulated depreciation at the end of the year	(32.190)	-	(11.716)	(60.831)	(104.737)
Closing net book values	167.564	-	12.754	150.080	330.398

(*) As of December 31, 2021, historical value of movables and real estates that are accounted for as a right of use is amounting to TL 199.754 (December 31, 2020: TL 118.749), in accordance with the "TFRS 16 Leases" standard, and the depreciation amount is TL 61.861 (December 31, 2020: TL 10.957)

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

12. Information on intangible assets

Current Period	Intangible Assests
Cost	
Opening balance: January 1, 2022	65.558
Additions	85.468
Disposals	-
Ending balance: December 31, 2022	151.026
Accumulated depreciation(-)	
Opening balance: January 1, 2022	(42.096)
Depreciation expense	(8.517)
Reversal of depreciation of the disposed assets	-
Ending balance: December 31, 2022	(50.613)
Total cost at the end of the year	151.026
Total accumulated depreciation at the end of the year	(50.613)
Closing Net Book Value	100.413

Prior Period	Intangible Assests
Cost	
Opening balance: January 1, 2021	34.559
Additions	30.999
Disposals	-
Ending balance: December 31, 2021	65.558
Accumulated depreciation(-)	
Opening balance: January 1, 2021	(25.109)
Depreciation expense	(16.987)
Reversal of depreciation of the disposed assets	-
Ending balance: December 31, 2021	(42.096)
Total cost at the end of the year	65.558
Total accumulated depreciation at the end of the year	(42.096)
Closing Net Book Value	23.462

13. Information on investment property:

None (December 31, 2021: None).

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

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

14. Information related to deferred tax assets

	Current Period	Prior Period
Deferred tax provision for transferred financial loss	660.802	-
Prepaid wages and commissions and unearned income	71.391	25.317
Expected loss provisions	197.527	24.274
Securities valuation differences	6.511	5.167
Provisions for retirement premium and vacation pay liabilities	34.569	5.740
Derivative financial instruments	3.449	23.286
TFRS 16 allowance	12.503	3.528
Other provisions for debt and expenses(*)	169.984	4.057
Deferred tax asset	1.156.736	92.494
Valuation differences on marketable securities	479.028	9.214
Difference between carrying value and tax base of fixed assets	-	2.584
Derivative financial instruments	1.296	13.599
Other	13.095	523
Deferred tax liability	493.419	25.920
Deferred tax asset (Net)	663.317	66.574

(*) There is deferred tax of TL 160,603 related to the set aside free provisions.

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

	Current Period	Prior Period
Receivables from Public Institutions and Cooperations ⁽¹⁾	52.548	52.549
Exchange Account	1.269.521	149.601
Other ⁽²⁾	19.955	34.451
Total	1.342.024	236.601

(1) It includes receivables from General Directorate of Highways and Mass Housing Administration.

(2) It includes receivables and temporary accounts from various institutions other than public institutions and organizations.

II. Explanations and notes related to liabilities

1. Information on funds collected

a. Information on maturity structure of funds collected

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts									
Non-Trade TL	603.060	-	-	-	-	-	-	-	603.060
II. Real Persons Participation Accounts Non-Trade TL(*)									
Accounts Non-Trade TL(*)	-	2.753.986	4.186.617	1.396.878	176.120	85.103	166.189	-	8.764.893
III. Current Account other-TL	5.520.675	-	-	-	-	-	-	-	5.520.675
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	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	13.033.699	3.444.170	1.497.705	1.366.908	123.474	-	-	19.465.956
Public Sector	-	5.865.629	949.950	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	-	143.959	118.140	64.905	4.517	-	-	-	331.521
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
V. Real Persons Current Accounts Non-Trade FC	13.656.496	-	-	-	-	-	-	-	13.656.496
VI. Real Persons Participation Accounts Non-Trade FC	-	2.497.226	350.410	20.179	35.765	28.097	-	-	2.931.677
VII. Other Current Accounts FC	23.413.338	-	-	-	-	-	-	-	23.413.338
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	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	1.701.301	275.985	152.140	24.115	519	-	-	2.154.060
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	-	-	-	-	-	-	-	-	-
IX. Precious Metals Deposits	1.297.229	602.867	198.260	12.683	14.023	1.975	-	-	2.127.037
X. Participation Accounts Special Fund Pools TL	-	108.383	427.210	503	50.577	-	-	-	586.673
Residents in Turkey	-	108.383	427.210	503	50.577	-	-	-	586.673
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	44.490.798	20.697.462	8.882.652	3.080.088	1.667.508	239.168	166.189	-	79.223.865

(*)Balance of Participation Accounts includes TL 3.294.695 of FX- Protected Turkish Lira Time Deposit which was launched by Ministry of Treasury and Finance on December 24, 2021 and TL 6.689.223 of Conversion Supported FX protected Turkish Lira Time Deposit which was announced by TCMB on Official Gazette, numbered 31696 on December 21, 2021 and TL 2.920.463 of YUVAM accounts which was announced on February 1, 2022, Official Gazette numbered 31737 .

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II. Explanations and notes related to 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
I. Real Persons Current Accounts									
Non-Trade TL	261.953	-	-	-	-	-	-	-	261.953
II. Real Persons Participation Accounts Non-Trade TL	-	640.189	149.084	72.343	916	3.254	2.288	-	868.074
III. Current Account other-TL	838.053	-	-	-	-	-	-	-	838.053
Public Sector	49.965	-	-	-	-	-	-	-	49.965
Commercial Institutions	780.195	-	-	-	-	-	-	-	780.195
Other Institutions	-	-	-	-	-	-	-	-	-
Commercial and Other Institutions	7.893	-	-	-	-	-	-	-	7.893
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	4.949.969	1.186.818	97.408	15.291	796	-	-	6.250.282
Public Sector	-	931.137	314.755	39.644	-	-	-	-	1.285.536
Commercial Institutions	-	3.106.700	827.738	57.764	15.291	796	-	-	4.008.289
Other Institutions	-	357.165	44.325	-	-	-	-	-	401.490
Commercial and Other Institutions	-	-	-	-	-	-	-	-	-
Banks and Participation Banks	-	554.967	-	-	-	-	-	-	554.967
V. Real Persons Current Accounts Non- Trade FC	1.127.672	-	-	-	-	-	-	-	1.127.672
VI. Real Persons Participation Accounts Non-Trade FC	-	2.405.228	288.573	17.012	21.082	47.266	-	-	2.779.161
VII. Other Current Accounts FC	5.814.741	-	-	-	-	-	-	-	5.814.741
Residents in Turkey-Corporate	5.146.221	-	-	-	-	-	-	-	5.146.221
Residents Abroad-Corporate	668.520	-	-	-	-	-	-	-	668.520
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	5.376.311	1.995.286	3.063	133	-	-	-	7.374.793
Public sector	-	149.763	-	-	-	-	-	-	149.763
Commercial institutions	-	4.775.270	1.966.786	3.063	133	-	-	-	6.745.252
Other institutions	-	215.860	3.976	-	-	-	-	-	219.838
Commercial and Other Institutions	-	208.883	24.524	-	-	-	-	-	233.407
Banks and Participation Banks	-	26.535	-	-	-	-	-	-	26.535
IX. Precious Metals Deposits	686.920	445.566	185.224	32.389	320	1.711	-	-	1.352.130
X. Participation Accounts Special Fund Pools TL	-	-	-	46.890	27.800	51.800	-	-	126.490
Residents in Turkey	-	-	-	46.890	27.800	51.800	-	-	126.490
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	8.729.339	13.817.263	3.804.985	269.105	65.542	104.827	2.288	-	26.793.349

(*)Balance of Participation Accounts includes 110.692 TL of FX- Protected Turkish Lira Time Deposit which was launched by Ministry of Treasury and Finance on December 24, 2021 and TL 57.150 of Conversion Supported FX protected Turkish Lira Time Deposit which was announced by TCMB on Official Gazette, numbered 31696 on December 21, 2021 .

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

1. Information on funds collected

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	1.872.374	706.887	26.084.753	5.170.627
Turkish Lira accounts	1.054.203	316.828	8.785.745	813.201
Foreign currency accounts	818.171	390.059	17.299.008	4.357.426
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	967.011	-	41.922.324	-
Turkish Lira accounts	553.920	-	16.227.368	-
Foreign currency accounts	413.091	-	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 200 (including both capital and profit shares) for each real person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law numbered 5411.

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

1. Information on funds collected:

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	9.763	1.651
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	50.577	1.651
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	-	-

II. Explanations and notes related to liabilities (continued):**2. Information on borrowings****a.1 Information on the type of borrowed loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Syndication loans	-	-	-	-
Wakale loans	149.324	382.736	101.330	1.103.031
Loans obtained from Issued Lease certificates (Sukuk)	6.254.164	-	3.449.570	-
Other	-	366.829	-	-
Total	6.403.488	749.565	3.550.900	1.103.031

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	6.403.488	364.003	3.550.900	799.706
Loans from foreign banks, institutions and funds	-	385.562	-	303.325
Total	6.403.488	749.565	3.550.900	1.103.031

a.3 Maturity analysis of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	4.488.132	405.945	3.522.150	1.074.109
Medium and Long-Term	1.915.356	343.620	28.750	28.922
Total	6.403.488	749.565	3.550.900	1.103.031

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

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

3. Information on derivative financial liabilities

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	2.261	-	28.560	-
Swap Transactions	-	11.536	77.620	3.810
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	2.261	11.536	106.180	3.810

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

4. Information on Finance Lease Payables (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Less than 1 year	50.502	-	29.067	-
Between 1-5 years	173.057	-	110.855	-
Over 5 years	54.689	-	51.576	-
Total	278.248	-	191.498	-

5. Information on hedging derivative financial liabilities

None (December 31, 2021: None).

6. Information on provisions

a. Information on provisions for employee rights

Provisions for Bank's employee benefits consist of reserve for employee termination benefits amounting to TL 38.248 (December 31, 2021: TL 8.170), vacation pay liability amounting to TL 10.027 (December 31, 2021: TL 4.543), 90.000 TL (December 31, 2021: 13.879 TL) performance premium provision, the Bank's total amount of provisions for employee rights is TL 138.275 (December 31, 2021: TL 26.592).

The Bank has calculated the reserve for employee termination benefits using actuarial valuation methods as indicated in TAS 19. Accordingly, following actuarial assumptions were used in the calculation of the total liability.

	Current Period	Prior Period
Discount rate (%)	10,60	19,10
Estimated increase rate of salary ceiling (%)	8,80	15,80

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

	Current Period	Prior Period
Prior period ending balance	8.170	4.265
Change in the period	6.356	4.011
Actuarial (gain)/loss	23.722	(106)
Balance at the end of the period	38.248	8.170

b. Other Provisions:

	Current Period	Prior Period
Provisions allocated from profit shares to be distributed to profit sharing accounts	103.969	52.475
Free provisions for possible risks (*)	642.414	-
Provisions for cases on trial	4.354	5.090
Impairment provision	4.059	1.871
Expected expected credit loss for Stage 1 and Stage 2 for non-cash loans	152.633	32.211
Total	907.429	91.647

(*) The free provision amount in the financial statements as of December 31, 2022 is TL 642.414, and it is all recorded in the current period. Addition, there is deferred tax amounting to TL 160.603, which is included in the deferred tax asset line in the financial statements.

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

6. Information on provisions (continued):

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

None (December 31, 2021: None).

7. Information on taxes payable

a.1. Explanations on current tax liability

a.1. Explanations on the provision for money

As of December 31, 2022, the Bank does not have any tax debt remaining after deducting the corporate taxes paid (December 31, 2021: None).

a.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	1.215.294	38.994
Banking insurance transaction tax	31.817	11.335
Income tax deducted from wages	33.449	9.571
Taxation on securities income	10.447	8.068
Foreign exchange transaction tax	45.618	2.230
Value added tax payable	4.546	1.116
Taxation on real estate income	770	480
Other	3.098	414
Total	1.345.039	72.208

a.3. Information on premiums

	Current Period	Prior Period
Social security premiums-employee	12.235	4.840
Social security premiums-employer	8.355	3.305
Unemployment insurance-employee	-	-
Unemployment insurance-employer	-	-
Bank pension fund premium- employees	-	-
Bank pension fund premium- employer	-	-
Pension fund membership fees and provisions-employees	1.888	480
Pension fund membership fees and provisions- employer	941	240
Other	-	137
Total	23.419	9.002

8. Liabilities for assets held for sale and discontinued operations

None (December 31, 2021: None).

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

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

Information on subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowing Instruments to be Included in Additional Capital Calculation	-	4.110.376	-	2.669.412
Subordinated Loans	-	4.110.376	-	2.669.412
Subordinated Debt Instruments	-	-	-	-
Debt Instruments to be Included in the Contribution Capital Calculation	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Total	-	4.110.376	-	2.669.412

As of December 31, 2022 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., 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.

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

None (December 31, 2021: None).

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

Share Capital System	Paid-in Capital	Ceiling
Registered Capital	1.026.915	1.026.915

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.

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

11. Information on shareholders' equity (continued):

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 2021: 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 continues its operations in a profitable manner and majority of the profits are kept in shareholders' equity through transfer to reserves. Moreover, the Bank's shareholders' equity is invested in liquid and earning assets.

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	1.520.003	22.224	56.776	(11.452)
Foreign exchange difference	-	-	-	-
Total	1.520.003	22.224	56.776	(11.452)

i. Information on other capital reserves

As of December 31, 2022 the Bank 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. with an ISIN code of TRT250232F15, starting date of March 9, 2022, with the earliest ten-year repayment option and a demand deposit amounting to EUR 31.688.489 (Full EUR) 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 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 off-balance sheet:

1. Explanations on off balance sheet:

a. Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Forward Asset Purchase Commitments	4.307.375	1.121.875
Forward Asset Sale Commitments	4.369.088	640.535
Payment Commitments for Cheques	170.002	107.379
Tax and Fund Liabilities Arising from Export Commitments	-	-
Credit Cards Limit Commitments	-	-
Other Irrevocable Commitments	1.364.944	235.387
Total	10.211.409	2.105.176

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	9.845.271	4.880.620
Letters of Credit	200.437	522.524
Bank Loans	429.301	757.757
Other Guarantees and Sureties	-	-
Total	10.475.009	6.160.901

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

	Current Period	Prior Period
Temporary letters of guarantees	523.772	220.690
Advance letters of guarantees	854.173	494.061
Letters of guarantees given to customs	334.379	74.950
Long standing letters of guarantees	5.651.877	2.597.998
Letters of guarantees given for obtaining cash loans	2.475.291	1.460.050
Other	5.779	32.871
Total	9.845.271	4.880.620

c. Within the Non-cash Loans:

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

	Current Period	Prior Period
Non-cash loans given against cash loans	2.475.291	1.460.050
With original maturity of 1 year or less	206.803	305.832
With original maturity of more than 1 year	2.268.488	1.154.218
Other non-cash loans	7.736.118	645.126
Total	10.211.409	2.105.176

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

1. Explanations on off balance sheet (continued):

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

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

	Current Period			
	TL	(%)	FC	(%)
Agricultural	154.962	2,16	1.795	0,05
Farming and stockbreeding	300	-	-	-
Forestry	154.662	2,16	1.795	0,05
Fishery	-	-	-	-
Manufacturing	1.603.247	22,37	1.408.056	42,58
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
Construction	2.308.052	32,20	399.337	12,08
Services	2.513.432	35,06	1.134.294	34,30
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
Other	588.665	8,21	363.169	10,98
Total	7.168.358	100,00	3.306.651	100,00

	Prior Period			
	TL	(%)	FC	(%)
Agricultural	14.579	0,48	20.775	0,66
Farming and stockbreeding	-	-	-	-
Forestry	14.579	0,48	20.775	0,66
Fishery	-	-	-	-
Manufacturing	302.892	10,01	1.908.559	60,85
Mining	-	-	-	-
Production	277.305	9,17	1.876.943	59,84
Electricity, gas and water	25.587	0,85	31.616	1,01
Construction	1.430.970	47,31	100.610	3,21
Services	973.518	32,20	638.102	20,35
Wholesale and retail trade	661.215	21,86	497.166	15,85
Hotel, food and beverage services	40.192	1,33	-	-
Transportation and telecommunication	93.819	3,10	34.708	1,11
Financial Institutions	232	0,01	14.949	0,48
Real estate and renting services	6.499	0,21	-	-
Self-employment services	20.939	0,71	-	-
Education services	90.298	2,99	32.873	1,05
Health and social services	60.324	1,99	58.406	1,87
Other	302.475	10,00	468.421	14,93
Total	3.024.434	100,00	3.136.467	100,00

III. Explanations and notes related to off-balance sheet (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
Non-cash loans	2.993.110	3.136.467	30.874	-
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	-	-	-	-

Prior Period	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	2.993.110	3.136.467	30.874	-
Letters of guarantee	2.988.872	1.863.037	28.261	-
Bank loans	-	-	-	-
Letters of credit	738	519.173	2.613	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	3.500	754.257	-	-

2. Explanations on derivative transactions

	Derivative transactions according to purpose	Derivative transactions according to purpose
	December 31, 2022	December 31, 2021
Trading Derivatives		
Foreign Currency Related Derivative Transactions (I)	10.231.101	6.800.647
Currency Forwards-Purchases, sales	912.033	549.415
Currency Swaps-Purchases, sales	9.319.068	6.251.232
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
Profit share Rate Related Derivative Transactions (II)	-	-
Profit share rates forwards-Purchase, sales	-	-
Profit share rates swaps-Purchases, sales	-	-
Profit share rates options-Purchases, sales	-	-
Profit share rates futures-Purchases, sales	-	-
Other Trading Derivatives (III)	-	-
A. Total Trading Derivatives (I + II + III)	10.231.101	6.800.647
Hedging Derivatives	-	-
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total Hedging Derivatives	-	-
Total Derivatives Transactions (A+B)	10.231.101	6.800.647

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

3. Explanations on credit derivatives and risk beared due to these

None (December 31, 2021: None).

4. Explanations on contingent assets and liabilities

The Bank has made a provision amounting to TL 4.354 (December 31, 2021: TL 5.090), as presented under "Other Provisions" note in Section Five Note II.6 .b, for the lawsuits opened by various real persons and legal entities against the Bank with high probability of realization and cash outflows.

5. Explanations on services rendered on behalf of third parties

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

IV. Explanations and notes related to 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
Profit share received from loans				
Short Term Loans	2.497.502	244.533	624.070	35.777
Medium and Long Term Loans	2.234.902	299.835	1.019.648	150.686
Profit Share on Non-Performing Loans	2.389	28	456	-
Total	4.734.793	544.396	1.644.174	186.463

b. Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	97.472	-	53.119	-
Domestic Banks	278	-	153	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	97.750	-	53.272	-

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)	88.026	24.977	44.376	20.595
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	2.052.998	94.343	249.306	29.416
Financial Assets Measured at Amortized Cost	452.189	160.753	-	86.046
Total	2.593.213	280.073	293.682	136.057

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:

	Current Period		Prior Period	
	TL	FC	TL	FC
Income received from associates and subsidiaries	37.480	-	4.116	-
Total	37.480	-	4.116	-

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
Account Name	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 year	More than 1 year			
TL									
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
Total	804.871	1.688.595	365.731	-	15.311	145.189	-	-	3.019.697
FC									
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
Total	26.881	217.563	39.724	-	6.662	392	-	-	291.222
Grand Total	831.752	1.906.158	405.455	-	21.973	145.581	-	-	3.310.919

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

IV. Explanations and notes related to the statement of income 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:

Prior Period	Profit Sharing Accounts						Accumulated participation accounts	Total
Account Name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	More than 1 years		
TL								
Funds collected from banks through current and profit sharing accounts	735	40.765	-	-	-	-	-	41.500
Real persons' non-trading profit sharing accounts	15.617	58.244	1.445	-	227	4.803	-	80.336
Public sector profit sharing accounts	56.929	76.085	10.808	-	2.757	-	-	146.579
Commercial sector profit sharing accounts	105.549	463.974	12.225	-	8.521	9.802	-	600.071
Other institutions profit sharing accounts	3.028	59.696	14.117	-	-	-	-	76.841
Total	181.858	698.764	38.595	-	11.505	14.605	-	945.327
FC								
Banks	-	570	725	-	-	-	-	1.295
Real persons' non-trading profit sharing accounts	2.068	16.460	1.092	-	229	103	-	19.952
Public sector profit sharing accounts	-	98	-	-	-	-	-	98
Public sector profit sharing accounts	2.501	52.794	4.516	-	418	-	-	60.229
Other institutions profit sharing accounts	29	737	-	-	-	-	-	766
Precious metals deposits	2.285	-	-	-	-	-	-	2.285
Total	6.883	70.659	6.333	-	647	103	-	84.625
Grand Total	188.741	769.423	44.928	-	12.152	14.708	-	1.029.952

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

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	26.733	28.479	7.959	11.456
CBRT	-	-	-	-
Domestic banks	26.733	13.009	7.959	7.374
Foreign banks	-	15.470	-	4.082
Head offices and branches abroad	-	-	-	-
Other institutions	728.624	173.962	575.568	93.014
Total	755.357	202.441	583.527	104.470

c. Profit share expense paid to associates and subsidiaries:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share expense given to associates and subsidiaries	728.302	-	575.568	-
Total	728.302	-	575.568	-

d. Profit share expenses paid to marketable securities issued:

None (December 31, 2021 :None)

IV. Explanations and notes related to 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**

Other Fees and Commissions Received	Current Period	Prior Period
Remittance Commissions	113.306	10.492
Banking service package commissions	85.815	16.056
Foreign trade service package commissions	64.318	15.836
Fees and commissions from correspondents	27.086	2.781
Commercial customer credit limit allocation commission	8.633	962
Advance import transfer commissions	8.485	3.548
Insurance and brokerage commissions	8.218	2.401
Appraisal fees	7.516	4.153
Early closing commission income	6.020	2.390
Import letter of credit commissions	4.182	1.613
Fees and commissions from member merchant pos	1.814	345
Import commissions against documents	1.691	2.078
Bill of collection/check commissions	1.127	780
Credit card fees and commissions	1.071	218
Mortgage release and facility fee income	1.053	442
Safe deposit box revenues	848	293
Collection disbursement commissions	630	1.915
Export letter of credit commissions	491	176
Commissions from special package services	455	2
Import commissions against goods	275	31
Gr gold delivery and purchase commissions	60	33
Other commissions	13.744	3.505
Total	356.838	70.050

	Current Period	Prior Period
Required reserve commissions given for CBRT FX	105.299	1.274
Expenses and commissions given to correspondents abroad	20.223	12.736
Commissions and fees given for EFT	2.686	1.071
Gold precious metal expense	1.088	583
Commissions and fees given for credit cards	1.087	296
Commissions and fees given to the clearing house	865	449
Commissions and fees for Merchant POS	396	56
Commissions given to credits used	235	104
Commissions on Money market transactions	73	4
Commissions of collection note / check commissions	56	22
Commissions and fees given for Swift	34	244
Other commissions and fees	3.595	1.239
Total	135.637	18.078

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

4. Information on dividend income:

None (December 31, 2021: None).

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

	Current Period	Prior Period
Income	11.285.906	3.720.748
Income from capital market transactions	14.414	27.770
Income from derivative financial instruments	1.585.983	606.380
Foreign exchange income	9.685.509	3.086.598
Loss (-)	9.424.636	3.664.246
Loss on capital market transactions	1.546	24.922
Loss on derivative financial instruments	956.645	722.551
Foreign exchange losses	8.466.445	2.916.773
Trading income/loss (net)	1.861.270	56.502

6. Explanations related to other operating income:

	Current Period	Prior Period
Income from provisions made in previous years	112.571	77.669
Income from sales of assets(*)	29.157	43.017
Revenues from provisions allocated in previous years	1.058	274
Cancellation of communication expenses provision	199	24
Lease income	8	8
Other income	9.267	8.973
Total	152.260	129.965

7. Expected loss provision expenses and other provision expenses:

	Current Period	Prior Period
Expected Credit Loss	787.594	110.213
12-month expected credit loss (stage 1)	690.040	96.440
Significant increase in credit risk (stage 2)	22.259	549
Non-performing loans (stage 3)	75.295	13.224
Marketable Securities Impairment Expense	3.065	6.024
Financial Assets at Fair Value through Profit or Loss	3.065	6.024
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	685.663	9.087
Total	1.476.322	125.324

(*) Other provision expense includes a free reserve of TL 642.414, a provision from profits to be distributed to participation accounts of TL 41.867, and a response expense of TL 1.382.

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

8. Information on other operating expenses:

	Current Period	Prior Period
Provision for severance pay liability	6.356	3.709
Impairment expenses of tangible assets	95.790	65.438
Impairment expenses of intangible assets	8.517	16.987
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	209.578	71.377
Lease expenses related to TFRS 16 exemptions	1.898	13
Operating Maintenance expenses	22.438	9.633
Advertisement expenses	73.151	10.052
Other expenses ⁽¹⁾	112.091	51.679
Other ⁽²⁾	101.404	45.582
Total	421.645	203.094

(1) Details of "Other Expenses" balance under Other Operating Expenses are as follows:

(3) The severance provision expense amounts are included in the income statement's personnel expenses item.

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

8. Information on other operating expenses (continued):

	Current Period	Prior Period
Communication Expenses	23.260	13.685
Cleaning Expenses	18.886	9.102
Heating, Lighting and Water Expenses	18.449	5.608
Insurance Expenses	4.852	2.979
Vehicle Expenses	9.615	2.915
Representation and Hospitality expenses	8.399	2.705
Donations and grants	974	1.444
Stationery expenses	2.837	836
Participation on common expenses	1.253	771
Litigation and court expenses	628	565
Other	22.938	11.069
Total	112.091	51.679

(2) Other balance details are as below table:

	Current Period	Prior Period
Taxes, Duties, Charges and Funds	47.472	25.995
Audit and Consultancy Fees	15.895	7.835
Participation Share Expenses	4.624	2.886
Saving Deposit Insurance Fund	12.666	3.749
Other	20.747	5.117
Total	101.404	45.582

Fees for servies obtained from independent auditor/independent audit firm:

In accordance with the decision of the KGK dated March 26, 2021, the fee information fort he reporting period regarding the services received from the independent auditor or our independent audit firm is given in the table below. The fees for services rendered to the Bank's domestic subsidiaries, as well as the Bank, are included in the aforementioned fees, which are stated as VAT excluded.

	Current Period	Prior Period
Independent audit fee for the reporting period	1.134	908
Total	1.134	908

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

The portion of the Bank's profit before tax amounting to TL 3.918.173 (December 31, 2021: TL 532.385) consists of net profit share income and TL 300.709 (December 31, 2021: TL 82.481) consists of net fee and commission expenses, and the total of other operating expenses is 415.289 TL (December 31, 2021: TL 203.094).

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

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

As of December 31, 2022, the Bank has deferred tax income amounting to TL 1.349.214 (December 31, 2021: TL 100.119), deferred tax expense amounting to TL 288.676 (December 31, 2021: TL 94.228). As of December 31, 2022, the Bank's current tax provision is TL 1.975.032 (December 31, 2021: 38,994).

Since the Bank does not have any discontinued operations, there is no tax provision for discontinued operations (December 31, 2021: None).

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

The Bank has no discontinued operations. The net profit for the period has been recorded as TL karı 3.724.443 (December 31, 2021: TL 187.998) as a result of deducting the period tax provision expense from TL 914.194 (December 31, 2021: TL 44.885) to TL 2.809.949 (December 31, 2021: TL 143.113).

12. Explanations on net income/ loss

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

None.

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

None.

c. Profit / loss attributable to minority shares

None.

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

The 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. In the current period, the Bank has compensated TL 750.000 of the previous year's loss of TL 1.026.915 from other profit reserves with the decision of the General Assembly dated December 7, 2020.

1. Due to the application of the accounting for financial instruments in the current period information on increases that have occurred

a. Information on the increases that occurred after the revaluation of financial assets at fair value difference is reflected in other comprehensive income

In the current period, increases that occurred after the revaluation of financial assets at fair value difference is reflected in other comprehensive income is TL 1.450.168 (December 31, 2021: TL 34.618).

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

1. Due to the application of the accounting for financial instruments in the current period information on increases that have occurred (continued):

b. Information on increases in cash flow hedging items

None (December 31, 2021: None).

c. Increase after revaluation of tangible assets

None (December 31, 2021: None).

2. Due to the application of the accounting for financial instruments in the current period information about the decreases occurring

a. Information on the decreases occurring after the revaluation of financial assets at fair value difference is reflected in other comprehensive income

In the current period, increase occurring after the revaluation of financial assets at fair value difference in other comprehensive income is TL 1.542.227 (December 31, 2021: TL 984).

b. Information on decreases in cash flow hedging items

None (December 31, 2021: None).

3. Information about dividends

a. Notified profit shares after the balance sheet date but before the announcement of the financial statements

As of the date of this report, the Bank has not made any dividend notification.

b. Period net profit shares per share proposed to be distributed to shareholders after the balance sheet date

None.

4. Information on share issuance

a. For all capital share classes of the Bank; Rights, priorities and constraints related to this item, including restrictions on dividend distribution and reimbursement of capital

None (December 31, 2021: None).

b) Explanations on other capital increase items in the statement of changes in equity

None.

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

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

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

Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
Cash	1.729.354	812.166
Cash in TL/foreign currency	275.301	135.297
Cash in transit	610.394	449.875
CBRT	843.659	226.994
Cash equivalents	1.533.115	910.842
Domestic banks	256.446	730.588
Foreign banks	1.276.669	180.254
Total cash and cash equivalents	3.262.469	1.723.008

VI. Explanations and notes related to the statement of cash flows (continued):**1. Components of cash and cash equivalents and accounting policy applied in their determination (continued):**

Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
Cash	12.359.982	1.729.354
Cash in TL/foreign currency	295.171	275.301
Cash in transit	1.207.795	610.394
CBRT	10.857.016	843.659
Cash equivalents	4.887.831	1.533.115
Domestic banks	484.464	256.446
Foreign banks	4.403.367	1.276.669
Total cash and cash equivalents	17.247.813	3.262.469

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

Included in "Banking activity subject to assets and liabilities prior to change in operating profit" Other item amounting to TL 8.015.918 (December 31, 2021: TL 1.538.557) 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 1.045.750 (December 31, 2021: TL 90.615) 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 1.017.920 (December 31 2021: TL 661.570) in the accounting period ended on December 31, 2022.

VII. Explanations related to the risk group of the Bank**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 (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of period	714.824	-	973	-	-	-
Balance at the end of period	1.273.002	-	2.355	-	-	-
Profit Share and Commission Income	37.480	-	200	-	-	-

(*) 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.

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

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 (continued):

b. Prior Period

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of period	95.629	-	-	-	-	-
Balance at the end of period	714.824	-	973	-	-	-
Profit Share and Commission Income	4.116	-	41	-	-	-

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

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and profit sharing accounts						
Balance at the beginning of period	128.021	94	-	-	-	-
Balance at the end of period	51.265	128.021	-	-	-	-
Profit share expense	14.180	318	-	-	-	-

c.2. 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 / sales contracts with the risk group it is included.

d. Information on benefits provided to the top management of the Bank:

The total amount of wages and benefits provided to the top management of the Bank for the period ended December 31, 2022 is TL 13.061 (December 31, 2021: TL 6.317).

VIII. Explanations related to domestic, foreign and offshore branches or investments and foreign representative offices**1. Information on the domestic and foreign branches and representative offices of the Bank:**

	Number	Number of personnel			
Domestic Branches(*)	81	1.297			
			Country		
Foreign Representation Office	-	-			
Foreign Branches	-	-	-	Total Assets (Thousand TL)	Statutory Share Capital
Off-Shore Branches	-	-	-		

(*) The number of personnel in

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

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 2022. The Bank has opened 10 branches in different regions in the country.

IX. Explanations related to subsequent events

The 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 3, 2023, TL 107.000 with 91 days maturity for domestic qualified investors,
- On January 4, 2023, TL 50.000 with 99 days maturity, for domestic qualified investors,
- On January 4, 2023, TL 230.000 with 92 days maturity, for domestic qualified investors,
- On January 4, 2023, TL 300.000 with 92 days maturity, for domestic qualified investors,
- On January 4, 2023, TL 270.000 with 92 days maturity, for domestic qualified investors,
- On January 5, 2023, TL 115.000 with 90 days maturity, for domestic qualified investors,
- On January 12, 2023, TL 400.000 with 90 days maturity, for domestic qualified investors,
- On February 1, 2023, TL 140.000 with 371 days maturity, for domestic qualified investors,
- On February 6, 2023, TL 55.000 with 92 days maturity, for domestic qualified investors,
- On February 9, 2023, TL 270.000 with 92 days maturity, for domestic qualified investors,
- On February 14, 2023, TL 110.000 with 92 days maturity, for domestic qualified investors,
- On February 15, 2023, TL 750.000 with 91 days maturity, for domestic qualified investors,
- On February 16, 2023, TL 250.000 with 95 days maturity, for domestic qualified investors,
- On February 20, 2023, TL 94.000 with 379 days maturity, for domestic qualified investors,
- On February 22, 2023, TL 163.000 with 99 days maturity, for domestic qualified investors,
- On February 22, 2023, TL 500.000 with 98 days maturity, for domestic qualified investors,
- On March 3, 2023 in domestic market for qualified investors with 370 days maturity TL 300.000 worth of lease certificate were issued.

In the issuance of the lease certificates the Bank was involved as the authorized investment institution.

Tax Procedure Law No. 547, numbered 32073, was published in the Official Gazette on January 14, 2023. With the Communiqué Amending the Communiqué (order no. 537), real estate and depreciable economic assets are now prohibited. The procedures and principles of the articles of law that permit asset revaluation edited. As a result, the Bank collects the depreciable real estate and economic assets in its balance sheet. To meet the requirements of Provisional Article 32 of the Tax Procedure Law and Repeated Article 298/ç. subject to revaluation. Thus, corporate tax, real estate tax, and depreciable tax will be paid based on the values discovered following the revaluation of economic assets.

An earthquake struck Turkey's southeastern region, affecting many of our cities. Thousands of people The ultimate magnitude of this earthquake, which caused death and injury, is currently unknown; however, studies to assess the impact on the Bank's operations and financial position are currently in progress.

It was published in the Official Gazette a regulation removing the retirement age requirement for employees who began working before September 8, 1999, and ending on March 3, 2023. As a result of the number of premium days and insurance coverage from the relevant employees who have completed their term, those who have completed their term are eligible to retire. This regulation's severance pay is expected to have an impact on the timing and probability of completion. The aforementioned studies to assess the effects of regulation on the Bank's financial position or performance continue.

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 of the Participation Bank for the year-ended December 31, 2022 were audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst & Young Global Limited) and Auditors' Report dated March 10, 2023 is presented in the introduction of this report.

II. Explanations on the Independent Auditor's Report

None.

Türkiye Emlak Katılım Bankası Anonim Şirketi

Publicly Announced Consolidated Financial Statements and Related Disclosures at December 31, 2022 together with Audit Report

*(Convenience translation at publicly announced consolidated financial
statements, related disclosures and audit report originally issued in
Turkish)*



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(Convenience translation of the auditor's report originally issued in Turkish)

Report on the Consolidated Financial Statements

To the General Assembly of Türkiye Emlak Katılım Bankası A.Ş.

Qualified Opinion

We have audited the accompanying consolidated financial statements of Türkiye Emlak Katılım Bankası A.Ş. (the "Bank"), and its subsidiaries (together will be referred as "the Group"), which comprise the statement of consolidated statement of financial position as at December 31, 2022, consolidated statement of profit and loss and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, except for the effects of the matter on the consolidated financial statements described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and consolidated financial performance and consolidated its 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.

Basis for Qualified Opinion

As explained in Section Five Part II.7.b, the accompanying consolidated financial statements as at December 31, 2022 include a free provision at an amount of TL 642,414 thousands and related deferred tax amounting to TL 160.603 thousands which was provided in the current period by the Group management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Our audit was conducted in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated April 2, 2015 by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards ("ISA") which are the part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and have fulfilled our other responsibilities in accordance with the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our 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 the key audit matters to be communicated in our report.



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Key Audit Matter	How the Key Audit Matter is addressed in our audit
<p><i>Financial impact of TFRS 9 “Financial Instruments” standard and recognition of impairment on financial assets and related important disclosures</i></p> <p>As disclosed in footnote VII of Section 3; the Group measures expected credit losses for financial instruments by TFRS 9 “Financial Instruments Standards”. The rationale reasons for selecting TFRS 9 implementation and impairment of financial assets as key audit subject are as follows;</p> <ul style="list-style-type: none"> Financial assets within balance-sheet and off-balance-sheet subject to TFRS 9 expected credit losses measurement have significant balance in the financial statements The applications TFRS 9 are complex and comprehensive The classification of financial instruments based on the Group’s business models and the characteristics of contractual cash flows in line with TFRS 9 and requirement of important judgments to determine this business model and the characteristics of contractual cash flows Risks related to the policies established by the management with the compliance and requirements of the legislation and other applications for the calculation of expected credit losses The complexity and intensity of the control environment in the processes designed or reorganized with the transition to TFRS 9 The complexity and intensity of the control environment in the processes for TFRS 9 Estimations and assumptions used in expected credit losses are new, important and complex Complex and comprehensive disclosure requirements of TFRS 9. 	<p>Our audit procedures in addition to our current audit procedures:</p> <ul style="list-style-type: none"> Evaluation of the compliance of the accounting policies adopted with regard to TFRS 9, the Group’s past performance, and local and global practices Analysis and testing of processes, systems, and controls originated or re-designed in order to calculate expected credit losses by the Process Audit specialists Evaluation of the key judgments, assumptions, methods used for calculation of expected credit loss determined by the management, and whether the data source is reasonable or not, and their compliance and standard requirements in light of industry and global practices Testing criteria used for determining the contractual cash flows including profit share payments with regard to solely principal and principal balance of financial assets on a sample basis and evaluation of Group’s business model Evaluation of significant increase in credit risk, definition of default, definition of restructuring, probability of default, loss given default, exposure at default and macro-economic variables, and related basic and significant estimates and assumptions determined for calculation process of expected credit loss and whether these assumptions determined by financial risk management are in line with the Group’s historical performance, legislation, and reasonableness of the estimation process regarding future performance and investigation of credit risk portfolio on a sample basis Evaluation of the accuracy and completeness of attributes of the data used for the calculation process of expected credit losses Detailed testing of mathematical verification of expected credit losses’ calculation on a sample basis Evaluating the necessity and accuracy of the updates made or required updates after the modeling process <p>Auditing of disclosures related to TFRS 9.</p>

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Reporting Legislation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, the responsibilities of us as independent auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with BRSA Independent Audit Regulation and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 financial statements.

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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.)
- Obtain an understanding of 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's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- In order to provide an opinion on consolidated financial statements, adequate and appropriate audit evidence is obtained about the financial information of the operating segments and entities in the Group. We are responsible for directing, supervising and conducting the Group audit. We are also responsible for the audit opinion that we provide by ourselves.

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

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

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.

Report on Other Legal and Regulatory Requirements

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities and financial statements for the period January 1 – December 31, 2022 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner who supervised and concluded this independent auditor's report is Emre Çelik.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited


Emre Çelik, SMMM
Partner

March 10, 2023
Istanbul, Turkey

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
THE CONSOLIDATED FINANCIAL REPORT AS OF DECEMBER 31, 2022

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 financial report for the year-end, designed by the Banking Regulation and Supervision Agency in line with the Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

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

Subsidiaries

- Emlak Varlık Kiralama Şirketi A.Ş.
- Emlak Katılım Varlık Kiralama Şirketi A.Ş.

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 reviewed and presented as attached.

Prof. Dr. Mehmet Emin BİRPINAR

Chairman of the Board of Directors

Abdullah Erdem CANTİMUR

Chairman of the Audit
Committee

Mehmet Nuri YAZICI

Member of the Audit
Committee

İlker SIRTKEYA

General Manager

Hakan ULUS

Budget and Financial Reporting Manager

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

Name-Surname / Title : Hakan ULUS / Budget and Financial Reporting Manager
Telephone : 00 90 216 275 24 74
Facsimile : 00 90 216 275 25 25

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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 September 1, 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 January 6, 1988.

Denizcilik Bankası A.Ş. had transferred to Türkiye Emlak Bankası A.Ş. with the all of its assets and liabilities on November 29, 1992 and maritime loans were also collected at this Parent 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 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 September 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 September 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 September 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 and its subsidiaries consolidated with the Parent Bank, as a whole, are called the "Group" The Bank's head office is located in İstanbul and there are 80 branches (including 1 e-branch) of the Parent Bank as of December 31, 2022. (December 31, 2021: 50). The Parent Bank is operating with 1.297 staff as of December 30, 2022 (December 31, 2021:1.107).

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

Name and Surname	Administrative Function and Responsibility	Educational Degree	Ownership Percentage(%)
Prof. Dr. Mehmet Emin BİRPINAR	Chairman of BOD	Doctorate	-
Abdullah Erdem CANTİMUR	Vice Chairman of the Board of Directors and Chairman of the Audit Committee	Master	-
Hasan SUVER*	Member of BOD	Master	-
Mustafa ERDEM	Member of BOD	Bachelor	-
Mehmet Nuri YAZICI	Member of BOD and Audit Committee	Bachelor	-
Prof. Dr. Murat BALCI	Member of BOD	Doctorate	-
İlker SİRTKAYA	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	-
Hüseyin Cahit BÜYÜKBAŞ	Assistant General Manager Responsible for Sales and Marketing	Bachelor	-
Nihat BULUT	Assistant General Manager Responsible for Credits	Bachelor	-
Yusuf OKUR	Assistant General Manager Responsible for Operations	Bachelor	-
Uğur KARA	Assistant General Manager Responsible for Human Resources	Master	-

IV. Information on the Parent Bank's qualified shareholders

The Parent Bank's paid in capital amounting to TL 1.026.915 consists of 102.691.549.916 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 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.

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
- VII. Consolidated Statement of profit distribution

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)

AS OF DECEMBER 31, 2022

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

ASSETS	Note (Fifth Section-I)	THOUSAND TL			THOUSAND TL		
		CURRENT PERIOD (31/12/2022)			PRIOR PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
I. FINANCIAL ASSETS (NET)		9.579.432	32.751.849	42.331.281	3.982.037	9.109.377	13.091.414
1.1 Cash and cash equivalents		1.646.250	29.281.090	30.927.340	899.261	6.868.642	7.767.903
1.1.1 Cash and Balances with Central Bank	(1)	1.644.787	24.437.793	26.082.580	897.830	5.338.605	6.236.435
1.1.2 Banks	(2)	2.447	4.885.384	4.887.831	1.593	1.531.522	1.533.115
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4 Expected Loss Provisions (-)		984	42.087	43.071	162	1.485	1.647
1.2 Financial Assets Measured at Fair Value Through Profit/Loss (FVTPL)	(3)	1.496	943.463	944.959	237.267	847.933	1.085.200
1.2.1 Government Debt Securities		1.496	943.463	944.959	-	847.933	847.933
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	-	-	237.267	-	237.267
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI)	(4)	7.926.770	2.514.615	10.441.385	2.783.631	1.389.522	4.173.153
1.3.1 Government Debt Securities		7.919.111	2.514.615	10.433.726	2.775.972	1.389.522	4.165.494
1.3.2 Equity Securities		7.659	-	7.659	7.659	-	7.659
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	(5)	4.916	12.681	17.597	61.878	3.280	65.158
1.4.1 Derivative Financial Assets Measured at FVTPL		4.916	12.681	17.597	61.878	3.280	65.158
1.4.2 Derivative Financial Assets Measured at FVOCI		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		37.583.957	16.495.311	54.079.268	12.156.411	12.132.116	24.288.527
2.1 Loans	(6)	31.374.318	12.432.021	43.806.339	12.307.401	9.417.079	21.724.480
2.2 Lease Receivables	(8)	373.586	112.696	486.282	108.644	74.200	182.844
Other Financial Assets Measured at Amortized Cost	(7)	6.300.593	4.139.848	10.440.441	-	2.713.586	2.713.586
2.3.1 Government Debt Securities		6.300.593	4.139.848	10.440.441	-	2.713.586	2.713.586
2.3.2 Other Financial Assets		-	-	-	-	-	-
2.4 Expected Loss Provisions(-)	(6)	464.540	189.254	653.794	259.634	72.749	332.383
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(9)	5.242	-	5.242	8.000	-	8.000
3.1 Asset Held for Sale		5.242	-	5.242	8.000	-	8.000
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
IV. PARTNERSHIP INVESTMENTS		-	-	-	-	-	-
4.1 Associates (Net)	(10)	-	-	-	-	-	-
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)		-	-	-	-	-	-
4.2.1 Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)		-	-	-	-	-	-
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (NET)	(11)	432.288	-	432.288	330.398	-	330.398
VI. INTANGIBLE ASSETS (NET)	(12)	100.413	-	100.413	23.462	-	23.462
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		100.413	-	100.413	23.462	-	23.462
VII. INVESTMENT PROPERTY (NET)	(13)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	(14)	664.594	-	664.594	66.894	-	66.894
X. OTHER ASSETS	(15)	1.338.254	3.874	1.342.128	232.129	4.979	237.108
TOTAL ASSETS		49.704.180	49.251.034	98.955.214	16.799.331	21.246.472	38.045.803

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

LIABILITIES	Note (Fifth Section-II)	THOUSAND TL CURRENT PERIOD (31/12/2022)			THOUSAND TL PRIOR PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
I. FUNDS COLLECTED	(1)	34.889.415	44.282.608	79.172.023	8.216.829	18.448.499	26.665.328
II. FUNDS BORROWED	(2)	149.370	749.565	898.935	101.296	1.103.031	1.204.327
III. MONEY MARKET FUNDS		-	-	-	1.984.303	-	1.984.303
IV. SECURITIES ISSUED (Net)		5.031.689	-	5.031.689	2.862.381	-	2.862.381
V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VI. DERIVATIVE FINANCIAL LIABILITIES		2.261	11.536	13.797	106.180	3.810	109.990
6.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(3)	2.261	11.536	13.797	106.180	3.810	109.990
6.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5)	-	-	-	-	-	-
VII. LEASE PAYABLES (NET)	(4)	278.248	-	278.248	191.498	-	191.498
VIII. PROVISIONS	(6)	938.875	106.829	1.045.704	66.636	51.603	118.239
8.1 General Provisions		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		138.275	-	138.275	26.592	-	26.592
8.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4 Other Provisions		800.600	106.829	907.429	40.044	51.603	91.647
IX. CURRENT TAX LIABILITY	(7)	1.368.458	-	1.368.458	81.210	-	81.210
X. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(8)	-	-	-	-	-	-
11.1 Held for Sale Purpose		-	-	-	-	-	-
11.2 Related to Discontinued Operations		-	-	-	-	-	-
XII. SUBORDINATED DEBT INSTRUMENTS	(9)	-	4.110.376	4.110.376	-	2.669.412	2.669.412
12.1 Loans		-	4.110.376	4.110.376	-	2.669.412	2.669.412
12.2 Other Debt Instruments		-	-	-	-	-	-
XIII. OTHER LIABILITIES	(10)	563.335	444.632	1.007.967	369.643	60.722	430.365
XIV. SHAREHOLDERS' EQUITY	(11)	6.005.793	22.224	6.028.017	1.740.202	(11.452)	1.728.750
14.1 Paid-in capital		1.026.915	-	1.026.915	1.026.915	-	1.026.915
14.2 Capital Reserves		33.186	-	33.186	23.088	-	23.088
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserve		33.186	-	33.186	23.088	-	23.088
14.3 Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		(19.114)	-	(19.114)	(1.411)	-	(1.411)
14.4 Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		1.520.003	22.224	1.542.227	56.776	(11.452)	45.324
14.5 Profit Reserves		630.721	-	630.721	485.999	-	485.999
14.5.1 Legal Reserves		287.788	-	287.788	280.353	-	280.353
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		342.933	-	342.933	205.646	-	205.646
14.5.4 Other Profit Reserves		-	-	-	-	-	-
14.6 Income or (Loss)		2.814.082	-	2.814.082	148.835	-	148.835
14.6.1 Prior Periods' Income or (Loss)		287	-	287	5.424	-	5.424
14.6.2 Current Period Income or (Loss)		2.813.795	-	2.813.795	143.411	-	143.411
TOTAL LIABILITIES		49.227.444	49.727.770	98.955.214	15.720.178	22.325.625	38.045.803

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET AS OF DECEMBER 31, 2022
(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 (31/12/2022)			PRIOR PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)		13.582.886	17.334.633	30.917.519	6.343.425	8.723.299	15.066.724
I. GUARANTEES AND SURETIES	(1)	7.168.358	3.306.651	10.475.009	3.024.434	3.136.467	6.160.901
1.1 Letters of Guarantees		7.164.657	2.680.614	9.845.271	3.017.583	1.863.037	4.880.620
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		7.164.657	2.680.614	9.845.271	3.017.583	1.863.037	4.880.620
1.2 Bank Loans		3.701	196.736	200.437	3.500	754.257	757.757
1.2.1 Import Letter of Acceptances		3.701	196.736	200.437	-	-	-
1.2.2 Other Bank Acceptances		-	-	-	3.500	754.257	757.757
1.3 Letter of Credits		-	429.301	429.301	3.351	519.173	522.524
1.3.1 Documentary Letter of Credits		-	429.301	429.301	3.351	519.173	522.524
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		-	-	-	-	-	-
II. COMMITMENTS	(1)	5.577.597	4.633.812	10.211.409	1.478.944	626.232	2.105.176
2.1 Irrevocable Commitments		5.577.597	4.633.812	10.211.409	1.478.944	626.232	2.105.176
2.1.1 Asset Purchase and Sale Commitments		67.720	4.301.368	4.369.088	249.690	390.845	640.535
2.1.2 Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3 Loan Granting Commitments		4.307.375	-	4.307.375	1.121.875	-	1.121.875
2.1.4 Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6 Payment Commitment for Cheques		170.002	-	170.002	107.379	-	107.379
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		1.032.500	332.444	1.364.944	-	235.387	235.387
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		836.931	9.394.170	10.231.101	1.840.047	4.960.600	6.800.647
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		836.931	9.394.170	10.231.101	1.840.047	4.960.600	6.800.647
3.2.1 Forward Foreign Currency Buy/Sell Transactions		463.718	448.315	912.033	238.767	310.648	549.415
3.2.1.1 Forward Foreign Currency Transactions-Buy		225.427	231.190	456.617	119.578	144.670	264.248
3.2.1.2 Forward Foreign Currency Transactions-Sell		238.291	217.125	455.416	119.189	165.978	285.167
3.2.2 Other Forward Buy/Sell Transactions		373.213	8.945.855	9.319.068	1.601.280	4.649.952	6.251.232
3.3 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		329.532.626	27.260.409	356.793.035	150.618.208	14.709.182	165.327.390
IV. ITEMS HELD IN CUSTODY		22.338.186	7.653.917	29.992.103	8.701.960	5.821.602	14.523.562
4.1 Assets Under Management		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		5.748.785	679.660	6.428.445	2.615.342	664.085	3.279.427
4.3 Cheques Received for Collection		4.744.393	240.789	4.985.182	2.471.391	439.907	2.911.298
4.4 Commercial Notes Received for Collection		650.398	-	650.398	166.943	-	166.943
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		10.638	-	10.638	844	-	844
4.8 Custodians		11.183.972	6.733.468	17.917.440	3.447.440	4.717.610	8.165.050
V. PLEDGED ITEMS		307.194.440	19.606.492	326.800.932	141.916.248	8.887.580	150.803.828
5.1 Marketable Securities		572.427	-	572.427	207.150	-	207.150
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodity		5.801.967	377.970	6.179.937	2.432.206	22.511	2.454.717
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		37.477.419	-	37.477.419	13.002.677	-	13.002.677
5.6 Other Pledged Items		263.342.627	19.228.522	282.571.149	126.274.215	8.865.069	135.139.284
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		343.115.512	44.595.042	387.710.554	156.961.633	23.432.481	180.394.114

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF DECEMBER 31, 2022

(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 (01/01/2022- 31/12/2022)	PRIOR PERIOD (01/01/2021- 31/12/2021)
I. PROFIT SHARE INCOME	(1)	8.296.024	2.326.198
1.1 Profit Share on Loans		5.279.189	1.830.637
1.2 Income Received from Reserve Deposits		97.472	53.119
1.3 Income Received from Banks		278	153
1.4 Income Received from Money Market Placements		340	-
1.5 Income Received from Marketable Securities Portfolio		2.871.049	426.735
1.5.1 Financial Assets at Fair Value Through Profit and Loss		110.766	61.967
1.5.2 Financial Assets at Fair Value through Other Comprehensive Income		2.147.341	278.722
1.5.3 Financial Assets Measured at Amortised Cost		612.942	86.046
1.6 Finance Lease Income		44.666	12.747
1.7 Other Profit Share Income		3.030	2.807
II. PROFIT SHARE EXPENSE (-)	(2)	4.377.851	1.793.813
2.1 Expense on Profit Sharing Accounts		3.296.739	1.028.806
2.2 Profit Share Expense on Funds Borrowed		229.496	113.575
2.3 Profit Share Expense on Money Market Borrowings		60.868	51.840
2.4 Expense on Securities Issued		740.245	572.564
2.5 Lease Profit Share Expense		50.034	27.028
2.6 Other Profit Share Expenses		469	-
III. NET PROFIT SHARE INCOME (I - II)		3.918.173	532.385
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		305.663	82.984
4.1 Fees and Commissions Received		441.469	101.134
4.1.1 Non-Cash Loans		79.677	30.581
4.1.2 Other	(3)	361.792	70.553
4.2 Fees and Commissions Paid (-)		135.806	18.150
4.2.1 Non-Cash Loans		169	72
4.2.2 Other	(3)	135.637	18.078
V. DIVIDEND INCOME	(4)	-	-
VI. NET TRADING INCOME	(5)	1.861.270	56.502
6.1 Capital Market Transaction Gains / (Losses)		12.868	2.848
6.2 Gains/ (Losses) from Derivative Financial Instruments		629.338	(116.171)
6.3 Foreign Exchange Gains / (Losses)		1.219.064	169.825
VII. OTHER OPERATING INCOME	(6)	154.657	130.647
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		6.239.763	802.518
IX. PROVISION FOR EXPECTED LOSS (-)	(7)	787.594	110.242
X. OTHER PROVISION EXPENSES (-)	(7)	688.728	15.082
XI. PERSONNEL EXPENSES (-)	(8)	616.358	284.917
XII. OTHER OPERATING EXPENSES (-)		417.582	203.813
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		3.729.501	188.464
XIV. INCOME RESULTED FROM MERGERS		-	-
XV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XVI. PROFIT/LOSS BEFORE TAXES (XIII+...+XV)		-	-
XVII. PROVISION FOR TAXES (±)		3.729.501	188.464
XVIII. TAX PROVISION FOR CONTINUING OPERATIONS (±)	(10)	915.706	45.053
18.1 Current Tax Provision		1.976.244	39.162
18.2 Deferred Tax Expense (+)		288.676	100.119
18.3 Deferred Tax Income (-)		1.349.214	94.228
XIX. NET OPERATING PROFIT/LOSS AFTER TAXES (XVI±XVII)	(9)	2.813.795	143.411
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
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		-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
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		-	-
XXII. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XIX-XX)		-	-
XXIII. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)	(9)	-	-
23.1 Current Tax Provision		-	-
23.2 Deferred Tax Expense (+)		-	-
23.3 Deferred Tax Income (-)		-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)		-	-
XXV. NET PROFIT/LOSS (XVIII+XXIII)		2.813.795	143.411
25.1 Group's Income/Loss (-)		2.813.795	143.411
25.2 Minority Shares Profit/Loss (-)		-	-
Earnings Per Share		0,02740	0,00140

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

AS OF DECEMBER 31, 2022

(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	PRIOR PERIOD
		(01/01/2022- 31/12/2022)	(01/01/2021- 31/12/2021)
I.	CURRENT PERIOD PROFIT/LOSS	2.813.795	143.411
II.	OTHER COMPREHENSIVE INCOME	1.479.200	36.701
2.1	Other Income/Expense Items not to be Recycled to Profit or Loss	(17.703)	(156)
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	(23.722)	(195)
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	6.019	39
2.2	Other Income/Expense Items to be Recycled to Profit or Loss	1.496.903	36.857
2.2.1	Translation Differences	-	-
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at		
	Financial Assets Measured at Fair Value through Other Comprehensive Income	1.966.717	38.284
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	(469.814)	(1.427)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	4.292.995	180.112

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2022
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss						Total Equity				
	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss						Current Period's Net Profit/Loss	Prior Periods' Profit/Loss	Except for Minority Interests	Shareholders' Equity	
	1	2	3	4	5	6					
Current Period (01.01.2022- 31.12.2022)											
I. Balances at Beginning Period	-	(1.411)	-	-	45.324	-	485.999	5.424	143.411	1.728.750	1.728.750
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning of Period (+/-II)	-	(1.411)	-	-	45.324	-	485.999	5.424	143.411	1.728.750	1.728.750
IV. Total Comprehensive Income	-	(17.703)	-	-	1.496.903	-	-	-	2.813.795	4.292.995	4.292.995
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Sources	-	-	-	-	-	-	-	-	-	-	-
VII. Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-
X. Other Changes	-	-	-	-	-	-	(3.796)	-	(143.411)	6.302	6.302
XI. Profit Distribution	-	-	-	-	-	-	148.518	(5.137)	(30)	(30)	(30)
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	148.518	(148.548)	-	(30)	(30)
11.3 Others	-	-	-	-	-	-	-	143.411	(143.411)	-	-
Balances at end of the period (III+IV...+X+XI)	-	(19.114)	-	-	1.542.227	-	630.721	287	2.813.795	6.028.017	6.028.017

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),

(*) Includes the initial recognition effects of the subordinated loan provided by Türkiye Varlık Fonu Piyasa İstikrar ve Denge Alt Fonu with the approval of BRSA dated April 22, 2019, on April 24, 2019 amounting to 200 million Euro (Full Euro) within the scope of additional main capital and financial assets and liabilities measured (TL 23.088) at amortized costs (Section 3 Note 6).

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2022
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

	Paid-in Capital	Share Premium	Share Cancellation	Share n Profits	Other Capital Reserves(*)	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss						Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Shareholders' Equity
						1	2	3	4	5	6			
Prior Period (01.01.2021 – 31.12.2021)														
I. Balances at Beginning Period(**)	1,026,915	-	-	-	28,591	-	(1,255)	-	-	(984)	-	9,317	80,626	1,539,295
II. Correction made as per TAS 8	-	-	-	-	(5,503)	-	-	-	-	5,503	-	5,395	-	5,395
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	5,395	-	5,395
2.2 Effect of Changes in Accounting Policies	-	-	-	-	(5,503)	-	-	-	-	5,503	-	-	-	-
III. Adjusted Balances at Beginning of Period (+II)	1,026,915	-	-	-	23,088	-	(1,255)	-	-	4,519	-	14,712	80,626	1,544,690
IV. Total Comprehensive Income	-	-	-	-	-	-	(156)	-	-	36,857	-	-	143,411	180,112
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Other Changes	-	-	-	-	-	-	-	-	-	3,948	-	-	-	3,948
2XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	(9,288)	(80,626)	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	(89,914)	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	80,626	(80,626)	-
Balances at end of the period (III+IV...+X+XI)	1,026,915	-	-	-	23,088	-	(1,411)	-	-	45,324	-	5,424	143,411	1,728,750

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),

(*) Includes the initial recognition effects of the subordinated loan provided by Türkiye Varlık Fonu Piyasa İstikrar ve Denge Alt Fonu with the approval of BRSA dated April 22, 2019, on April 24, 2019 amounting to 200 million Euro (Full Euro) within the scope of additional main capital and financial assets and liabilities measured (TL 23,088) at amortized costs (Section 3 Note 6).

(**) Transition to the calculation of expected credit loss in TFRS 9 and the impact of changes in accounting policies explained in Section Three Note xxiii.

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS AS OF DECEMBER 31, 2022
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

STATEMENT OF CASH FLOWS	THOUSAND TL CURRENT PERIOD (01/01/2022- 31/12/2022)	THOUSAND TL PRIOR PERIOD (01/01/2021- 31/12/2021)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit Before Changes In Assets And Liabilities from Banking Operations	11.024.490	1.820.366
1.1.1 Profit Share Income Received	7.802.433	2.218.844
1.1.2 Profit Share Expense Paid	(3.915.947)	(1.685.319)
1.1.3 Dividend Received	-	-
1.1.4 Fees and Commissions Received	441.469	101.134
1.1.5 Other Income	148.890	109.692
1.1.6 Collections from Previously Written off Loans	34.943	-
1.1.7 Payments to Personnel and Service Suppliers	(504.267)	(356.294)
1.1.8 Taxes Paid	(979.182)	(105.361)
1.1.9 Others	7.996.151	1.537.670
1.2 Changes in Assets and Liabilities from Banking Operations	13.768.294	783.075
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	173.814	(556.091)
1.2.2 Net (Increase) Decrease in Due From Banks and Other Financial Institutions	(9.198.918)	(3.064.166)
1.2.3 Net (Increase) Decrease in Loans	(18.551.689)	(5.287.544)
1.2.4 Net (Increase) Decrease in Other Assets	(793.151)	21.271
1.2.5 Net Increase (Decrease) in Bank Deposits	(309.505)	108.180
1.2.6 Net Increase (Decrease) in Other Deposits	43.772.672	9.469.987
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	420.016	-
1.2.9 Net Increase (Decrease) in Matured Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	(1.744.945)	91.438
I. Net Cash Flows from Banking Operations	24.792.784	2.603.441
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash flow from investing activities	(12.763.110)	(1.781.307)
2.1 Cash Paid For Acquisition of Investments, Associates and Subsidiaries	-	-
2.2 Cash Obtained From Disposal of Investments, Associates and Subsidiaries	-	-
2.3 Purchases of Property and Equipment	(100.007)	(68.190)
2.4 Disposals of Property and Equipment	21.448	19.136
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(7.737.032)	(1.727.410)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income	1.441.051	31.290
2.7 Purchase of Financial Assets Measured at Amortised Cost	(6.209.920)	(16.231)
2.8 Sale of Financial Assets Measured at Amortised Cost	-	-
2.9 Other	(178.650)	(19.902)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Flows from Financing Activities	937.750	55.757
3.1 Cash Obtained from Funds Borrowed and Securities Issued	78.607.582	46.401.376
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	(77.636.966)	(46.284.677)
3.3 Issued Capital Instruments	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(32.866)	(60.942)
3.6 Other	-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	1.017.920	661.570
V. Net increase/(decrease) in cash and cash equivalents	13.985.344	1.539.461
VI. Net (Decrease) Increase in Cash and Cash Equivalents	3.262.469	1.723.008
VII. Cash and Cash Equivalents at the End of the period	17.247.813	3.262.469

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

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION AS OF DECEMBER 31, 2022

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

STATEMENT OF PROFIT DISTRIBUTION	Current Period(*) December 31, 2022	Prior Period December 31, 2021
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1. CURRENT YEAR INCOME	3.729.501	188.464
1.2. TAX AND DUTIES PAYABLE (-)	915.706	45.053
1.2.1. Corporate tax (Income tax)	1.976.244	39.162
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and legal liabilities (*)	(1.060.538)	5.891
A. NET INCOME FOR THE YEAR (1.1-1.2)	2.813.795	143.411
1.3. PRIOR YEAR LOSSES (-)	-	-
1.4. First legal reserves (-)	-	7.156
1.5. Other statutory reserves (-)	-	3.796
B. DISTRIBUTABLE NET PERIOD INCOME [(A-(1.3+1.4+1.5))](*)	-	-
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	-	-
1.13. OTHER RESERVE	-	128.801
1.14. SPECIAL FUNDS	-	7.156
II. DISTRIBUTION FROM RESERVES		
2.1. DISTRIBUTED RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. SHARE TO SHAREHOLDERS (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of preferred shares	-	-
2.3.3. To owners of preferred shares (Preemptive rights)	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To owners of the profit /loss sharing certificates	-	-
2.4. SHARED TO PERSONNEL (-)	-	-
2.5. SHARE TO BOARD OF DIRECTIONS (-)	-	-
III. EARNINGS PER SHARE		
3.1. TO OWNERS OF ORDINARY SHARES (**)(Full TL)	0,02740	0,00140
3.2. TO OWNERS OF ORDINARY SHARES (%)	274	14
3.3. TO OWNERS OF PREFERRED SHARES	-	-
3.4. TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1. TO OWNERS OF ORDINARY SHARES (**)(Full TL)	-	-
4.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3. TO OWNERS OF PREFERRED SHARES	-	-
4.4. TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) 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.

(**) Deferred tax income has not been subjected to profit distribution.

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

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

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 consolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette numbered 26333 dated November 1, 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”). The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” and “Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks” and amendments to this Communiqué. The Parent Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

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

The preparation of consolidated financial statements in conformity with TAS requires the use of certain accounting estimates by the Group management to exercise its judgement on the assets and liabilities on the balance sheet and contingent assets and liabilities as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are explained in the related notes and reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

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

The accounting policies and valuation principles applied in the preparation of consolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TAS and TFRS.

I. Explanations on basis of presentation (continued):

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

The accounting policies and valuation principles related with current period are explained in Notes II to XXIII below.

The preparation of consolidated financial statements in conformity with TFRS requires the use of certain critical accounting estimates by the Parent Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent matters as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 December 2022 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of December 31, 2022.

The tension between Russia and Ukraine since January 2022 turned to be a crisis and hot conflict. The Bank does not carry out any activities in the two countries that are subject to this crisis. Considering the territories that the Bank carries out its activities, the effects brought by the crisis are monitored by the Bank and financial tables are prepared with best forecasting methods accordingly.

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. The Parent 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 Group creates its strategies regarding financial instruments by considering its resource structure. The Parent 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 Parent Bank's most important funding sources are equity and funds from domestic / foreign financial institutions.

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

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

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 the Parent Bank and resulting evaluation differences are reflected as foreign exchange gain or loss.

There are no foreign currency differences capitalized by the Group.

III. Information on consolidated associates:

The Parent Bank and its subsidiaries Emlak Varlık Kiralama A.Ş. and Emlak Katılım Varlık Kiralama A.Ş. are included in the accompanying consolidated financial statements by using the full consolidation method. The consolidated financial statements have been prepared in accordance with the procedures listed in the "Communiqués related to the Regulation on the Preparation of the Consolidated Financial Statements of Banks" published in the Official Gazette No. 26340 dated November 8, 2006 and the "Consolidated Financial Statements" ("TFRS 10"). The Parent Bank and its consolidated financial subsidiaries are named together as "Group".

a. Consolidation principles for subsidiaries:

Subsidiaries The Parent Bank can either (a) use more than 50% of the voting right regarding the shares in companies as a result of the shares owned directly and / or indirectly, or (b) using more than 50% of the voting right. It refers to companies that have the authority and power to control financial and operating policies in line with the interests of the Group by using the effect of de facto control over financial and operating policies.

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.

III. Information on consolidated associates (continued):

a. Consolidation principles for subsidiaries (continued):

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.

Emlak Varlık Kiralama A.Ş. 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 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 June 7, 2013 and numbered 28760 serial: 3 no: 61.1 published in Official Gazette. Emlak Varlık Kiralama A.Ş. was established on August 5, 2019 with TL 50 capital amount paid by the Parent Bank. It began to operate after the registration on August 5, 2019.

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 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.

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

Title	Operation Center (City/Country)	Main Activities	Effective Rates (%)	Direct and Indirect Rates (%)
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

b. Presentation of consolidated subsidiaries, associates and joint ventures in consolidated financial statements:

The Group has no consolidated subsidiaries, associates or joint ventures.

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 derivative instruments are classified, measured and accounted in accordance with "TFRS 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.

Benchmark Interest Rate Reform – Phase 2 which introduces amendments to TFRS 9, TMS 39, TFRS 7, TFRS 4 and TFRS 16 is effective since January 2021 within allowance of early application of the changes. With amendments, certain exceptions are enabled in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The changes are effective from January 1, 2021. Items indexed to base interest rates and securities constitute assets and securities issued, derivative transactions and loans obtained through repo constitute liabilities in the Group's financial statements. These changes did not have a significant impact on the financial position or performance of the Group. As of December 31 2022, the Group has no hedging transactions based on base interest rates.

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 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 Group 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 Group management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Group'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 Bank'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.

VII. 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.

As of December 31, 2022 the Group has two subordinated debts 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 with TRT250232F15 with the initial date March 9, 2022 with at least ten-year repayment option with no fixed term, amounting to 31.688.489 Euro (Full Euro), 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 (Section 5 Part 2 Note 10).

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 (Section 5 Part 1 Note 7).

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.

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 Bank 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).

VIII. 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 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. 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 Group 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 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.

VIII. Explanations on expected credit losses (continued):

Default (3rd Stage / Special Provision)

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 installment (In this case, the customer is monitored 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. The Group has 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.

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, 2022, there is no goodwill in the financial statements of the Group. The Bank's intangible assets consist of softwares and intangible rights (December 31, 2021: 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 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.

XII. Explanations on goodwill and other intangible assets (continued):

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.

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

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

	Depreciation Rate (%)
Computers	10-33
Furniture and equipment	20
Other moveables	7-33
Vehicles	20
Intangible assets (Rights)	7-33

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 17% for leasing agreements denominated in Turkish liras.

XIV. Explanations on leasing transactions (continued):

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.

When applying the Group 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 Group's average borrowing interest rates. If this rate cannot be easily determined, the Bank uses the Group's alternative borrowing dividend rate.

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

After the effective date of the lease, the 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 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 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:

i) *Defined benefit plans:*

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

Provision for employee termination benefits is calculated at net present value of the estimated future probable obligation arising from the retirement of the employees in accordance with the Turkish Labor Law or the termination of the employee relationship by completing at least one year service, calling for military service, or in case of death.

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

Some of the Group employees are members of T.C. Ziraat Bankası A.Ş. ve T. Halk Bankası A.Ş. Mensupları Emekli ve Yardım Sandığı Vakfı.

The Group has no liabilities to these foundations (December 31, 2021: None).

ii) *Defined contribution plans:*

The Group pays defined contribution plans to publicly administered Social Security Funds for its employees. The Group has no further payment obligations other than this contribution share. The contributions are recognized as personnel expenses when they accrue.

iii) *Short term benefits to employees:*

The Group measures the expected costs of cumulative paid leave as part of TAS 19 as additional amounts that it expects to pay due to accumulated unused rights as of the end of the reporting period.

XVII. Explanations on taxation:

Current tax:

According to the law of Taxation of Immovable Property Owned by Treasury and Amendment on the Value Added Tax Law numbered 7394 dated April 15, 2022 , published on Official Gazette numbered 31810 and article 26 of law of Amendment on Certain laws and Secondary Laws and provisional article 13 of Corporate Tax Law, corporate tax rate is applied as %25 on entities' income .

In accordance by the Corporate Tax Law, temporary tax is calculated according to the corporate tax rate and paid in three-month term in compliance with principles stated in Income Tax Law. Temporary taxes are deducted from the corporate tax of the current taxation period.

Tax expenditure is the sum of current tax and deferred tax expense. The tax liability of current period is calculated over taxable portion of the income for the period. Taxable profit may differ from profit reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and items that are not taxable or deductible. Current tax amounts to be paid are netted with prepaid tax amounts and shown in the financial statements.

XVII. Explanations on taxation (continued):

Current tax (continued):

Within the framework of the principles of the Corporate Tax Law No. 5520, while 75% of the income of corporation generated from participation stocks held to be in assets for least 2 years and sales of immovable properties and the income of immovable properties gained by bank's receivables and sales of participation stocks is exempted from tax obligation, it is reduced to 50% by the Law No.7061, article 89/a which has been released on December 5, 2017, published on Official Gazette No.30261 and Corporate Tax Law, amended articles 5.1.e and 5.1.f.

Inflation accounting practice has been deferred by Tax Procedure Law which has accepted by Türkiye Büyük Millet Meclisi on January 20, 2022 and Law on Amending Corporate Tax Law, starting from the balance sheet as of December 31, 2023.

Deferred taxes

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 possiibilty 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 25% tax rate is used for temporary differences realized at the end of 2022 or after or expected to close.

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:

The Parent 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.

XIX. Explanations on issued share certificates:

None.

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

XX. Explanations on acceptances and availed drafts:

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

XXII. 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 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 X.

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

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

XXIV. Information on other issues:

None.

SECTION FOUR

Information on consolidated financial structure and risk management

I. Explanations on consolidated capital adequacy standard ratio:

The calculation of the own funds and the capital adequacy standard ratio are performed in accordance with the communiqués such as “Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy Ratio”, and “Regulation Regarding Banks’ Shareholders’ Equity”. The Group’s common Equity Tier 1 Capital is TL 9.559.625 (December 31, 2021: TL 4.066.973) which calculated as of December 31, 2022 and the capital adequacy ratio is %28,23% (December 31, 2021: 27,91%). The capital adequacy standard ratio of the Group is above the minimum rate determined by the relevant legislation.

a) Information on consolidated about total capital items:

	Current Period December 31, 2022	Prior Period December 31, 2021
COMMON EQUITY TIER 1 CAPITAL		
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	630.722	485.999
Gains recognized in equity as per TAS	1.440.881	35.873
Profit	2.814.665	148.806
Current Period Profit	2.813.795	143.411
Prior Period Profit	287	5.395
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	5.913.183	1.697.593
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1 st 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	1.411
Leasehold improvements	85.314	76.233
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	100.413	22.693
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	204.841	100.337
Total Common Equity Tier 1 Capital	5.708.342	1.597.256

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

ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	3.498.078	2.359.569
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	3.498.078	2.359.569
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	3.498.078	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	9.206.420	3.956.825
TIER 2 CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	371.657	55.508
Contribution Capital Before Discounts	371.657	55.508
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	371.657	55.508
Total Capital (The sum of Tier I Capital and Tier II Capital)	9.578.077	4.012.333
Deductions from Capital		
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	17.869	5.360

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

a) Information on consolidated about total capital items (continued):

In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)	9.559.625	4.006.973
Total Risk Weighted Amounts	33.858.202	14.354.337
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	16,86	11,13
Tier 1 Capital Adequacy Ratio (%)	27,19	27,57
Capital Adequacy Ratio (%)	28,23	27,91
BUFFERS		
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 (%)	12,36	6,63
Amounts Lower Than Excesses as per Deduction Rules		
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	-	92.494
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	371.657	55.508
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	371.657	55.508
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

(*) The Group, provided loan from Türkiye Varlık Fonu Piyasa İstikrar ve Denge Alt Fonu with the approval of BRSA dated April 22, 2019, on April 24, 2019 amounting to 200 million Euros (Full EUR) with no fixed term and no profit share within the scope of additional main capital.

The Banking Regulatory and Supervisory Authority ("BRSA") issued a press release on March 23, 2020 announcing certain measures due to financial market fluctuations caused by the COVID-19 pandemic. The Banks are entitled to use the year-end buying exchange in calculating the amount subject to credit risk as per the Regulation on the Calculation and the Evaluation of Banks' Capital Adequacy for the valuated amounts as per the Turkish Accounting Standards; and the relevant reserves to set aside related to its monetary and non-monetary assets, excluding the assets in foreign currency measured in historical cost. The Parent Bank's capital adequacy as of December 31, 2022 did not account for this possibility in his calculations.

I. Explanations on consolidated capital adequacy standard ratio (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
Special Consideration in the Calculation of Equity	
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)	3.138.103
Par Value of Instrument	3.991.128
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	-
Profit Share/Dividends	
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
Convertible or Non-convertible	
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	-
Write-down feature	
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

I. Explanations on consolidated 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.)	TRT250232F15
Governing Law(s) of the Instrument	Regulation on Banks"Equity Communique on Principles Regarding Borrowing Instruments to be Included in Bank"Equity Calculation
Special Consideration in the Calculation of Equity	
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)	359.975
Par Value of Instrument	632.364
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: EUR 31.688.489 million (full)
Subsequent call dates	-
Profit Share/Dividends	
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
Convertible or Non-convertible	
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	-
Write-down feature	
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

I. Explanations on consolidated capital adequacy standard ratio (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".

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	37.317.894	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	7.099.200	6.901.410
7	Receivables from corporates	27.376.591	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
Total^(*)		81.265.946	58.443.902

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

Risk Categories		Prior Period Risk Amount	Average Risk Amount(*)
1	Receivables from central governments or central banks	9.589.054	6.331.937
2	Receivables from regional or local governments	88.578	81.890
3	Receivables from administrative units and non-commercial enterprises	908	40.065
4	Receivables from multilateral development banks	-	-
5	Receivables from international organizations	-	-
6	Receivables from banks and brokerage houses	1.093.531	1.616.421
7	Receivables from corporates	12.325.899	10.791.114
8	Retail receivables	3.250.086	1.519.446
9	Receivables secured by mortgages on property	998.207	628.131
10	Past due receivables	6.224	1.856
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	1.278.224	1.194.995
Total^(*)		28.630.711	22.205.855

(*)Average risk amount was tested by taking the arithmetic average of monthly risk amounts for 2021.

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 inquiries (economic, cyclical, etc.) are carried out during the allocation and revision of such credit lines.

For the banks where correspondent activity and international commodity transactions are intended to be carried out, credit limits are allocated by the related credit committees taking into account the size of the correspondent bank and the size of Bank itself and concentration of risk is avoided. The Group does not carry any serious risk in this respect.

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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*																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
Current Period																		
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	77.557.389
2 EU Countries	-	-	-	-	-	301.093	36.107	105	144	-	-	-	-	-	-	-	-	337.449
3 OECD Countries (**)	-	-	-	-	-	910.631	-	277	-	-	-	-	-	-	-	-	-	910.908
4 Off-shore Banking Regions	-	-	-	-	-	-	427.221	15.741	-	-	-	-	-	-	-	-	-	442.962
5 USA, Canada	-	-	-	-	-	858.186	-	-	-	-	-	-	-	-	-	-	-	858.186
6 Other Countries	-	-	-	-	-	1.148.612	8.331	2.112	-	-	-	-	-	-	-	-	-	1.159.055
7 Associates, Subsidiaries and Jointly	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Total	37.317.894	256.026	19.898	-	-	7.099.200	27.376.592	4.194.134	1.281.855	9.573	-	-	-	-	-	-	3.710.776	81.265.949
Prior Period																		
1 Domestic	9.589.054	88.578	908	-	-	223.334	12.296.906	3.243.584	998.057	6.224	-	-	-	-	-	-	1.274.883	27.721.528
2 EU Countries	-	-	-	-	-	300.120	-	115	150	-	-	-	-	-	-	-	-	300.385
3 OECD Countries (**)	-	-	-	-	-	189.938	-	-	-	-	-	-	-	-	-	-	3.341	193.279
4 Off-shore Banking Regions	-	-	-	-	-	-	28.993	3.366	-	-	-	-	-	-	-	-	-	32.359
5 USA, Canada	-	-	-	-	-	318.624	-	-	-	-	-	-	-	-	-	-	-	318.624
6 Other Countries	-	-	-	-	-	61.515	-	3.021	-	-	-	-	-	-	-	-	-	64.536
7 Associates, Subsidiaries and Jointly	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Total	9.589.054	88.578	908	-	-	1.093.531	12.325.899	3.250.086	998.207	6.224	-	-	-	-	-	-	1.278.224	28.630.711

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

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	

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

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

II. Explanations on consolidated credit risk (continued):

Profile on significant risks in significant regions:

(*) It refers to the risk classes included in the Regulation on Measurement and Assessment of Capital Adequacy of Banks.

** Before Credit Risk Mitigation, risk amounts after loan conversion rate are given.

Profile on significant risks in significant regions:

(*) It refers to the risk classes included in the Regulation on Measurement and Assessment of Capital Adequacy of Banks.

- ** Before Credit Risk Mitigation, risk amounts after loan conversion rate are given.**

II. Explanations on consolidated credit risk (continued):

Distribution of risks with term structure according to remaining maturities:

		Time to Maturity					Undistributable
Risk Categories – Current Period		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	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	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	3.710.776	-	-	-	-	-
Total		43.174.411	3.602.579	2.721.473	6.626.349	25.133.475	7.659

		Time to Maturity					Undistributable
Risk Categories – Prior Period		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	5.798.566	367.734	97.670	90.807	3.234.277	-
2	Conditional and unconditional receivables from regional or local governments	14.000	-	-	17.171	57.407	-
3	Conditional and unconditional receivables from administrative units and non-commercial enterprises	908	-	-	-	-	-
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	1.081.942	9.224	2.365	-	-	-
7	Conditional and unconditional receivables from corporates	4.393.431	932.475	1.001.056	1.935.525	4.055.753	7.659
8	Conditional and unconditional retail receivables	1.430.274	179.279	282.322	421.386	936.825	-
9	Receivables secured by mortgages on property	440.372	23.124	41.490	77.108	416.113	-
10	Past due receivables	3.679	382	92	338	1.733	-
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	1.278.224	-	-	-	-	-
Total		14.441.396	1.512.218	1.424.995	2.542.335	8.702.108	7.659

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. Turkey's long-term foreign currency credit rating (BBB-), is used for foreign currency securities issued by the Republic of Turkey's Treasury and for other foreign currency risks associated with the government of Republic of Turkey.

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 capital included in the qualification calculation.

II. Explanations on consolidated credit risk (continued):

Receivables whose counterparty is domiciled are considered unrated and included in the capital adequacy calculation. The "Credit Quality Levels" corresponding to the ratings assigned by rating institutions authorized or directly recognized by the Board are given in the table below.

Risk amounts according to risk weights:

Risk Weights– Current Period	%0	%10	%20	%35	%50	%75	%100	%150	%200	%250	Deductions from Shareholders' Equity
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

Risk Weights – Prior Period	%0	%10	%20	%35	%50	%75	%100	%150	%200	%250	Deductions from Shareholders' Equity
1 Amount before credit risk mitigation	9.949.540	-	1.404.629	286.823	1.154.868	3.246.592	12.584.990	3.269	-	-	105.696
2 Amount after credit risk mitigation	10.454.793	-	1.565.879	280.109	1.256.170	3.106.944	11.963.547	3.269	-	-	105.696

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, 2022 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.

Non-Performing Loans are loans that have overdue up to 90 days as of December 31, 2022 but not impaired. "General Provision" calculation is made for these loans.

Current Period		Loans (*)		Provisions(**)
		Impaired Credits (TFRS 9)		
Important Sectors/Counterparties		Significant increase in credit risk (Stage 2)	Non-performing (Stage 3)	Expected Loss Provisions (TFRS9)
1 Agriculture		-	-	-
1.1 Farming and stockbreeding		-	-	-
1.2 Forestry		-	-	-
1.3 Fishery		-	-	-
2 Manufacturing		21.648	47.477	61.285
2.1 Mining and quarrying		-	-	-
2.2 Production		20.032	47.090	60.857
2.3 Electricity, gas, water		1.616	387	428
3 Construction		9.417	17.845	14.812
4 Services		23.101	26.452	24.186
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		-	-	-
5 Agriculture		3.524	1.602	1.322
Total		57.690	93.376	101.605

(*) The breakdown of cash loans is given.

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II. Explanations on consolidated credit risk (continued):

Prior Period		Loans (*)		Provisions(**)
		Impaired Credits (TFRS 9)		
		Significant increase in credit risk (Stage 2)	Non-performing (Stage 3)	Expected Loss Provisions (TFRS9)
Important Sectors/Counterparties				
1	Agriculture	-	-	-
1.1	Farming and stockbreeding	-	-	-
1.2	Forestry	-	-	-
1.3	Fishery	-	-	-
2	Manufacturing	6.662	44.540	41.648
2.1	Mining and quarrying	-	32.892	32.872
2.2	Production	6.319	11.648	8.773
2.3	Electricity, gas, water	343	-	3
3	Construction	980	5.540	5.112
4	Services	24.947	129.022	122.624
4.1	Wholesale and retail trade	24.890	9.107	5.779
4.2	Hotel, food and beverage services	-	-	-
4.3	Transportation and telecommunication	57	5.608	3.244
4.4	Financial institutions	-	-	-
4.5	Real estate and renting services	-	114.307	113.601
4.6	Self-employment services	-	-	-
4.7	Education services	-	-	-
4.8	Health and social services	-	-	-
5	Agriculture	1.833	16.427	16.479
Total		34.422	195.529	185.863

(*) The distribution of cash loans is given.

Information about value adjustment and change in provisions

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1 Third Stage	185.680	62.260	(168.069)	-	79.871
2 First and Second Stage	146.666	427.257	-	-	573.923
Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1 Specific Provisions	172.690	12.990	-	-	185.680
2 General Provisions	92.666	104.109	(50.109)	-	146.666

II. Explanations on consolidated credit risk (continued):

Risk involved in counter-cyclical capital buffer calculation

Current Period Country where risk is ultimately taken	Private sector loans in banking books	Risk weighted amount calculated within trading book	Total
Turkey	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

Prior Period Country where risk is ultimately taken	Private sector loans in banking books	Risk weighted amount calculated within trading book	Total
Turkey	29.239.730	763.786	30.003.516
United Arab Emirates	9.028	-	9.028
Marshall Islands	35.434	-	35.434
Other Countries	13.287	-	13.287

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 30, 2022 - Balance sheet evaluation rate	18,7157	19,9556
As of December 29, 2022	18,7159	19,9067
As of December 28, 2022	18,7097	19,9094
As of December 27, 2022	18,6989	19,9151
As of December 26, 2022	18,6444	19,9711
As of December 23, 2022	18,6806	19,9212

- 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 18,6587 for 1 USD (December 2021: full TL 13,6246), full TL 19,7536 for 1 Euro (December,
- f) 2021: full TL 15,3855).

The Group is mainly exposed to USD and Euro currency risks.

III. Explanations on consolidated currency risk (continued):

Information on the Group's Currency Risk

	EURO	USD	Other FC	Total
Current Period				
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	5.346.226	18.744.043	316.140	24.406.409
Banks (****)	798.748	1.269.144	2.806.789	4.874.681
Financial assets at fair value through profit and loss	79.951	141.530	721.982	943.463
Money market placements	-	-	-	-
Financial Assets Valued At Fair Value Through Profit And Loss	621.450	1.893.165	-	2.514.615
Loans and financial lease receivables (*)	6.495.852	5.859.611	-	12.355.463
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	4.139.848	-	-	4.139.848
Derivative financial assets for hedging purposes(*****)	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	2.782	1.092	-	3.874
Total Assets	17.484.857	27.908.585	3.844.911	49.238.353
Liabilities				
Current account and funds collected from banks via participation accounts	-	-	16.596	16.596
Other current and profit sharing accounts (**)	9.362.282	31.482.190	3.421.540	44.266.012
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	4.436.273	423.668	-	4.859.941
Marketable securities issued	-	-	-	-
Miscellaneous payables	-	-	-	-
Derivative financial liabilities for hedging purposes(*****)	-	-	-	-
Other liabilities	146.305	342.100	85.280	573.685
Total liabilities	13.944.860	32.247.958	3.523.416	49.716.234
Net balance sheet position	3.539.997	(4.339.373)	321.495	(477.881)
Net balance sheet position	(3.555.105)	4.308.704	(319.605)	433.994
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
Prior Period				
Total assets	11.996.492	8.011.515	1.235.185	21.243.192
Total liabilities	10.706.239	10.155.169	1.460.407	22.321.815
Net balance sheet position	1.290.253	(2.143.654)	(225.222)	(1.078.623)
Net off balance sheet position	(1.191.464)	2.218.808	258.800	1.286.144
Derivative financial instruments assets	5.987	2.617.311	500.074	3.123.372
Derivative financial instruments liabilities	1.197.451	398.503	241.274	1.837.228
Non-cash loans	1.405.454	1.731.014	-	3.136.468

(*) The balance sheet includes the expected loss provisions amounting to TL 189.254.

(**) Non-cash loans are not taken into account in the calculation of foreign currency position.

(*** Precious metals are also shown in the "Other FC" column.

(**** Includes provisions for expected losses amounting to TL 10.703 in the balance sheet.

(*****) Income rediscounts of derivative financial instruments amounting to TL 12.681 (December 31, 2021: TL 3.280) and expense rediscounts of exchange amounting to TL 11.536 (December 31, 2021: TL 3.810) are not included.

III. Explanations on consolidated currency risk (continued):

Explanations on consolidated position risk of equity securities in banking book

None (December 31, 2021: 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.

The level of spread of Covid-19 virus worldwide and the negative effects (country risks and foreign bank limits / correspondent bank relations etc.) in areas such as real sector and banking sector are carefully monitored. In this regard, liquidity adequacy is constantly monitored by stress tests and scenario analyzes among risk management activities.

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

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 ^(*)		Rate of "Percentage to be taken into account " Implemented Total value ^(*)	
		TL+FC	FC	TL+FC	FC
1	HIGH QUALITY LIQUID ASSETS (HQLA)			50.349.690	38.642.168
	CASH OUTFLOWS				
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	42.924.409	39.214.753	18.048.292	16.003.467
8	Non-Operational Funds Collected	459.193	48.696	459.193	48.696
9	Other Unsecured Funding			-	-
10	Secured funding	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
16	TOTAL CASH OUTFLOWS			34.940.825	22.601.684
	CASH INFLOWS				
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
20	TOTAL CASH INFLOWS	30.068.193	22.442.566	27.889.950	21.780.407
				Upper limit applied amounts	
21	TOTAL HQLA			50.349.690	38.642.168
22	TOTAL NET CASH OUTFLOWS			8.735.206	5.650.421
23	LIQUIDITY COVERAGE RATIO (%)			576.40	683.88

(*) Simple arithmetic average calculated for the last three months of values calculated by taking the monthly simple arithmetic average.

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:

Liquidity Coverage Ratio (%)	Current Period – 31.12.2022	
	TL+FC	FC
Lowest (%)	428,89	524,4
Date	October 2022	October 2022
Highest (%)	493,47	695,5
Date	November 2022	November 2022
Average	458,96	606,64

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 ⁽¹⁾		Rate of "Percentage to be taken into account " Implemented Total value ⁽¹⁾	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 HIGH QUALITY LIQUID ASSETS			10.868.494	7.806.419
CASH OUTFLOWS				
2 Retail and Real Person Funds Collected	4.532.545	3.464.051	439.566	346.405
3 Stable Funds Collected	273.766	-	13.688	-
4 Less stable Funds Collected	4.258.779	3.464.051	425.878	346.405
5 Unsecured Funding other than Retail and Real Person	5.997.615	4.906.244	2.978.932	2.370.259
6 Customers Deposits	-	-	-	-
7 Operational Funds Collected	5.769.197	4.848.321	2.750.514	2.312.336
8 Non-Operational Funds Collected	228.418	57.923	228.418	57.923
9 Other Unsecured Funding			-	-
10 Secured funding	2.696.146	1.123.441	2.696.146	1.123.441
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	1.499.229	1.123.441	1.499.229	1.123.441
12 Debts related to the structured financial products	1.196.917	-	1.196.917	-
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	6.538.351	2.853.496	1.302.802	245.272
16 TOTAL CASH OUTFLOWS			7.417.446	4.085.377
CASH INFLOWS				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	3.651.118	1.911.644	2.874.070	1.713.374
19 Other contractual cash inflows	1.422.810	1.258.229	1.422.810	1.258.229
20 TOTAL CASH INFLOWS	5.073.928	3.169.873	4.296.880	2.971.603
			Upper limit applied amounts	
21 TOTAL HQLA			10.868.494	7.806.419
22 TOTAL NET CASH OUTFLOWS			3.120.566	1.113.774
23 LIQUIDITY COVERAGE RATIO (%)			348,29	700,90

⁽¹⁾ 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 – 31.12.2021	
	TL+FC	FC
Lowest (%)	342,69	397,07
Date	October 2021	October 2021
Highest (%)	527,67	842,44
Date	November 2021	November 2021
Average	407,34	620,59

IV. Explanations on liquidity risk (continued):

Liquidity coverage ratio (continued):

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 2,74% cash, 64,57% deposits in central banks and 32,70% 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 88,74% funds collected, 4,61% funds borrowed and 6,65% subordinated debt instruments.

IV. Explanations on consolidated liquidity risk (continued):

Liquidity on consolidated coverage ratio (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
Current Period								
Assets								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	12.346.278	13.703.939	-	-	-	-	-	26.050.217
Banks	4.877.123	-	-	-	-	-	-	4.877.123
Financial Assets at Fair Value Through Profit and Loss	-	-	-	87.644	857.315	-	-	944.959
Money Market Placements	-	-	-	-	-	-	-	-
Financial assets valued at fair value through other comprehensive income	-	-	79.854	1.716.677	8.101.606	535.589	7.659	10.441.385
Loans	-	4.875.978	6.916.880	16.589.337	13.421.996	1.816.744	63.713	43.684.648
Financial assets valued at amortised cost	-	-	-	-	7.184.590	3.210.03	-	10.394.620
Other Assets (*)	-	-	-	-	-	0	2.562.262	2.562.262
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
Liabilities								
Current account and funds collected from banks via participation accounts	302.929	-	-	-	-	-	-	302.929
Other current and profit sharing accounts	44.186.604	20.697.462	8.882.652	4.936.187	166.189	-	-	78.869.094
Funds provided from other financial institutions and subordinated loans	-	22.992	30.436	501.123	344.384	-	4.110.376	5.009.311
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	439.727	2.961.666	791.791	838.505	-	-	5.031.689
Other liabilities (**)	-	907.429	-	-	-	-	8.834.762	9.742.191
Total Liabilities	44.489.533	22.067.610	11.874.754	6.229.101	1.349.078	-	12.945.138	98.955.214
Liquidity Gap	(27.266.132)	(3.487.693)	(4.878.020)	12.164.557	28.216.429	5.562.363	(10.311.504)	-
Net Off-balance sheet Position	-	(7.959)	128	744	-	-	-	(7.087)
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
Non-cash Loans	-	298.864	959.878	3.880.727	1.615.240	21.397	3.069.165	9.845.271
Prior Period								
Total Assets	2.417.162	8.653.090	2.150.905	8.216.327	14.365.935	1.511.364	731.020	38.045.803
Total Liabilities	8.728.954	17.348.404	5.516.529	1.154.173	2.729.338	-	2.568.405	38.045.803
Liquidity Gap	(6.311.792)	(8.695.314)	(3.365.624)	7.062.154	11.636.597	1.511.364	(1.837.385)	-
Net Off-balance sheet Position	-	(31.071)	(56.149)	(1.175)	-	-	-	(88.395)
Financial Derivative Assets	-	2.508.922	756.035	91.169	-	-	-	3.356.126
Financial Derivative Liabilities	-	2.539.993	812.184	92.344	-	-	-	3.444.521
Non-cash Loans	1.354.438	1.108.447	343.855	1.578.062	495.818	-	-	4.880.620

(*) Other non-distributable assets column consists of assets held for sale, partnership investments, tangible and intangible assets, current and deferred tax assets and other assets.

(**) Other non-distributable liabilities column consists of equity and provision balances.

V. Explanations on consolidated leverage ratio:

As of December 31, 2022, leverage ratio of the Group calculated from the arithmetic average of the last 3 months is 6,49% (December 31, 2020: 8,51%). 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:

	Current Period December 31, 2022(*)	Prior Period December 31, 2021(*)
Balance sheet assets		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	107.441.491	33.036.737
2 (Assets deducted from Core capital)	163.506	103.381
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	107.277.985	32.933.356
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	-	-
5 Potential credit risk amount of derivative financial assets and credit derivatives	112.984	92.887
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	112.984	92.887
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	10.030.149	2.441.721
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)	10.030.149	2.441.721
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	20.891.725	7.757.835
11 (Correction amount due to multiplication with credit conversion rates)	-	-
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	20.891.725	7.757.835
Capital and total risk		
13 Core Capital	9.010.233	3.679.879
14 Total risk amount (sum of lines 3, 6, 9 and 12)	138.312.843	43.225.799
Leverage ratio		
15 Leverage ratio (%)	6,51	8,51

(*) Amounts in the table show quarterly averages.

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, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Financial Assets				
Due from Interbank Money Market	-	-	-	-
Banks	4.887.831	1.533.115	4.887.831	1.533.115
Financial Assets at Fair Value through Profit or Loss	944.959	1.800.024	944.959	1.085.024
Financial Assets at Fair Value Through Other Comprehensive Income	10.441.385	4.173.153	10.441.385	4.173.153
Financial Assets Valued Over Amortized Cost	10.440.441	2.713.586	10.196.149	2.537.586
Loans and financial lease receivables	44.292.621	21.907.324	53.760.934	25.922.905
Financial Liabilities				
Funds collected from banks through current accounts and participation accounts	302.929	581.502	302.929	581.502
Other current accounts and participation accounts	78.869.094	26.211.847	78.869.094	26.211.847
Funds from other financial institutions	5.009.311	4.653.931	5.009.311	4.566.889
Debts to Money Markets	5.031.689	-	5.031.689	-
Other Liabilities	1.007.967	430.365	1.007.967	430.365

VII. Explanations on consolidated regarding the fair value of financial assets and liabilities (continued):**a. 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.

- 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,
- At level two, the financial instruments whose fair value is based on the directly or indirectly observable market indicators,
- 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 Group's balance sheet, are presented with respect to such basis of classification in the table below:

Current Period	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Assets at Fair Value Through Profit or (Loss)	141.530	803.429	-	944.959
Government Debt Securities	141.530	803.429	-	944.959
Share Certificates	-	-	-	-
Other financial assets	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.524.760	7.916.625	-	10.441.385
Equity Securities (*)	2.517.101	7.916.625	-	10.433.726
Government Debt Securities	7.659	-	-	7.659
Other financial assets	-	-	-	-
Derivative Financial Assets	-	17.597	-	17.597
Financial liabilities				
Derivative financial liabilities	-	13.797	-	13.797

(*) 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.

Prior Period	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Assets at Fair Value Through Profit or (Loss)	512.920	572.280	-	1.085.200
Government Debt Securities	275.653	572.280	-	847.933
Share Certificates	-	-	-	-
Other financial assets	237.267	-	-	237.267
Financial Assets at Fair Value Through Other Comprehensive Income	962.858	3.202.636	-	4.165.494
Equity Securities	-	-	-	-
Government Debt Securities	962.858	3.202.636	-	4.165.494
Other financial assets	-	-	-	-
Derivative Financial Assets	-	65.158	-	65.158
Financial liabilities				
Derivative financial liabilities	-	109.990	-	109.990

VIII. 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.

IX. Explanations on consolidated risk management:

Notes and explanations in this section have been prepared in accordance with the Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks that have been published in Official Gazette numbered 29511 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 general manager 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 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.

IX. Explanations on consolidated risk management (continued):

a. Consolidated risk management strategy and risk weighted amounts (continued):

a.1. Explanations on consolidated risk management (continued):

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.

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.

IX. Explanations on consolidated risk management (continued):

a. Consolidated risk management strategy and risk weighted amounts (continued):

a.1. Explanations on consolidated 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.

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.

IX. Explanations on consolidated risk management (continued):**a. Risk management strategy and risk weighted amounts (continued):****a.1. Explanations on risk management (continued):****Other risks (continued):**

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 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 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.

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)	32.027.599	12.883.436	2.562.208
2	Of which standardised approach (SA)	32.027.599	12.883.436	2.562.208
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	28.930	26.820	2.314
5	Of which standardised approach for counterparty credit risk (SA-CCR)	28.930	26.820	2.314
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	816.791	719.119	65.343
17	Of which standardised approach (SA)	816.791	719.119	65.343
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	984.882	724.962	78.791
20	Of which Basic Indicator Approach	984.882	724.962	78.791
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	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	33.858.202	14.354.337	2.708.656

IX. Explanations on consolidated risk management (continued):**b. Financial statements and regulatory exposures reconciliation****b.1. Differences and matching between accounting-related consolidation and legal consolidation**

Current Period	Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)	Carrying values of items in accordance with Turkish Accounting Standards (TAS)				
		Subject to credit risk	Subject to counterparty credit risk	Securitization positions	Subject to market risk ^(*)	Not subject to capital requirements or deducted from capital
Assets						
Cash and 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	-	-	-	-	-	-
Tangible fixed asset (net)	100.413	100.413	-	-	-	100.413
Intangible asset (net)	-	-	-	-	-	-
Investment properties (net)	-	-	-	-	-	-
Current tax asset	-	-	-	-	-	-
Deferred tax assets	664.594	664.594	-	-	-	-
Other assets	1.342.128	1.342.128	-	-	-	122.297
Total Assets	98.955.214	97.992.658	17.597	-	962.556	222.710
Liabilities						
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	-	-	-	-	-
Total Liabilities	98.955.214	-	13.797	-	13.797	5.031.689

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

IX. Explanations on consolidated 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	Securitized positions	Subject to market risk ^(*)		
Assets							
Cash and balances at central bank	6.236.435	6.236.435	-	-	-	-	-
Banks	1.533.115	1.533.115	-	-	-	-	-
Receivables from Money markets	-	-	-	-	-	-	-
Expected Loss Provisions (-)	1.647	1.647	-	-	-	-	-
Financial assets at fair value through profit or Loss	1.085.200	-	-	-	1.085.200	-	-
Financial assets at fair value through other comprehensive income	4.173.153	4.173.153	-	-	-	-	-
Derivative financial assets	65.158	-	65.158	-	65.158	-	-
Loans	21.724.480	21.724.480	-	-	-	-	-
Leasing receivables	182.844	182.844	-	-	-	-	-
Financial assets measured at amortized cost	2.713.586	2.713.586	-	-	-	-	-
Expected loss provisions	332.383	332.383	-	-	-	-	-
Assets held for sale and discontinued operations (net)	8.000	8.000	-	-	-	-	-
Partnership investments	-	-	-	-	-	-	-
Tangible fixed asset (net)	330.398	330.398	-	-	-	-	-
Intangible asset (net)	23.462	23.462	-	-	-	-	23.462
Investment properties (net)	-	-	-	-	-	-	-
Current tax asset	-	-	-	-	-	-	-
Deferred tax assets	66.894	66.894	-	-	-	-	-
Other assets	237.108	237.108	-	-	-	-	82.234
Total Assests	38.045.803	36.895.445	65.158	-	1.150.358	-	105.696
Liabilities							
Funds collected	26.665.328	-	-	-	-	-	-
Funds borrowed	1.204.327	-	-	-	-	-	-
Debt to Money markets	1.984.303	-	-	-	-	-	-
Debt securities in issue	2.862.381	-	-	-	-	-	2.862.381
Financial liabilities at fair value through profit and loss	-	-	-	-	-	-	-
Derivative financial liabilities	109.990	-	109.990	-	109.990	-	-
Liabilities from leases	191.498	-	-	-	-	-	-
Provisions	118.239	-	-	-	-	-	-
Current tax liability	81.210	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-	-
Non-current assets held for sale and discontinued operations (net)	-	-	-	-	-	-	-
Subordinated debt	2.669.412	-	-	-	-	-	-
Other liabilities	430.365	-	-	-	-	-	-
Equity	1.728.750	-	-	-	-	-	-
Total Liabilities	38.045.803	-	109.990	-	109.990	-	2.862.381

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

IX. Explanations on consolidated 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)**

	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)	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	Total net amount within the scope of legal consolidation	98.941.417	97.992.658	-	3.800	982.197
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	-	(30.912.063)	-	-	-
10	Risk amounts	129.858.936	73.870.343	-	68.557	1.046.954

(*) 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)	38.045.303	36.895.445	-	65.158	1.150.358
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	109.990	-	-	109.990	109.990
3	Total net amount within the scope of legal consolidation	37.935.813	36.895.445	-	(44.832)	1.040.368
4	Off balance sheet amounts	15.066.724	4.434.395	-	3.599.735	3.599.735
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	-	(8.479.729)	-	-	-
10	Risk amounts	53.002.537	32.850.111	-	3.554.903	4.640.103

(*) 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.

IX. Explanations on consolidated risk management (continued):**b. Financial statements and regulatory exposures reconciliation (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:**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	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
4 Total	122.087	75.969.404	589.422	75.502.069

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	195.529	21.711.795	332.857	21.574.467
2 Debt securities	-	7.971.939	9.487	7.962.452
3 Off-balance sheet exposures	450	6.160.451	29.342	6.131.559
4 Total	195.979	35.844.185	371.686	35.668.478

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

	Current Period	Prior Period
1 Defaulted loans and debt securities at end of the previous reporting period	195.529	172.697
2 Loans and debt securities that have defaulted since the last reporting period	74.049	22.832
3 Receivables back to non-defaulted status	-	-
4 Amounts written off	(168.069)	-
5 Other changes	(8.133)	-
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	93.376	195.529

IX. Explanations on consolidated risk management (continued):

c. Credit risk (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 2021: None).

Receivables that provisions are set in terms of geographical region

Current Period	Non-performing Loans^(*)	Specific Provision^(*)
Domestic	93.376	185.680
Off-shore Banking Countries	-	-
Other Countries	-	-
General Total	93.376	185.680

^(*) Represents amounts for cash loans.

Prior Period	Non-performing Loans^(*)	Specific Provision^(*)
Domestic	195.529	185.680
Off-shore Banking Countries	-	-
Other Countries	-	-
General Total	195.529	185.680

^(*) Represents amounts for cash loans.

IX. Explanations on consolidated risk management (continued):**c. Credit risk (continued)****c.1. General information on credit risk (continued)****c.1.4. Additional information on consolidated credit quality of assets (continued):**

Breakdown according to sector:

	Sectors / Counterparties Current Period	Non-performing loans	Provisions
1	Agriculture	-	-
1.1	Farming and stockbreeding	-	-
1.2	Forestry	-	-
1.3	Fishery	-	-
2	Manufacturing	47.477	44.449
2.1	Mining and quarrying	-	-
2.2	Production	47.090	44.175
2.3	Electricity, gas, water	387	274
3	Construction	17.845	13.530
4	Services	26.452	20.871
4.1	Wholesale and retail trade	22.785	17.485
4.2	Hotel, food and beverage services	-	-
4.3	Transportation and telecommunication	3.333	3.098
4.4	Financial institutions	-	-
4.5	Real estate and renting services	334	288
4.6	Self-employment services	-	-
4.7	Education services	-	-
4.8	Health and social services	-	-
5	Other	1.602	1.020
	Total	93.376	79.870

	Sectors / Counterparties Prior Period	Non-performing loans	Provisions
1	Agriculture	-	-
1.1	Farming and stockbreeding	-	-
1.2	Forestry	-	-
1.3	Fishery	-	-
2	Manufacturing	44.540	41.626
2.1	Mining and quarrying	32.892	32.872
2.2	Production	11.648	8.754
2.3	Electricity, gas, water	-	-
3	Construction	5.540	5.109
4	Services	129.022	122.518
4.1	Wholesale and retail trade	9.107	5.673
4.2	Hotel, food and beverage services	-	-
4.3	Transportation and telecommunication	5.608	3.244
4.4	Financial institutions	-	-
4.5	Real estate and renting services	114.307	113.601
4.6	Self-employment services	-	-
4.7	Education services	-	-
4.8	Health and social services	-	-
5	Other	16.427	16.427
	Total	195.529	185.680

IX. Explanations on consolidated risk management (continued):**c. Credit risk (continued):****c.2. Credit risk mitigation****c.2.1. Qualitative disclosure on credit risk mitigation techniques**

On and off balance sheet offsetting agreements are not utilized. The risk mitigators that are used in credit process in compliance with Communiqué "The Risk Mitigation Techniques" which is published at September 6, 2014 are stated below:

a) Financial Collaterals (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 Turkey.

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 collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	59.245.007	5.725.731	3.099.977	5.150.797	2.501.983	-	-
2	Debt securities	21.860.223	-	-	-	-	-	-
3	Total	81.105.230	5.725.731	3.099.977	5.150.797	2.501.983	-	-
4	Of which defaulted	93.376	-	-	-	-	-	-

	Prior Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	29.297.479	4.365.490	1.854.133	3.886.645	1.367.928	-	-
2	Debt securities	7.734.672	-	-	-	-	-	-
3	Total	37.032.151	4.365.490	1.854.133	3.886.645	1.367.928	-	-
4	Of which defaulted	195.529	-	-	-	-	-	-

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.

IX. Explanations on consolidated 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

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
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	3.710.776	-	3.710.776	-	1.885.950	50,82%
Equity share investments	-	-	-	-	-	-
Total	67.080.595	14.070.444	67.080.594	6.789.748	32.027.067	43,36%

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	9.545.746	43.308	9.552.334	43.446	-	-
Receivables from regional or local governments	74.578	14.000	12.466	7.015	9.741	%50,00
Receivables from administrative units and non-commercial enterprises	-	908	16.372	2.925	19.297	%100,00
Receivables from multilateral development banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and brokerage houses	1.039.558	53.973	1.225.378	53.973	340.890	%26,65
Receivables from corporates	7.867.116	4.458.782	7.725.201	2.662.046	9.725.964	%93,63
Retail receivables	1.769.226	1.480.862	1.764.471	683.811	1.770.649	%72,32
Receivables secured by mortgages on property	247.268	39.555	247.268	25.628	93.446	%34,24
Receivables secured by mortgages on commercial property	310.930	400.453	310.930	222.805	337.217	%63,18
Past due receivables	6.224	-	6.224	-	4.508	%72,43
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	1.278.224	-	1.278.224	-	580.764	%45,44
Equity share investments	-	-	-	-	-	-
Total	22.138.870	6.491.841	22.138.868	3.701.649	12.882.476	%49,85

IX. Explanations on consolidated risk management (continued):

c. Credit risk (continued):

c.3. Credit risk under standardised approach (continued):

c.3.3. Exposures by asset classes and risk weights

Risk Classes/Risk Weighted		%0	%10	%20	35% secured by Property mortgage	%50	%75	%100	%150	%200	Others	Total risk amount (post-CCF and CRM)
Current Period												
1	Receivables from central governments or central banks	37.349.088	-	-	-	-	-	-	-	-	-	37.349.088
2	Receivables from regional or local governments	1.723	-	-	-	80.575	-	-	-	-	-	82.298
3	Receivables from administrative units and non-commercial enterprises	15.092	-	-	-	-	-	15.052	-	-	-	30.144
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	-	-	6.018.558	-	230.574	-	978.745	-	-	-	7.227.877
7	Receivables from corporates	599.375	-	320.331	-	1.194.463	-	13.782.919	-	5.168.499	18.209	21.083.796
8	Retail receivables	132.496	-	76.451	-	-	3.010.318	5.868	1.170	-	-	3.226.303
9	Receivables secured by mortgages on property	17.616	-	19.092	362.935	-	-	-	-	-	-	399.643
10	Receivables secured by mortgages on commercial property	-	-	-	-	502.972	-	247.872	-	-	-	750.844
11	Past due receivables	-	-	-	-	9.313	-	260	-	-	-	9.573
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Other receivables	-	-	-	-	-	-	-	-	-	-	-
17	Equity share investments	1.095.695	-	911.415	-	-	-	1.703.667	-	-	-	3.710.776
18	Total	39.211.085	-	7.345.847	362.935	2.017.897	3.010.318	16.734.383	1.170	5.168.499	18.209	73.870.342

Risk Classes/Risk Weighted		%0	%10	%20	35% secured by Property mortgage	%50	%75	%100	%150	%200	Others	Total risk amount (post- CCF and CRM)
Current Period												
1	Receivables from central governments or central banks	9.595.780	-	-	-	-	-	-	-	-	-	9.595.780
2	Receivables from regional or local governments	-	-	-	-	19.481	-	-	-	-	-	19.481
3	Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	19.297	-	-	-	19.297
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	-	-	982.090	-	269.269	-	27.992	-	-	-	1.279.351
7	Receivables from corporates	406.598	-	83.461	-	369.112	-	9.528.076	-	-	-	10.387.247
8	Retail receivables	52.943	-	41.926	-	-	2.349.920	224	3.269	-	-	2.448.282
9	Receivables secured by mortgages on property	5.313	-	1.389	266.194	-	-	-	-	-	-	272.896
10	Receivables secured by mortgages on commercial property	2.900	-	8.445	-	373.724	-	148.666	-	-	-	533.735
11	Past due receivables	-	-	-	-	3.431	-	2.793	-	-	-	6.224
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Other receivables	-	-	-	-	-	-	-	-	-	-	-
17	Equity share investments	360.486	-	421.217	-	-	-	496.521	-	-	-	1.278.224
18	Total	10.424.020	-	1.538.528	266.194	1.035.017	2.349.920	10.223.569	3.269	-	-	25.840.517

IX. Explanations on consolidated 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 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. Counterparty credit risk (CCR) approach analysis

Current Period		Replacement cost	Potential Future exposure	EEPE ^(*)	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	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					-	-
6	Total						28.929

(*) Effective Expected Positive Exposure

IX. Explanations on consolidated 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(*)	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	(51.240)	36.510		-	98.334	26.820
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						26.820

(*) 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	114.908	28.929	98.334	26.820
4	Total subject to the CVA capital obligation	114.908	28.929	98.334	26.820

IX. Explanations on consolidated risk management (continued):

d. Counterparty credit risk (continued):

d.4. CCR exposures by risk class and risk weights

Current Period									
Risk Classes	Risk Weighted								Total credit exposure(*)
	%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	-	-	-	-	-	-	-	-	-
Total	6.561	-	94.896	7.001	-	6.450	-	-	114.908

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

Prior Period									
Risk Classes	Risk Weighted								Total credit exposure(*)
	%0	%10	%20	%50	%75	%100	%150	Other	
Receivables from central governments or central banks	43.308	-	-	-	-	-	-	-	43.308
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	-	12.042	31.493	-	-	-	-	-	43.535
Receivables from corporates	-	1.322	-	-	3.096	-	-	-	4.418
Retail receivables	-	-	-	-	7.073	-	-	-	7.073
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	-	-	-	-	-	-	-	-	-
Total	43.308	-	13.364	31.493	7.073	3.096	-	-	98.334

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

IX. Explanations on consolidated risk management (continued):

d. Counterparty credit risk (continued):

d.5. Used collaterals for counterparty credit risk

None (December 31, 2021:None).

d.6. Information on the risks of the Group arising from purchased or sold credit derivatives

None (December 31, 2021:None).

d.7. Information on risks of the Group arising from central counterparty

None (December 31, 2021:None).

e. Information to be announced to public on Securitization:

None (December 31, 2021:None).

f. Market risk:

f.1. Qualitative disclosure on market risk

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.

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	Prior Period
		RWA	RWA
Outright products			
1	Profit rate risk (general and specific)	290.070	344.740
2	Equity share (general and specific)	-	-
3	Foreign exchange risk	259.477	105.594
4	Commodity risk	267.245	268.785
Options			
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
9 Total		816.792	719.119

IX. Explanations on consolidated risk management (continued):

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	500.377	802.518	6.239.763	2.514.219	%15	377.133
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	272.916	500.377	802.518	525.270	%15	78.791
Amount subject to Operational Risk (Total*12,5)						984.882

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 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.

IX. Explanations on consolidated risk management (continued):

h. Qualitative disclosure on profit rate risk arising from banking books (continued):

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	(529.967)	(5,55)
TRY	(-) 400bp	499.974	5,23
USD Dolar	(+) 200bp	(49.947)	(0,52)
USD Dolar	(-) 200bp	64.836	0,68
EUR	(+) 200bp	101.384	1,06
EUR	(-) 200bp	(107.421)	(1,12)
Total (For Negative Shocks)	-	457.389	4,79
Total (For Positive Shocks)	-	(478.530)	(5,01)

Prior Period

Currency	Applied Shock (+/-x basis point)	Gains/ (Losses)	Gains/Equity (Losses/Equity) (%)
TRY	(+) 500bp	(168.087)	(4,20)
TRY	(-) 400bp	158.893	3,97
USD Dolar	(+) 200bp	(59.535)	(1,49)
USD Dolar	(-) 200bp	65.639	1,64
EUR	(+) 200bp	(57.620)	(1,44)
EUR	(-) 200bp	61.148	1,53
Total (For Negative Shocks)	-	(285.242)	(7,13)
Total (For Positive Shocks)	-	285.680	7,14

X. Explanations on consolidated business segments:

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

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	2.963.819	37.831.388	56.564.347	1.595.660	98.955.214
Total Liabilities	48.236.244	34.581.528	7.812.211	2.297.214	92.927.197
Total Equity	-	-	-	6.028.017	6.028.017
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)
Net profit / (loss) for the period	2.138.130	1.742.729	(220.900)	(846.164)	2.813.795

(*) The distribution difference in the retail, commercial and corporate segments stems from fund allocation and fund collection methods of the Group.

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	3.740.018	17.089.861	16.400.186	815.738	38.045.803
Total Liabilities	8.339.463	20.169.544	7.442.924	365.122	36.317.053
Total Equity	-	-	-	1.728.750	1.728.750
Net profit share income/(expense) (*)	173.067	593.194	(158.806)	(75.070)	532.385
Net fees and commissions income/(expense)	38.011	54.666	(9.655)	(38)	82.984
Other operating income/(expense)	46.140	69.612	(25.294)	(407.121)	(316.663)
Provision expenses	(10.129)	(84.511)	(5.001)	(10.601)	(110.242)
Profit/(loss) before tax	247.089	632.961	(198.756)	(492.830)	188.464
Provision for tax	-	-	-	(45.053)	(45.053)
Net profit / (loss) for the period	247.089	632.961	(198.756)	(537.883)	143.411

(*) The distribution difference in the retail, commercial and corporate segments stems from fund allocation and fund collection methods of the Group.

SECTION FIVE

Explanations and notes on the consolidated financial statements

I. Explanations and notes related to consolidated assets:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash / Foreign currency	63.660	188.870	27.027	82.778
CBRT	1.498.475	23.081.139	860.099	4.490.642
Other (*)	82.652	1.167.784	10.704	765.185
Total	1.644.787	24.437.793	897.830	5.338.605

(*) As of December 31, 2022 it includes precious metal deposit account amounting to TL 42.641 (December 31, 2021: TL 165.496) and money in transit account amounting to TL 1.207.795 (December 31, 2021: TL 610.393)

b) Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	1.498.475	9.358.541	843.500	159
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Reserve requirements	-	13.722.598	16.599	4.490.483
Total	1.498.475	23.081.139	860.099	4.490.642

c) Explanations on the required reserve application:

In accordance with the "Communiqué Regarding the Reserve Requirements numbered 2013/15", banks operating in Turkey are required to maintain reserves in CBRT for TL and foreign currency liabilities. The valid rates for Turkish lira required reserves are between 3% and 8% depending on the maturity structure ;the rates for foreign currency required reserves are between 19% and 26% depending on the maturity structure and the rates for other foreign currency liabilities required reserves are between 5% and 21% implemented in the financial table.

According to the Communiqué on Required Reserves published in the Official Gazette dated July 1, 2021, No. 31528, establishing turkish lira requested reserves in currency basis has been terminated as of July 1, 2021.

According to the article on "Commission Application" in the Turkish Lira Share for "Foreign Currency Accounts with Required Reserves and Notice" dated 31.08.2022 and numbered 1579 with the Central Bank of the Republic of Turkey, except for banks with a fund share of more than 50% in both real and legal person deposits/participation funds, Turkish Lira deposits/participation foreign currency deposit/participation fund liabilities (excluding foreign banks) It was decided to charge 3% annual commission over the required reserve amount.

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

c) Explanations on the required reserve application (continued):

The liabilities and assets specified in the "Communiqué on the Establishment of Securities" No. 2022/20 on Banks create securities. Liabilities have a facility rate of 3%, while assets have a facility rate of 30% is implemented.

If the Turkish Lira deposit/participation fund share exceeds 50% in both real and legal person deposits/participation funds for banks with less than 2 points, the liability securities establishment ratio for banks with more than 2 points is increased.

The profit share rate for loans subject to the issuance of securities, the procedures and principles of which are set by the Central Bank securities are established in accordance with the Central Bank's principles and procedures.

Securities are established in accordance with the Central Bank's procedures and principles for loans subject to the establishment of securities, the procedures and principles of which are determined by the Central Bank based on the profit share rate the Communiqué on the Procedures and Principles Regarding the Fees That Banks Can Charge Commercial Customers, dated 10.02.2020 and numbered 31035, with annual compound profit share rate from loans extended until 30/12/2022 (inclusive) calculation date (Number: 2020/4) with 90% of Turkish lira-denominated securities are blocked if they are between 1.4 and 1.8 (inclusive) times the annual compound reference rate announced by the Central Bank, calculated within the framework of the determined procedures and principles, and if they are greater than 20.1.8%

2. a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	2.447	482.017	1.593	254.853
Abroad	-	4.403.367	-	1.276.669
Total	2.447	4.885.384	1.593	1.531.522

b) Information on Foreign Bank Accounts

	Current Period		Prior Period	
	Unrestricted Period	Restricted Period	Unrestricted Period	Restricted Period
European Union Countries	1.562.962	-	710.956	-
USA, Canada	1.227.373	-	476.141	-
OECD Countries (*)	-	-	-	-
Off-shore Banking Regions	-	-	3.107	-
Other	1.613.032	-	86.465	-
Total	4.403.367	-	1.276.669	-

(*) 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, 2022, there is no repurchase agreements in financial assets at fair value through profit and loss is not available (December 31, 2021: None). As of December 31, 2022, amount subject to guaranteed/blocked is TL 744.345 (December 31, 2021: TL 355.782).

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

3. Financial assets measured at fair value through profit or loss (continued):

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

	Current Period	Prior Period
Debt securities	948.045	1.087.412
Quoted on a stock exchange	804.038	572.980
Unquoted on a stock exchange (*)	144.007	514.432
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted on a stock exchange	-	-
Impairment provision (-)	(3.086)	(2.212)
Total	944.959	1.085.200

(*) 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, 2022: None (December 31, 2021: None). As of December 31, 2022, amount subject to guaranteed/blocked is TL 2.84.200 (December 31, 2021: 326.675).

b. Financial assets valued at fair value through other comprehensive income:

	Current Period	Prior Period
Debt securities	10.481.318	4.201.759
Quoted on a stock exchange(*)	7.916.788	3.221.985
Unquoted on a stock exchange	2.564.530	979.774
Share certificates	7.659	7.659
Quoted on a stock exchange(*)	-	-
Unquoted on a stock exchange	7.659	7.659
Impairment provision (-)	(47.592)	(36.265)
Total	10.441.385	4.173.153

(*) 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	3.264	12.406	29.633	419
Forward Transactions	1.652	275	32.245	2.861
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	4.916	12.681	61.878	3.280

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

6. Information on loans

a. Information on all types of loans and advances given to shareholders and employees of the Group

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	1.273.002	-	714.824	-
Corporate shareholders	1.273.002	-	714.824	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	2.355	-	973	-
Loans granted to employees	2.255	-	973	-
Total	1.275.357	-	715.797	-

b. Information on the first and second group loans including restructured loans

b1. Detail table on the first and second group loans including restructured loans

Cash Loans Current Period	Standard Loans	Loans Under Close Monitoring		
		Loans Not subject to restructured loans	Restructured Loans	
			Loans with Revised Contract Terms	Refinance
Loans	43.578.249	35.147	95.567	-
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 (*)	6.073.791	18.891	-	-
Other receivables	-	-	-	-
Total	43.578.249	35.147	95.567	-

(*)The details of other loans are as follows:

Commercial loans with installments	4.888.469
Loans given to abroad	43.842
Other investment credits	1.160.191
Other	180
Total	6.092.682

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

6. Information on loans (continued):

b. Information on the first and second group loans including restructured loans (continued):

b1. Detail table on the first and second group loans including restructured loans (continued):

Cash Loans Prior Period	Standard Loans	Loans Under Close Monitoring		
		Loans Not subject to restructured loans	Restructured Loans	
			Loans with Revised Contract Terms	Refinance
Loans	21.494.531	31.683	2.739	-
Export loans	-	-	-	-
Import loans	1.565.042	410	-	-
Business loans	15.289.593	26.755	2.739	-
Consumer loans	998.365	1.387	-	-
Credit cards	-	-	-	-
Loans given to financial sector	411.871	-	-	-
Other (*)	3.229.660	3.131	-	-
Other receivables	-	-	-	-
Total	21.494.531	31.683	2.739	-

(*)The details of other loans are as follows:

Commercial loans with installments	2.969.857
Loans given to abroad	174.503
Other investment credits	84.140
Other	4.291
Total	3.232.791

b2. Detail table on the first and second group loans including restructured loans

Current Period	Standard Loans	Loans Under Close Monitoring
Expected loss of provision for 12 Months	552.189	-
Substantial increase in credit risk	-	21.734
Prior Period	Standard Loans	Loans Under Close Monitoring
Expected loss of provision for 12 Months	146.482	-
Substantial increase in credit risk	-	184

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

6. Information on loans (continued):

c. Maturity analysis of cash loans

Current Period	Standard Loans and Other receivables		Loans Under Follow-Up and Other receivables	
	Loans and Other receivables	Amendments to terms or contract	Loans and Other receivables	Amendments to terms or contract
Cash Loans				
Short term loans and other receivables	23.370.093	-	16.630	42.649
Loans	23.370.093	-	16.630	42.649
Other receivables	-	-	-	-
Medium and long-term loans and other receivables (*)	20.208.156	-	18.517	52.918
Loans	20.208.156	-	18.517	52.918
Other receivables	-	-	-	-
Total	43.578.249	-	35.147	95.567

(*) Loans with original maturities of more than 1 year when first granted are classified as "Medium and long term loans".

Prior Period	Standard Loans and Other receivables		Loans Under Follow-Up and Other receivables	
	Loans and Other receivables	Amendments to terms or contract	Loans and Other receivables	Amendments to terms or contract
Cash Loans				
Short term loans and other receivables	5.573.870	-	21.469	72
Loans	5.573.870	-	21.469	72
Other receivables	-	-	-	-
Medium and long-term loans and other receivables (*)	15.918.406	-	12.469	2.667
Loans	15.918.406	-	12.469	2.667
Other receivables	-	-	-	-
Total	21.492.276	-	33.938	2.739

(*) Loans with original maturities of more than 1 year when first granted are classified as "Medium and long term loans".

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

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
Consumer loans-TL	57.983	1.098.696	1.156.679
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	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	24	2.331	2.355
Housing loans	-	1.527	1.527
Vehicle loans	-	601	601
Consumer loans	24	203	227
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL(Real Person)	-	-	-
Overdraft account-FC(Real Person)	-	-	-
Total	58.007	1.101.027	1.159.034

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NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

- 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
Consumer loans-TL	2.549	996.230	998.779
Housing loans	945	913.481	914.426
Vehicle loans	1.228	36.953	38.181
Consumer loans	376	45.796	46.172
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	24	949	973
Housing loans	-	833	833
Vehicle loans	-	48	48
Consumer loans	24	68	92
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL(Real Person)	-	-	-
Overdraft account-FC(Real Person)	-	-	-
Total	2.573	997.179	999.752

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

Current Period	Short-Term	Medium and Long-term	Total
Commercial installment loans-TL	1.562.386	2.944.839	4.507.225
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	-	-	-
Commercial installment loans-FC indexed	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	9.256	314.997	324.253
Business loans	-	16.111	16.111
Vehicle loans	9.256	135.535	144.791
Consumer loans	-	163.351	163.351
Other	-	-	-
Corporate credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	3.111	-	3.111
Overdraft account-FC(Legal Entity)	53.880	-	53.880
Total	1.628.633	3.259.836	4.888.469

Prior Period	Short-Term	Medium and Long-Term	Total
Commercial installment loans-TL	287.471	2.191.296	2.478.767
Business loans	10.572	278.396	288.968
Vehicle loans	233.688	1.082.909	1.316.597
Consumer loans	43.211	829.991	873.202
Other	-	-	-
Commercial installment loans-FC indexed	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	116.377	329.601	445.978
Business loans	1.137	9.375	10.512
Vehicle loans	-	136.500	136.500
Consumer loans	115.240	183.726	298.966
Other	-	-	-
Corporate credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	15.176	-	15.176
Overdraft account-FC(Legal Entity)	29.936	-	29.936
Total	448.960	2.520.897	2.969.857

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

6. Information on loans (continued):

f. Loans according to types of borrowers

	Current Period	Prior Period
Public	3.344.569	946.228
Private	40.364.394	20.582.725
Total	43.708.963	21.528.953

g. International and domestic loans:

The distribution of loans excluding non-performing loans is as follows:

	Current Period	Prior Period
Domestic loans	42.548.772	21.354.450
Foreign loans	1.160.191	174.503
Total	43.708.963	21.528.953

h. Loans granted to subsidiaries and participations

None (December 31, 2021: None).

i. Default provisions for loans (Third Stage) provisions

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	35.433	4.162
Doubtful Loans and Other Receivables	18.045	7.835
Uncollectible Loans and Receivables	26.393	173.683
Total	79.871	185.680

j. Information on non-performing loans and receivables (net)

j.1. Non-performing loans and receivables which are restructured or rescheduled

None (December 31, 2021: None).

I. Explanations and notes related to consolidated assets (continued):**6. Information on loans (continued):****j. Information on non-performing loans and receivables (net) (continued):****j.2. Movements of non-performing loans**

	III. Group Loans and receivables with limited collectibility	IV. Group Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables
Current Period			
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
Net balance at the balance sheet	517	11.215	5.773

(*) Non-performing loans totaling TL 168.069 were de-recognized on October 3, 2022, in accordance with the Board of Directors' Decision.

	III. Group Loans an receivables with limited collectibility	IV. Group Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables
Prior Period			
Closing balance of prior period	-	12	172.685
Additions in the current period (+)	24.057	305	100
Transfers from other categories of non-performing loans (+)	-	15.647	1.403
Transfers to other categories of non-performing loans (-)	15.647	1.403	-
Collections in the current period (-)	96	1.490	44
Write offs (-)	-	-	-
Sales (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	8.314	13.071	174.144
Provisions (-)	4.162	7.835	173.683
Net balance at the balance sheet	4.152	5.236	461

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

None (December 31, 2021: None).

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

6. Information on loans (continued):

j. Information on non-performing loans and receivables (net) (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
Current Period (net)	517	11.215	5.773
Loans to individuals and corporates (gross)	35.950	29.260	32.166
Provision (-)	35.433	18.045	26.393
Loans to individuals and corporates (net)	517	11.215	5.773
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	4.152	5.236	461
Loans to Real Persons and Legal Entities (Gross)	8.314	13.071	174.144
Specific provision (-)	4.162	7.835	173.683
Loans to Real Persons and Legal Entities (Net)	4.152	5.236	461
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-

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 and Receivables
Current Period (Net)	62	818	338
Profit share accruals and valuation differences	102	2.057	1.845
Provisions (-)	40	1.239	1.507
Prior Period (Net)	149	272	3
Profit share accruals and valuation differences	288	637	8
Provision (-)	139	365	5

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.

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

6. Information on loans (continued):

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.

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. The amount of TL 168.069 for loans deemed impossible to collect in 2022 has been written-off due to the decision taken by the Parent Bank's management (December 31, 2021: 15.707).

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 (*)	10.440.441	2.713.586
Total	10.440.441	2.713.586

(*) The Parent Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. Subordinated debt instrument with the ISIN code TRT240424F22, starting date of April 24, 2019, with the earliest five-year repayment option and a demand deposit of 200.000.000 Euro (Full Euro) and the Parent Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. It consists of subordinated debt instruments with an ISIN code of TRT250232F15, 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).

b. Information on investment securities measured at amortized cost

	Current Period	Prior Period
Debt Securities	10.440.441	2.713.586
Quoted on a stock Exchange	1.904.621	-
Unquoted (*)	8.535.820	2.713.586
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Impairment Provision (-)	-	-
Total	10.440.441	2.713.586

(*) The Parent Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. Subordinated debt instrument with the ISIN code TRT240424F22, starting date of April 24, 2019, with the earliest five-year repayment option and a demand deposit of 200.000.000 Euro (Full Euro) and the Parent Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. It consists of subordinated debt instruments with an ISIN code of TRT250232F15, 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).

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

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
Balance at beginning of period (*)	2.713.586	1.568.929
Foreign currency differences on monetary assets (**)	1.533.167	1.128.426
Purchases during period	6.209.920	16.231
Disposals through sales and redemptions	(16.232)	-
Impairment provision (-)	-	-
Closing Balance	10.440.441	2.713.586

(*) The Parent Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. Subordinated debt instrument with the ISIN code TRT240424F22, starting date of April 24, 2019, with the earliest five-year repayment option and a demand deposit of 200.000.000 Euro (Full Euro) and the Parent Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. It consists of subordinated debt instruments with an ISIN code of TRT250232F15, 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).

(**) This amount includes TL 60.899 (December 31, 2021: TL 193.219) 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	61.869	58.166	8.922	8.799
1 to 4 years	460.014	377.536	141.131	118.381
More than 4 years	55.961	50.580	62.322	55.664
Total	577.844	486.282	212.375	182.844

b. Information on net investments through finance lease

	Current Period	Prior Period
Finance lease receivables (gross)	577.844	212.375
Unearned finance lease receivable (-)	91.562	29.531
Receivable from finance leases (net)	486.282	182.844

I. Explanations and notes related to 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:

		Leasing Receivables Under Close Monitoring		
Finance Lease	Standard Loans	Leasing receivables not subject to restructured loans	Restructured or rescheduled	
			Leasing Receivables with Revised Contract Terms	Refinance
Current Period				
Finance lease receivables (Net)	486.282	-	-	-
Prior Period				
Finance lease receivables (Net)	182.844	-	-	-

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	8.000	23.797
Additions	4.360	-
Disposals	(7.118)	(15.797)
Transfers	-	-
Impairment Provision (-)	-	-
Closing balance	5.242	8.000

10. Information on associates

a. Associates (net)

a.1. Information on consolidated associates

None (December 31, 2021: None).

a.2 Information on consolidated associates

None (December 31, 2021: 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, 2022 and December 31, 2021.

I. Explanations and notes related to assets (continued):**10. Information on associates (continued):****b. Information on subsidiaries (net) (continued):****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 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 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 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	Address (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

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, 2022.

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
Emlak Varlık Kiralama A.Ş.	4.862.739	4.193	-	607.647	-	3.846	-	-
Emlak Katılım Varlık Kiralama A.Ş.	6.304.900	50	-	569.706	-	-	-	-

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	-	-
Bonus shares	-	-
Profit received from current year share	-	-
Sales	-	-
Revaluation increases	-	-
Impairments	-	-
Amount at the end of the period	100	100
Capital commitments	-	-
Share of the capital at the end of the period (%)	100	100

c. Information on investments in joint-ventures

None (December 31, 2021: None).

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

11. Information on tangible assets

Current Period	Immovables(*)	Leased tangible assets	Vehicles	Other TA	Total
Cost					
Opening Balance: January 1, 2022	199.754	-	24.470	210.911	435.135
Additions	74.484	-	52.323	69.339	196.146
Revaluation differences	-	-	-	-	-
Disposals	-	-	-	(2.427)	(2.427)
Impairment losses(-)/	-	-	-	-	-
Reversal of impairment	-	-	-	-	-
Transfers	-	-	-	-	-
Ending Balance: December 31, 2022	274.238	-	76.793	277.823	628.854
Accumulated depreciation (-)					
Opening balance: January 1, 2022	32.190	-	11.716	60.831	104.737
Depreciation expense	35.765	-	8.373	47.913	92.051
Reversal of depreciation of the disposed assets	-	-	-	(222)	(222)
Transfers	-	-	-	-	-
Ending balance: December 31, 2022	67.955	-	20.089	108.522	196.566
Total cost at the end of the year	274.238	-	76.793	277.823	628.854
Total accumulated depreciation at the end of the year	(67.955)	-	(20.089)	(108.522)	(196.566)
Closing net book values	206.283	-	56.704	169.301	432.288

(*) 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: 199.754 TL), in accordance with the "IFRS 16 Leases" standard, and the depreciation amount is TL 67.955 (December 31, 2021: TL 32.190)

Prior Period	Immovables(*)	Leased tangible assets	Vehicles	Other TA	Total
Cost					
Opening Balance: January 1, 2021	118.749	-	20.208	151.873	290.830
Additions	81.884	-	4.346	61.414	147.644
Revaluation differences	-	-	-	-	-
Disposals	(879)	-	(84)	(2.376)	(3.339)
Impairment losses(-)/Reversal of impairment	-	-	-	-	-
Transfers	-	-	-	-	-
Ending Balance: December 31, 2021	199.754	-	24.470	210.911	435.135
Accumulated depreciation (-)					
Opening balance: January 1, 2021	10.957	-	5.250	23.394	39.601
Depreciation expense	21.318	-	6.468	37.652	65.438
Reversal of depreciation of the disposed assets	(85)	-	(2)	(215)	(302)
Transfers	-	-	-	-	-
Ending balance: December 31, 2021	32.190	-	11.716	60.831	104.737
Total cost at the end of the year	199.754	-	24.470	210.911	435.135
Total accumulated depreciation at the end of the year	(32.190)	-	(11.716)	(60.831)	(104.737)
Closing net book values	167.564	-	12.754	150.080	330.398

(*) As of December 31, 2021, historical value of movables and real estates that are accounted for as a right of use is amounting to TL 19.754 (December 31, 2020: TL 118.749), in accordance with the "IFRS 16 Leases" standard, and the depreciation amount is TL 32.190 (December 31, 2020: TL 10.957).

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TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

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

12. Information on intangible assets

Current Period	Intangible Assests
Cost	
Opening balance: January 1, 2022	65.558
Additions	85.468
Disposals	-
Ending balance: December 31, 2022	151.026
Accumulated depreciation(-)	
Opening balance: January 1, 2022	(42.096)
Depreciation expense	(8.517)
Reversal of depreciation of the disposed assets	-
Ending balance: December 31, 2022	(50.613)
Total cost at the end of the year	151.026
Total accumulated depreciation at the end of the year	(50.613)
Closing Net Book Value	100.413

Prior Period	Intangible Assests
Cost	
Opening balance: January 1, 2021	34.559
Additions	30.999
Disposals	-
Ending balance: December 31, 2021	65.558
Accumulated depreciation(-)	
Opening balance: January 1, 2021	(25.109)
Depreciation expense	(16.987)
Reversal of depreciation of the disposed assets	-
Ending balance: December 31, 2021	(42.096)
Total cost at the end of the year	65.558
Total accumulated depreciation at the end of the year	(42.096)
Closing Net Book Value	23.462

13. Information on investment property:

None (December 31, 2021: None).

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NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

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

14. Information related to deferred tax assets

	Current Period	Prior Period
Deferred tax provision for transferred financial loss	660.802	1.125
Prepaid wages and commissions and unearned income	71.391	25.317
Expected loss provisions	197.527	24.274
Securities valuation differences	6.511	5.167
Provisions for retirement premium and vacation pay liabilities	34.569	5.740
Derivative financial instruments	3.449	23.286
TFRS 16 allowance	12.503	3.528
Other provisions for debt and expenses	171.261	4.377
Deferred tax asset	1.158.013	92.494
Valuation differences on marketable securities	479.028	9.214
Difference between carrying value and tax base of fixed assets	-	2.584
Derivative financial instruments	1.296	13.599
Other	13.095	523
Deferred tax liability	493.419	25.920
Deferred tax asset (Net)	664.594	66.894

(*) There is deferred tax of TL 160.603 related to the set aside free provisions.

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

	Current Period	Prior Period
Receivables from Public Institutions and Cooperations ⁽¹⁾	52.548	52.549
Exchange Account	1.269.521	149.601
Other ⁽²⁾	20.059	34.958
Total	1.342.128	237.108

(1) It includes receivables from General Directorate of Highways and Mass Housing Administration.

(2) It includes receivables and temporary accounts from various institutions other than public institutions and organizations

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
I. Real Persons Current Accounts									
Non-Trade TL	603.060	-	-	-	-	-	-	-	603.060
II. Real Persons Participation Accounts Non-Trade TL(*)									
Accounts Non-Trade TL(*)	-	2.753.986	4.186.617	1.396.878	176.120	85.103	166.189	-	8.764.893
III. Current Account other-TL	5.519.410	-	-	-	-	-	-	-	5.519.410
Public Sector	94.986	-	-	-	-	-	-	-	94.986
Commercial Institutions	5.117.986	-	-	-	-	-	-	-	5.117.986
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	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	13.033.699	3.444.170	1.497.705	1.316.331	123.474	-	-	19.415.379
Public Sector	-	5.865.629	949.950	1.056.924	3.117	-	-	-	7.875.620
Commercial Institutions	-	6.898.559	2.344.662	373.842	1.308.697	123.474	-	-	11.049.234
Other Institutions	-	125.552	31.418	2.034	-	-	-	-	159.004
Commercial and Other Institutions	-	143.959	118.140	64.905	4.517	-	-	-	331.521
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
V. Real Persons Current Accounts Non-Trade FC	13.656.496	-	-	-	-	-	-	-	13.656.496
VI. Real Persons Participation Accounts Non-Trade FC	-	2.497.226	350.410	20.179	35.765	28.097	-	-	2.931.677
VII. Other Current Accounts FC	23.419.479	-	-	-	-	-	-	-	23.419.479
Residents in Turkey-Corporate	9.819.271	-	-	-	-	-	-	-	9.819.271
Residents Abroad-Corporate	13.583.612	-	-	-	-	-	-	-	13.583.612
Banks and Participation Banks	16.596	-	-	-	-	-	-	-	16.596
Central Bank of Turkey	6.141	-	-	-	-	-	-	-	6.141
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	10.455	-	-	-	-	-	-	-	10.455
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	1.701.301	275.985	152.140	24.115	519	-	-	2.154.060
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	-	-	-	-	-	-	-	-	-
IX. Precious Metals Deposits	1.291.088	602.867	198.260	12.683	14.023	1.975	-	-	2.120.896
X. Participation Accounts Special Fund Pools TL	-	108.383	427.210	503	50.577	-	-	-	586.673
Residents in Turkey	-	108.383	427.210	503	50.577	-	-	-	586.673
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	44.489.533	20.697.462	8.882.652	3.080.088	1.616.931	239.168	166.189	-	79.172.023

(*)Balance of Participation Accounts includes TL 3.294.695 of FX- Protected Turkish Lira Time Deposit which was launched by Ministry of Treasury and Finance on December 24, 2021 and TL 6.689.223 of Conversion Supported FX protected Turkish Lira Time Deposit which was announced by TCMB on Official Gazette, numbered 31696 on December 21, 2021 and TL 2.920.463 of YUVAM accounts which was announced on February 1, 2022, Official Gazette numbered 31737 .

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
I. Real Persons Current Accounts									
Non-Trade TL	261.953	-	-	-	-	-	-	-	261.953
II. Real Persons Participation Accounts Non-Trade TL	-	640.189	149.084	72.343	916	3.254	2.288	-	868.074
III. Current Account other-TL	837.668	-	-	-	-	-	-	-	837.668
Public Sector	49.965	-	-	-	-	-	-	-	49.965
Commercial Institutions	779.810	-	-	-	-	-	-	-	779.810
Other Institutions	-	-	-	-	-	-	-	-	-
Commercial and Other Institutions	7.893	-	-	-	-	-	-	-	7.893
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	4.949.969	1.186.818	97.062	15.001	286	-	-	6.249.136
Public Sector	-	931.137	314.755	39.643	-	-	-	-	1.285.535
Commercial Institutions	-	3.106.700	827.738	57.419	15.001	286	-	-	4.007.144
Other Institutions	-	357.165	44.325	-	-	-	-	-	401.490
Commercial and Other Institutions	-	-	-	-	-	-	-	-	-
Banks and Participation Banks	-	554.967	-	-	-	-	-	-	554.967
V. Real Persons Current Accounts Non-Trade FC	1.127.672	-	-	-	-	-	-	-	1.127.672
VI. Real Persons Participation Accounts Non-Trade FC	-	2.405.228	288.573	17.012	21.082	47.266	-	-	2.779.161
VII. Other Current Accounts FC	5.814.741	-	-	-	-	-	-	-	5.814.741
Residents in Turkey-Corporate	5.146.221	-	-	-	-	-	-	-	5.146.221
Residents Abroad-Corporate	668.520	-	-	-	-	-	-	-	668.520
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	5.376.311	1.995.286	3.063	133	-	-	-	7.374.793
Public sector	-	149.763	-	-	-	-	-	-	149.763
Commercial institutions	-	4.775.270	1.966.786	3.063	133	-	-	-	6.745.252
Other institutions	-	215.860	3.976	-	-	-	-	-	219.836
Commercial and Other Institutions	-	208.883	24.524	-	-	-	-	-	233.407
Banks and Participation Banks	-	26.535	-	-	-	-	-	-	26.535
IX. Precious Metals Deposits	686.920	445.566	185.224	32.389	320	1.711	-	-	1.352.130
X. Participation Accounts Special Fund Pools TL	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	8.728.954	13.817.263	3.804.985	221.869	37.452	52.517	2.288	-	26.665.328

(*)Balance of Participation Accounts includes 110.692 TL of FX- Protected Turkish Lira Time Deposit which was launched by Ministry of Treasury and Finance on December 24, 2021 and TL 57.150 of Conversion Supported FX protected Turkish Lira Time Deposit which was announced by TCMB on Official Gazette, numbered 31696 on December 21, 2021

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	1.872.374	706.887	26.084.753	5.170.627
Turkish Lira accounts	1.054.203	316.828	8.785.745	813.201
Foreign currency accounts	818.171	390.059	17.299.008	4.357.426
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	967.011	-	41.922.324	-
Turkish Lira accounts	553.920	-	16.227.368	-
Foreign currency accounts	413.091	-	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 200 (including both capital and profit shares) for each real person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law numbered 5411.

II. Explanations and notes related to liabilities (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	9.763	1.651
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	50.577	1.651
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	-	-

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

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

2. Information on borrowings

a.1 Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	149.370	364.003	101.296	799.706
Loans from foreign banks, institutions and funds	-	385.562	-	303.325
Total	149.370	749.565	101.296	1.103.031

a.2 Maturity analysis of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	104.207	405.945	101.296	1.074.109
Medium and Long-Term	45.163	343.620	-	28.922
Total	149.370	749.565	101.296	1.103.031

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, 2021: None).

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 issues	Amount of issues	Sort of Money	Maturity	Share of Profit Rate %(*)
May 05, 2022 Thursday	250.000	TL	May 23, 2023 Tuesday	Unstable
May 25, 2022 Wednesday	60.000	TL	May 31, 2023 Wednesday	Stable
May 26, 2022 Thursday	110.350	TL	Jun 15, 2023 Thursday	Unstable
Jun 14, 2022 Tuesday	169.550	TL	Jun 16, 2023 Friday	Stable
Jun 17, 2022 Friday	50.000	TL	July 07, 2023 Friday	Unstable
August 03, 2022 Wednesday	79.000	TL	February 01, 2023 Wednesday	Stable
August 31, 2022 Wednesday	100.000	TL	September 01, 2023 Friday	Stable
September 12, 2022 Monday	45.000	TL	Jun 09, 2023 Friday	Stable
September 15, 2022 Thursday	150.000	TL	January 03, 2023 Tuesday	Stable
September 20, 2022 Tuesday	101.500	TL	January 03, 2023 Tuesday	Stable
September 22, 2022 Thursday	450.000	TL	January 04, 2023 Wednesday	Stable
September 29, 2022 Thursday	110.000	TL	January 03, 2023 Tuesday	Stable
October 27, 2022 Thursday	55.000	TL	February 02, 2023 Thursday	Stable
October 25, 2022 Tuesday	59.245	TL	January 25, 2023 Wednesday	Stable
October 19, 2022 Wednesday	50.000	TL	January 25, 2023 Wednesday	Stable
October 12, 2022 Wednesday	377.230	TL	January 11, 2023 Wednesday	Stable
October 11, 2022 Tuesday	60.000	TL	January 09, 2023 Monday	Stable
October 07, 2022 Friday	70.000	TL	January 05, 2023 Thursday	Stable
October 06, 2022 Thursday	97.000	TL	October 26, 2023 Thursday	Stable
November 16, 2022 Wednesday	450.000	TL	February 15, 2023 Wednesday	Stable
November 14, 2022 Monday	500.000	TL	January 18, 2024 Thursday	Stable
November 11, 2022 Friday	104.000	TL	February 10, 2023 Friday	Stable
November 22, 2022 Tuesday	157.000	TL	February 22, 2023 Wednesday	Stable
November 14, 2022 Monday	220.000	TL	January 18, 2024 Thursday	Stable
November 03, 2022 Thursday	525.000	TL	February 15, 2023 Wednesday	Stable
November 03, 2022 Thursday	75.000	TL	November 15, 2023 Wednesday	Unstable
November 10, 2022 Thursday	110.000	TL	February 16, 2023 Thursday	Stable
November 10, 2022 Thursday	300.000	TL	February 09, 2023 Thursday	Stable
December 06, 2022 Tuesday	100.000	TL	January 03, 2024 Wednesday	Stable
December 07, 2022 Wednesday	150.000	TL	March 15, 2023 Wednesday	Stable
December 19, 2022 Monday	50.000	TL	February 28, 2023 Tuesday	Stable
December 20, 2022 Tuesday	200.000	TL	March 21, 2023 Tuesday	Stable
December 23, 2022 Friday	430.950	TL	March 27, 2023 Monday	Stable
December 27, 2022 Tuesday	300.000	TL	March 28, 2023 Tuesday	Stable

a. Spreadsheet on securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Lease Certificate	5.031.689	-	2.862.381	-
Total	5.031.689	-	2.862.381	-

4. Information on derivative financial liabilities

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	2.261	-	28.560	-
Swap Transactions	-	11.536	77.620	3.810
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	2.261	11.536	106.180	3.810

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

5. Information on Finance Lease Payables (Net):

	Current Period		Prior Period	
	TL	FC	TL	FC
Less than 1 year	50.502	-	29.067	-
Between 1-5 years	173.057	-	110.855	-
Over 5 years	54.689	-	51.576	-
Total	278.248	-	191.498	-

6. Information on hedging derivative financial liabilities:

None (December 31, 2021: None).

7. Information on provisions:

a. Information on provisions for employee rights:

Provisions for Group's employee benefits consist of reserve for employee termination benefits amounting to TL 38.248 (December 31, 2021: TL 8.170), vacation pay liability amounting to TL 10.027 (December 31, 2021: TL 4.543), 90.000 TL (December 31, 2021: TL 13.879) performance premium provision, the Bank's total amount of provisions for employee rights is TL 138.275 (December 31, 2021: TL 26.592).

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 (%)	10,60	19,10
Estimated increase rate of salary ceiling (%)	8,80	15,80

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

	Current Period	Prior Period
Prior period ending balance	8.170	4.265
Change in the period	6.356	4.011
Actuarial (gain)/loss	23.722	(106)
Balance at the end of the period	38.248	8.170

b. Other Provisions:

	Current Period	Prior Period
Provisions allocated from profit shares to be distributed to profit sharing accounts	103.969	52.475
Provisions for cases on trial (*)	646.768	5.090
Impairment provision	4.059	1.871
Expected expected credit loss for Stage 1 and Stage 2 for non-cash loans	152.633	32.211
Total	907.429	91.647

(*) The free provision amount in the financial statements as of December 31, 2022 is TL 642.414 , and it is all recorded in the current period. Addition, there is deferred tax amounting to TL 160.603, which is included in the deferred tax asset line in the financial statements.

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

7. Information on provisions (continued):

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

None (December 31, 2021: None).

8. Information on taxes payable

a. Explanations on current tax liability

a.1. Explanations on the provision for money

As of December 31, 2022, the Group does not have any tax debt remaining after deducting the corporate taxes paid (December 31, 2021: None).

a.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	1.215.294	38.994
Banking insurance transaction tax	31.817	11.335
Income tax deducted from wages	33.449	9.571
Taxation on securities income	10.447	8.068
Foreign exchange transaction tax	45.618	2.230
Value added tax payable	4.546	1.116
Taxation on real estate income	770	480
Other	3.098	414
Total	1.345.039	72.208

a.3. Information on premiums

	Current Period	Prior Period
Social security premiums-employee	12.235	4.840
Social security premiums-employer	8.355	3.305
Unemployment insurance-employee	-	-
Unemployment insurance-employer	-	-
Bank pension fund premium- employees	-	-
Bank pension fund premium- employer	-	-
Pension fund membership fees and provisions-employees	1.888	480
Pension fund membership fees and provisions- employer	941	240
Other	-	137
Total	23.419	9.002

9. Liabilities for assets held for sale and discontinued operations

None (December 31, 2021: None).

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

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	-	4.110.376	-	2.669.412
Subordinated Loans	-	4.110.376	-	2.669.412
Subordinated Debt Instruments	-	-	-	-
Debt Instruments to be Included in the Contribution Capital Calculation	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Total	-	4.110.376	-	2.669.412

As of December 31, 2022 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

None (December 31, 2021: None).

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

Share Capital System	Paid-in Capital	Ceiling
Registered Capital	1.026.915	1.026.915

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.

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

12. Information on shareholders' equity (continued)

- 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 2021: None).

- 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	1.520.003	22.224	56.776	(11.452)
Foreign exchange difference	-	-	-	-
Total	1.520.003	22.224	56.776	(11.452)

- i. Information on other capital reserves**

As of December 31, 2022 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:

a. Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Forward Asset Purchase Commitments	4.307.375	1.121.875
Forward Asset Sale Commitments	4.369.088	640.535
Payment Commitments for Cheques	170.002	107.379
Tax and Fund Liabilities Arising from Export Commitments	-	-
Credit Cards Limit Commitments	-	-
Other Irrevocable Commitments	1.364.944	235.387
Total	10.211.409	2.105.176

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	9.845.271	4.880.620
Letters of Credit	200.437	522.524
Bank Loans	429.301	757.757
Other Guarantees and Sureties	-	-
Total	10.475.009	6.160.901

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

	Current Period	Prior Period
Temporary letters of guarantees	523.772	220.690
Advance letters of guarantees	854.173	494.061
Letters of guarantees given to customs	334.379	74.950
Long standing letters of guarantees	5.651.877	2.597.998
Letters of guarantees given for obtaining cash loans	2.475.291	1.460.050
Other	5.779	32.871
Total	9.845.271	4.880.620

c. Within the Non-cash Loans:

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

	Current Period	Prior Period
Non-cash loans given against cash loans	2.475.291	1.460.050
With original maturity of 1 year or less	206.803	305.832
With original maturity of more than 1 year	2.268.488	1.154.218
Other non-cash loans	7.736.118	645.126
Total	10.211.409	2.105.176

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

1. Explanations on off balance sheet (continued):

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

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

	Current Period			
	TL	(%)	FC	(%)
Agricultural	154.962	2,16	1.795	0,05
Farming and stockbreeding	300	-	-	-
Forestry	154.662	2,16	1.795	0,05
Fishery	-	-	-	-
Manufacturing	1.603.247	22,37	1.408.056	42,58
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
Construction	2.308.052	32,20	399.337	12,08
Services	2.513.432	35,06	1.134.294	34,30
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
Other	588.665	8,21	363.169	10,98
Total	7.168.358	100,00	3.306.651	100,00

	Prior Period			
	TL	(%)	FC	(%)
Agricultural	14.579	0,48	20.775	0,66
Farming and stockbreeding	-	-	-	-
Forestry	14.579	0,48	20.775	0,66
Fishery	-	-	-	-
Manufacturing	302.892	10,01	1.908.559	60,85
Mining	-	-	-	-
Production	277.305	9,17	1.876.943	59,84
Electricity, gas and water	25.587	0,85	31.616	1,01
Construction	1.430.970	47,31	100.610	3,21
Services	973.518	32,20	638.102	20,35
Wholesale and retail trade	661.215	21,86	497.166	15,85
Hotel, food and beverage services	40.192	1,33	-	-
Transportation and telecommunication	93.819	3,10	34.708	1,11
Financial Institutions	232	0,01	14.949	0,48
Real estate and renting services	6.499	0,21	-	-
Self-employment services	20.939	0,71	-	-
Education services	90.298	2,99	32.873	1,05
Health and social services	60.324	1,99	58.406	1,87
Other	302.475	10,00	468.421	14,93
Total	3.024.434	100,00	3.136.467	100,00

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

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

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

Current Period	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	2.993.110	3.136.467	30.874	-
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	-	-	-	-

Prior Period	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	2.993.110	3.136.467	30.874	-
Letters of guarantee	2.988.872	1.863.037	28.261	-
Bank loans	-	-	-	-
Letters of credit	738	519.173	2.613	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	3.500	754.257	-	-

2. Explanations on derivative transactions

	Derivative transactions according to purpose December 31, 2022	Derivative transactions according to purpose December 31, 2021
Trading Derivatives		
Foreign Currency Related Derivative Transactions (I)	10.231.101	6.800.647
Currency Forwards-Purchases, sales	912.033	549.415
Currency Swaps-Purchases, sales	9.319.068	6.251.232
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
Profit share Rate Related Derivative Transactions (II)	-	-
Profit share rates forwards-Purchase, sales	-	-
Profit share rates swaps-Purchases, sales	-	-
Profit share rates options-Purchases, sales	-	-
Profit share rates futures-Purchases, sales	-	-
Other Trading Derivatives (III)	-	-
A. Total Trading Derivatives (I + II + III)	10.231.101	6.800.647
Hedging Derivatives	-	-
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total Hedging Derivatives	-	-
Total Derivatives Transactions (A+B)	10.231.101	6.800.647

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

3. Explanations on credit derivatives and risk beared due to these

None (December 31, 2021: None).

4. Explanations on contingent assets and liabilities:

The Group has made a provision amounting to TL 5.090 (December 31, 2021: TL 5.331), as presented under "Other Provisions" note in Section Five Note II.6 .b, for the lawsuits opened by various real persons and legal entities against the Group with high probability of realization and cash outflows.

5. 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.

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
Profit share received from loans				
Short Term Loans	2.497.502	244.533	624.070	35.777
Medium and Long Term Loans	2.234.902	299.835	1.019.648	150.686
Profit Share on Non-Performing Loans	2.389	28	456	-
Total	4.734.793	544.396	1.644.174	186.463

b. Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	97.472	-	53.119	-
Domestic Banks	278	-	153	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	97.750	-	53.272	-

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)	85.789	24.977	41.372	20.595
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	2.052.998	94.343	249.306	29.416
Financial Assets Measured at Amortized Cost	452.189	160.753	-	86.046
Total	2.590.976	280.073	290.678	136.057

IV. Explanations and notes related to consolidated 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:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Income received from associates and subsidiaries	-	-	-	-
Total	-	-	-	-

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

Current Period		Profit Sharing Accounts						
Account Name	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 year	More than 1 year	Accumulated participation accounts	Total
TL								
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
Total	804.871	1.688.595	351.551	-	15.311	145.189	-	3.005.517
FC								
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
Total	26.881	217.563	39.724	-	6.662	392	-	291.222
Grand Total	831.752	1.906.158	391.275	-	21.973	145.581	-	3.296.739

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

IV. Explanations and notes related to consolidated the statement of income 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	Profit Sharing Accounts							
Account Name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	More than 1 years	Accumulated participation accounts	Total
TL								
Funds collected from banks through current and profit sharing accounts	735	40.765	-	-	-	-	-	41.500
Real persons' non-trading profit sharing accounts	15.617	58.244	1.445	-	227	4.803	-	80.336
Public sector profit sharing accounts	56.929	76.085	10.808	-	2.757	-	-	146.579
Commercial sector profit sharing accounts	105.549	462.828	12.225	-	8.521	9.802	-	598.925
Other institutions profit sharing accounts	3.028	59.696	14.117	-	-	-	-	76.841
Total	181.858	697.618	38.595	-	11.505	14.605	-	944.181
FC								
Banks	-	570	725	-	-	-	-	1.295
Real persons' non-trading profit sharing accounts	2.068	16.460	1.092	-	229	103	-	19.952
Public sector profit sharing accounts	-	98	-	-	-	-	-	98
Public sector profit sharing accounts	2.501	52.794	4.516	-	418	-	-	60.229
Other institutions profit sharing accounts	29	737	-	-	-	-	-	766
Precious metals deposits	2.285	-	-	-	-	-	-	2.285
Total	6.883	70.659	6.333	-	647	103	-	84.625
Grand Total	188.741	768.277	44.928	-	12.152	14.708	-	1.028.806

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	26.733	28.479	7.959	11.456
CBRT	-	-	-	-
Domestic banks	26.733	13.009	7.959	7.374
Foreign banks	-	15.470	-	4.082
Head offices and branches abroad	-	-	-	-
Other institutions	322	173.962	1.146	93.014
Total	27.055	202.441	9.105	104.470

c. Profit share expense paid to associates and subsidiaries:

None (December 31, 2021 :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	740.245	-	572.564	-
Total	740.245	-	572.564	-

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

Other Fees and Commissions Received	Current Period	Prior Period
Remittance Commissions	113.306	10.492
Banking service package commissions	85.815	16.056
Foreign trade service package commissions	64.318	15.836
Fees and commissions from correspondents	27.086	2.781
Other commission and service income received	13.744	3.504
Commercial customer credit limit allocation commission	8.633	962
Advance import transfer commissions	8.485	3.548
Insurance and brokerage commissions	8.218	2.401
Appraisal fees	7.516	4.153
Early closing commission income	6.020	2.390
Import letter of credit commissions	4.182	1.613
Import commissions against documents	1.691	2.078
Fees and commissions from member merchant pos	1.184	345
Bill of collection/check commissions	1.127	780
Credit card fees and commissions	1.071	218
Mortgage release and facility fee income	1.053	444
Safe deposit box revenues	848	293
Collection disbursement commissions	630	1.915
Export letter of credit commissions	491	176
Commissions from special package services	455	2
Import commissions against goods	275	31
Gr gold delivery and purchase commissions	60	33
Other commissions	18.698	3.503
Total	361.792	70.050

Other Fees and Commissions Given	Current Period	Prior Period
Expenses and commissions given to correspondents abroad	20.223	12.735
Required reserve commissions given for CBRT FX	105.299	1.274
Commissions and fees given for EFT	2.686	1.071
Gold precious metal expense	1.088	583
Commissions and fees given to the clearing house	865	449
Collection disbursement commissions	-	446
Commissions and fees given for credit cards	1.087	296
Commissions and fees given for Swift	34	243
Commissions given to credits used	235	138
Commissions and fees for Merchant POS	396	56
Commissions of collection note / check commissions	56	22
Safe deposit box fees paid to banks and branches	-	6
Exchange registration expenses	73	4
Other commissions and fees	3.595	755
Total	135.637	18.078

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

4. Information on dividend income:

None (December 31, 2021: None).

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

	Current Period	Prior Period
Income	11.285.906	3.720.748
Income from capital market transactions	14.414	27.770
Income from derivative financial instruments	1.585.983	606.380
Foreign exchange income	9.685.509	3.086.598
Loss (-)	9.424.636	3.664.246
Loss on capital market transactions	1.546	24.922
Loss on derivative financial instruments	956.645	722.551
Foreign exchange losses	8.466.445	2.916.773
Trading income/loss (net)	1.861.270	56.502

6. Explanations related to other operating income:

	Current Period	Prior Period
Income from provisions made in previous years	112.571	77.669
Income from sales of assets(*)	29.157	43.017
Revenues from provisions allocated in previous years	1.058	274
Cancellation of communication expenses provision	199	24
Lease income	8	8
Other income	11.664	9.655
Total	154.657	130.647

7. Expected loss provision expenses and other provision expenses:

	Current Period	Prior Period
Expected Credit Loss	787.594	110.242
12-month expected credit loss (stage 1)	690.040	96.469
Significant increase in credit risk (stage 2)	22.259	549
Non-performing loans (stage 3)	75.295	13.224
Marketable Securities Impairment Expense	3.065	6.024
Financial Assets at Fair Value through Profit or Loss	3.065	6.024
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	685.663	9.058
Total	1.476.322	125.324

(*) Other provision expense includes a free reserve of TL 642.414, a provision from profits to be distributed to participation accounts of TL 41.867, and a response expense of TL 1.382.

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

8. Information on other operating expenses:

	Current Period	Prior Period
Provision for severance pay liability	6.356	3.709
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	95.790	65.438
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	8.517	16.987
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	209.578	71.377
Lease expenses related to TFRS 16 exemptions	1.898	13
Operating Maintenance expenses	22.438	9.633
Advertisement expenses	73.151	10.052
Other expenses ⁽¹⁾	112.091	51.679
Loss on sale of assets	-	-
Other ⁽²⁾	103.697	46.302
Total	423.938	203.813

⁽¹⁾ Details of "Other Expenses" balance under Other Operating Expenses are as follows:

⁽³⁾ The severance provision expense amounts are included in the income statement's personnel expenses item.

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

8. Information on other operating expenses (continued):

	Current Period	Prior Period
Communication Expenses	23.260	13.685
Cleaning Expenses	18.886	9.102
Heating, Lighting and Water Expenses	18.449	5.608
Insurance Expenses	8.399	2.979
Vehicle Expenses	9.615	2.915
Representation and Hospitality expenses	628	2.705
Donations and grants	4.852	1.444
Stationery expenses	2.837	836
Participation on common expenses	1.253	771
Litigation and court expenses	974	565
Other	22.938	11.069
Total	112.091	51.679

(2) Other balance details are as below table:

	Current Period	Prior Period
Taxes, Duties, Charges and Funds	47.472	25.995
Audit and Consultancy Fees	15.895	7.835
Participation Share Expenses	4.624	2.886
Saving Deposit Insurance Fund	12.666	3.749
Other	23.040	5.837
Total	103.697	46.302

Fees for servies obtained from independent auditor/independent audit firm:

In accordance with the decision of the KGK dated March 26, 2021, the fee information fort he reporting period regarding the services received from the independent auditor or our independent audit firm is given in the table below. The fees for services rendered to the Parent Bank's domestic subsidiaries, as well as the Parent Bank, are included in the aforementioned fees, which are stated as VAT excluded.

	Current Period	Prior Period
Independent audit fee for the reporting period	1.134	908
Total	1.134	908

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

The portion of the Group's profit before tax amounting to TL 3.918.173 (December 31, 2021: TL 532.385) consists of net profit share income and TL 305.663 (December 31, 2021: TL 82.984) consists of net fee and commission expenses, and the total of other operating expenses is 417.582 TL (December 31, 2021: TL 203.813).

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, 2022, the Group has deferred tax income amounting to TL 1.349.214 (December 31, 2021: TL 100.119), deferred tax expense amounting to TL 288.676 (December 31, 2021: TL 94.228). As of December 31, 2022, the Group's current tax provision is TL 1.976.244 (December 31, 2021: 39.162).

Since the Group does not have any discontinued operations, there is no tax provision for discontinued operations (December 31, 2021: None).

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

The Group has no discontinued operations. The net profit for the period has been recorded as TL 3.729.501 (December 31, 2021: TL 188.464) as a result of deducting the period tax provision expense from TL 915.706 (December 31,, 2021: TL 45.053) to TL 2.813.795 (December 31,, 2021: TL 143.411).

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.

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

The 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. In the current period, the Bank has compensated TL 750.000 of the previous year's loss of TL 1.026.915 from other profit reserves with the decision of the General Assembly dated December 7, 2020.

1. Due to the application of the accounting for financial instruments in the current period information on increases that have occurred

a. Information on the increases that occurred after the revaluation of financial assets at fair value difference is reflected in other comprehensive income

In the current period, increases that occurred after the revaluation of financial assets at fair value difference is reflected in other comprehensive income is TL 1.450.168 (December 31, 2021: 34.618).

b. Information on increases in cash flow hedging items

None (December 31, 2021: None).

c. Increase after revaluation of tangible assets

None (December 31, 2021: None).

2. Due to the application of the accounting for financial instruments in the current period information about the decreases occurring

a. Information on the decreases occurring after the revaluation of financial assets at fair value difference is reflected in other comprehensive income

In the current period, decreases occurring after the revaluation of financial assets at fair value difference is reflected in other comprehensive income is TL 1.542.227 (December 31, 2021: 45.324).

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

2. Due to the application of the accounting for financial instruments in the current period information about the decreases occurring (continued):

b. Information on decreases in cash flow hedging items

None (December 31, 2021: None).

3. Information about dividends

a. Notified profit shares after the balance sheet date but before the announcement of the financial statements

As of the date of this report, the Group has not made any dividend notification.

b. Period net profit shares per share proposed to be distributed to shareholders after the balance sheet date

None.

4. Information on share issuance

a. For all capital share classes of the Bank; Rights, priorities and constraints related to this item, including restrictions on dividend distribution and reimbursement of capital

None (December 31, 2021: None).

b) Explanations on other capital increase items in the statement of changes in equity

None.

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.

Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
Cash	1.729.354	812.166
Cash in TL/foreign currency	275.301	135.297
Cash in transit	610.394	449.875
CBRT	843.659	226.994
Cash equivalents	1.533.115	910.842
Domestic banks	256.446	730.588
Foreign banks	1.276.669	180.254
Total cash and cash equivalents	3.262.469	1.723.008

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

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

Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
Cash	12.359.982	1.729.354
Cash in TL/foreign currency	295.171	275.301
Cash in transit	1.207.795	610.394
CBRT	10.857.016	843.659
Cash equivalents	4.887.831	1.533.115
Domestic banks	484.464	256.446
Foreign banks	4.403.367	1.276.669
Total cash and cash equivalents	17.247.813	3.262.469

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 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

Included in "Banking activity subject to assets and liabilities prior to change in operating profit" Other item amounting to TL 7.996.151 (December 31, 2021: TL 1.537.670) 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 1.744.945 (December 31, 2021: TL 1.438) 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 1.017.920 (December 31 2021: TL 661.570) in the accounting period ended on December 31, 2022.

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 Bank (*)	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
Loans and other receivables						
Balance at the beginning of period	-	-	-	-	-	-
Balance at the end of period	-	-	-	-	-	-
Profit Share and Commission Income	37.480	-	200	-	-	-

(*) 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.

b. Prior Period

Risk Group of the Parent Bank	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
Loans and other receivables						
Balance at the beginning of period	-	-	-	-	-	-
Balance at the end of period	-	-	-	-	-	-
Profit Share and Commission Income	-	-	-	-	-	-

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

Risk Group of the Parent Bank	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
Current and profit sharing accounts						
Balance at the beginning of period	128.021	94	-	-	-	-
Balance at the end of period	51.265	128.021	-	-	-	-
Profit share expense	14.180	318	-	-	-	-

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.

d. Information on benefits provided to the top management of the Parent Bank:

The total amount of wages and benefits provided to the top management of the Parent Bank for the period ended December 31, 2022 is TL 13.061 (December 31, 2021: TL 6.317).

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

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

	Number	Number of personnel			
Domestic Branches(*)	81	1.297			
			Country		
Foreign Representation Office	-	-		-	
				Total Assets (Thousand TL)	Statutory Share Capital
Foreign Branches	-	-	-	-	-
Off-Shore Branches	-	-	-	-	-

(*) The number of personnel in the Head Office is included in the number of domestic branch employees.

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

The Parent Bank has not open branches abroad in 2022. The Bank has opened 10 branches in different regions in the country.

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 3, 2023, TL 107.000 with 91 days maturity for domestic qualified investors,
- On January 4, 2023, TL 50.000 with 99 days maturity, for domestic qualified investors,
- On January 4, 2023, TL 230.000 with 92 days maturity, for domestic qualified investors,
- On January 4, 2023, TL 300.000 with 92 days maturity, for domestic qualified investors,
- On January 4, 2023, TL 270.000 with 92 days maturity, for domestic qualified investors,
- On January 5, 2023, TL 115.000 with 90 days maturity, for domestic qualified investors,
- On January 12, 2023, TL 400.000 with 90 days maturity, for domestic qualified investors,
- On February 1, 2023, TL 140.000 with 371 days maturity, for domestic qualified investors,
- On February 6, 2023, TL 55.000 with 92 days maturity, for domestic qualified investors,
- On February 9, 2023, TL 270.000 with 92 days maturity, for domestic qualified investors,
- On February 14, 2023, TL 110.000 with 92 days maturity, for domestic qualified investors,
- On February 15, 2023, TL 750.000 with 91 days maturity, for domestic qualified investors,
- On February 16, 2023, TL 250.000 with 95 days maturity, for domestic qualified investors,
- On February 20, 2023, TL 94.000 with 379 days maturity, for domestic qualified investors,
- On February 22, 2023, TL 163.500 with 99 days maturity, for domestic qualified investors,
- On February 22, 2023, TL 500.000 with 98 days maturity, for domestic qualified investors,
- On March 3, 2023 in domestic market for qualified investors with 370 days maturity TL 300.000 worth of lease certificate were issued.

In the issuance of the lease certificates the Bank was involved as the authorized investment institution.

Tax Procedure Law No. 547, numbered 32073, was published in the Official Gazette on January 14, 2023. With the Communiqué Amending the Communiqué (order no. 537), real estate and depreciable economic assets are now prohibited. The procedures and principles of the articles of law that permit asset revaluation edited. As a result, the Bank collects the depreciable real estate and economic assets in its balance sheet. To meet the requirements of Provisional Article 32 of the Tax Procedure Law and Repeated Article 298/ç. subject to revaluation. Thus, corporate tax, real estate tax, and depreciable tax will be paid based on the values discovered following the revaluation of economic assets.

An earthquake struck Turkey's southeastern region, affecting many of our cities. Thousands of people The ultimate magnitude of this earthquake, which caused death and injury, is currently unknown; however, studies to assess the impact on the Group's operations and financial position are currently in progress.

It was published in the Official Gazette a regulation removing the retirement age requirement for employees who began working before September 8, 1999, and ending on March 3, 2023. As a result of the number of premium days and insurance coverage from the relevant employees who have completed their term, those who have completed their term are eligible to retire. This regulation's severance pay is expected to have an impact on the timing and probability of completion. The aforementioned studies to assess the effects of regulation on the Groups's financial position or performance continue.

(Convenience Translation of the Independent Auditor's Report originally issued in Turkish)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

(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

Independent Auditor's Report

I. Explanations on the Independent Auditor's Report

The consolidated financial statements of the Group for the year-ended December 31, 2022 were audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst & Young Global Limited) and Auditors' Report dated March 10, 2023 is presented in the introduction of this report.

II. Explanations on the Independent Auditor's Report

None.



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