

**TÜRKİYE EMLAK KATILIM BANKASI ANONİM ŞİRKETİ**

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS AND  
RELATED DISCLOSURES AT SEPTEMBER 30, 2023 TOGETHER WITH  
INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT**

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



## AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

**(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I.a of Section Three)**

To the General Assembly of Türkiye Emlak Katılım Bankası Anonim Şirketi;

### *Introduction*

We have reviewed the consolidated balance sheet of Türkiye Emlak Katılım Bankası Anonim Şirketi ("the Bank") and its consolidated subsidiaries (collectively referred to as "the Group") at 30 September 2023 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the nine-month period then ended. The Group management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

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

### *Basis for the Qualified Conclusion*

As explained in Section Five Part II. 6.b of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 30 September 2023 include a free provision amounting to TL 642.414 thousand and related deferred tax amounting to TL 160.603 which was provided in prior year by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.



### *Qualified Conclusion*

Based on our review, except for the effects of the matter on the consolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial information do not present fairly in all material respects the consolidated financial position of Türkiye Emlak Katılım Bankası Anonim Şirketi and its consolidated subsidiaries at 30 September 2023 and its consolidated financial performance and its consolidated cash flows for the nine-month-period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

### *Other matter*

The consolidated financial statements of the Group as at and for the year ended 31 December 2022 and as at and for the nine-month period ended 30 September 2022 were audited and reviewed by another independent audit firm that expressed a qualified opinion in consequence of free provision and related deferred tax in the financial statements in audit report dated 10 March 2023 and unqualified conclusion in the auditor's review report dated 24 November 2022.

### *Report on other regulatory requirements arising from legislation*

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

### *Additional Paragraph for Convenience Translation:*

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 September 2023. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

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

Talar Gül, SMMM  
Independent Auditor

Istanbul, 23 November 2023

**THE CONSOLIDATED FINANCIAL REPORT OF TÜRKİYE EMLAK KATILIM BANKASI  
A.Ş. FOR THE THREE-MONTH PERIOD THEN ENDED SEPTEMBER 30, 2023**

Parent Bank's headquarter address : Barbaros Mahallesi, Begonya Sk. No:9A,  
34746 Ataşehir/İstanbul  
Parent Bank's phone number and facsimile : 0 (216) 266 26 26 - 0 (216) 275 25 25  
Parent Bank's website : www.emlakkatilim.com.tr  
Electronic mail contact info : bilgi@emlakbank.com.tr

The three month consolidated report, 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 INTERIM FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- AUDITORS' INTERIM REPORT
- INTERIM ACTIVITY REPORT

**Subsidiaries**

- Emlak Varlık Kiralama Şirketi A.Ş.
- Emlak Katılım Varlık Kiralama Şirketi A.Ş.

The consolidated financial statements and related disclosures and footnotes for the three month period; 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

**Onur GÖK**  
General Manager

**Mehmet Nuri YAZICI**  
Head of the Audit Committee

**Ramazan GÜNGÖR**  
Member of the Audit Committee

**Tuğba GEDİKLİ**  
Deputy General Manager of  
Finance

**Hakan ULUS**  
Official Reporting Manager

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

Name-Surname / Title : Hakan ULUS / Official Reporting Manager  
Telephone : 0 (216) 275 24 74  
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# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2023

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

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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 1 September 1946 and after this date the title of the Parent Bank had changed as Türkiye Emlak Kredi Bankası Anonim Ortaklığı. The Parent Bank had merged with Anadolu Bankası A.Ş. and assumed the title of Türkiye Emlak Bankası A.Ş as of 6 January 1988.

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

During the period in which the Türkiye Emlak Bankası A.Ş. operates, in addition to its banking activities has become serious brand in the construction of qualified housing projects in line with the its establishment purpose, and has produced important housing projects in many provinces of 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.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

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### General Information (Continued)

#### **I. History of the Parent Bank Including Its Incorporation Date, Initial Legal Status and Amendments to Legal Status**

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 together with its consolidated ownerships is referred to as the “Group” in the accompanying consolidated financial statements.

The Bank’s head office is located in Istanbul and there are 101 branches (including 1 e-branch) of the Bank as of September 30, 2023. (December 31, 2022: 80). The Bank is operating with 1.423 staff as of 30 September 2023 (December 31, 2022: 1.297).

#### **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.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### General Information (Continued)

#### 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	-
Mahmut KAÇAR(*)	Vice Chairman of the Board of Directors	Bachelor	-
Hasan SUVER	Member of BOD	Master	-
Mustafa ERDEM	Member of BOD	Bachelor	-
Mehmet Nuri YAZICI	Member of BOD and Chairman of the Audit Committee	Bachelor	-
Prof. Dr. Murat BALCI	Member of BOD	Doctorate	-
Ramazan GÜNGÖR(*)	Member of BOD and Audit Committee	Bachelor	-
Onur GÖK(**)	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	-

(\*) In accordance with the 2022 Ordinary General Assembly Decision held on 4 August 2023, Mr. Mahmut KAÇAR and Mr. Ramazan GÜNGÖR were appointed as Members of the Board of Directors of our Bank.

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

(\*\*\*) He was appointed as a member of the Audit Committee by the Board of Directors' decision dated 21 August 2023.

(\*\*\*\*) He resigned from his position on October 13, 2023.

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

#### 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,

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

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- 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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## CONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION) AS OF SEPTEMBER 30, 2023

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

ASSETS	Note (Fifth Section-I)	THOUSAND TL CURRENT PERIOD (30/09/2023)			THOUSAND TL PRIOR PERIOD (31/12/2022)		
		TL	FC	TOTAL	TL	FC	TOTAL
		<b>I. FINANCIAL ASSETS (NET)</b>		<b>17.814.324</b>	<b>60.204.802</b>	<b>78.019.126</b>	<b>9.579.432</b>
<b>1.1 Cash and cash equivalents</b>		<b>8.185.666</b>	<b>54.709.112</b>	<b>62.894.778</b>	<b>1.646.250</b>	<b>29.281.090</b>	<b>30.927.340</b>
1.1.1 Cash and Balances with Central Bank	(1)	8.187.173	41.837.216	50.024.389	1.644.787	24.437.793	26.082.580
1.1.2 Banks	(2)	2.044	12.956.652	12.958.696	2.447	4.885.384	4.887.831
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4 Expected Loss Provisions (-)		3.551	84.756	88.307	984	42.087	43.071
<b>1.2 Financial Assets Measured at Fair Value Through Profit/Loss (FVTPL)</b>	(3)	<b>463.318</b>	<b>1.573.410</b>	<b>2.036.728</b>	<b>1.496</b>	<b>943.463</b>	<b>944.959</b>
1.2.1 Government Debt Securities		1.663	1.573.410	1.575.073	1.496	943.463	944.959
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		461.655	-	461.655	-	-	-
<b>1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI)</b>	(4)	<b>9.015.771</b>	<b>3.920.760</b>	<b>12.936.531</b>	<b>7.926.770</b>	<b>2.514.615</b>	<b>10.441.385</b>
1.3.1 Government Debt Securities		9.008.112	3.920.760	12.928.872	7.919.111	2.514.615	10.433.726
1.3.2 Equity Securities		7.659	-	7.659	7.659	-	7.659
1.3.3 Other Financial Assets		-	-	-	-	-	-
<b>1.4 Derivative Financial Assets</b>	(5)	<b>149.569</b>	<b>1.520</b>	<b>151.089</b>	<b>4.916</b>	<b>12.681</b>	<b>17.597</b>
1.4.1 Derivative Financial Assets Measured at FVTPL		149.569	1.520	151.089	4.916	12.681	17.597
1.4.2 Derivative Financial Assets Measured at FVOCI		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)</b>		<b>49.737.129</b>	<b>18.146.419</b>	<b>67.883.548</b>	<b>37.583.957</b>	<b>16.495.311</b>	<b>54.079.268</b>
<b>2.1 Loans</b>	(6)	<b>43.132.287</b>	<b>11.931.755</b>	<b>55.064.042</b>	<b>31.374.318</b>	<b>12.432.021</b>	<b>43.806.339</b>
<b>2.2 Lease Receivables</b>	(8)	<b>328.407</b>	<b>120.647</b>	<b>449.054</b>	<b>373.586</b>	<b>112.696</b>	<b>486.282</b>
<b>2.3 Other Financial Assets Measured at Amortized Cost</b>	(7)	<b>6.712.116</b>	<b>6.240.407</b>	<b>12.952.523</b>	<b>6.300.593</b>	<b>4.139.848</b>	<b>10.440.441</b>
2.3.1 Government Debt Securities		6.712.116	6.240.407	12.952.523	6.300.593	4.139.848	10.440.441
2.3.2 Other Financial Assets		-	-	-	-	-	-
<b>2.4 Expected Loss Provisions(-)</b>	(6)	<b>435.681</b>	<b>146.390</b>	<b>582.071</b>	<b>464.540</b>	<b>189.254</b>	<b>653.794</b>
<b>III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(9)	<b>8.304</b>	<b>-</b>	<b>8.304</b>	<b>5.242</b>	<b>-</b>	<b>5.242</b>
3.1 Asset Held for Sale		8.304	-	8.304	5.242	-	5.242
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>IV. PARTNERSHIP INVESTMENTS</b>		<b>22.500</b>	<b>-</b>	<b>22.500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4.1 Associates (Net)</b>	(10)	<b>22.500</b>	<b>-</b>	<b>22.500</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		22.500	-	22.500	-	-	-
<b>4.2 Subsidiaries (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.2.1 Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
<b>4.3 Joint Ventures (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (NET)</b>	(11)	<b>768.164</b>	<b>-</b>	<b>768.164</b>	<b>432.288</b>	<b>-</b>	<b>432.288</b>
<b>VI. INTANGIBLE ASSETS (NET)</b>	(12)	<b>255.028</b>	<b>-</b>	<b>255.028</b>	<b>100.413</b>	<b>-</b>	<b>100.413</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		255.028	-	255.028	100.413	-	100.413
<b>VII. INVESTMENT PROPERTY (NET)</b>	(13)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. DEFERRED TAX ASSETS</b>	(14)	<b>291.663</b>	<b>-</b>	<b>291.663</b>	<b>664.594</b>	<b>-</b>	<b>664.594</b>
<b>X. OTHER ASSETS</b>	(15)	<b>2.343.121</b>	<b>13.562</b>	<b>2.356.683</b>	<b>1.338.254</b>	<b>3.874</b>	<b>1.342.128</b>
<b>TOTAL ASSETS</b>		<b>71.240.233</b>	<b>78.364.783</b>	<b>149.605.016</b>	<b>49.704.180</b>	<b>49.251.034</b>	<b>98.955.214</b>

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## CONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION) AS OF SEPTEMBER 30, 2023

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

LIABILITIES	Note (Fifth Section-II)	THOUSAND TL			THOUSAND TL		
		CURRENT PERIOD (30/09/2023)			PRIOR PERIOD (31/12/2022)		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>I. FUNDS COLLECTED</b>	(1)	42.938.256	75.376.453	118.314.709	34.889.415	44.282.608	79.172.023
<b>II. FUNDS BORROWED</b>	(2)	207.257	659.325	866.582	149.370	749.565	898.935
<b>III. MONEY MARKET FUNDS</b>		-	-	-	-	-	-
<b>IV. SECURITIES ISSUED (Net)</b>		9.651.789	-	9.651.789	5.031.689	-	5.031.689
<b>V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VI. DERIVATIVE FINANCIAL LIABILITIES</b>		3.523	-	3.523	2.261	11.536	13.797
6.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(3)	3.523	-	3.523	2.261	11.536	13.797
6.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5)	-	-	-	-	-	-
<b>VII. LEASE PAYABLES (NET)</b>	(4)	410.293	-	410.293	278.248	-	278.248
<b>VIII. PROVISIONS</b>	(6)	849.311	261.514	1.110.825	938.875	106.829	1.045.704
8.1 General Provisions		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		75.402	-	75.402	138.275	-	138.275
8.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4 Other Provisions		773.909	261.514	1.035.423	800.600	106.829	907.429
<b>IX. CURRENT TAX LIABILITY</b>	(7)	1.344.815	-	1.344.815	1.368.458	-	1.368.458
<b>X. DEFERRED TAX LIABILITY</b>	(8)	-	-	-	-	-	-
<b>XI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(9)	-	-	-	-	-	-
11.1 Held for Sale Purpose		-	-	-	-	-	-
11.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XII. SUBORDINATED DEBT INSTRUMENTS</b>	(10)	-	6.215.605	6.215.605	-	4.110.376	4.110.376
12.1 Loans		-	6.215.605	6.215.605	-	4.110.376	4.110.376
12.2 Other Debt Instruments		-	-	-	-	-	-
<b>XIII. OTHER LIABILITIES</b>	(11)	672.152	844.304	1.516.456	563.335	444.632	1.007.967
<b>XIV. SHAREHOLDERS' EQUITY</b>	(12)	10.131.982	38.437	10.170.419	6.005.793	22.224	6.028.017
14.1 Paid-in capital		1.026.915	-	1.026.915	1.026.915	-	1.026.915
14.2 Capital Reserves		39.272	-	39.272	33.186	-	33.186
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserve		39.272	-	39.272	33.186	-	33.186
14.3 Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		(17.839)	-	(17.839)	(19.114)	-	(19.114)
14.4 Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		1.423.356	38.437	1.461.793	1.520.003	22.224	1.542.227
14.5 Profit Reserves		3.434.584	-	3.434.584	630.721	-	630.721
14.5.1 Legal Reserves		428.286	-	428.286	287.788	-	287.788
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		3.006.298	-	3.006.298	342.933	-	342.933
14.5.4 Other Profit Reserves		-	-	-	-	-	-
14.6 Income or (Loss)		4.225.694	-	4.225.694	2.814.082	-	2.814.082
14.6.1 Prior Periods' Income or (Loss)		4.133	-	4.133	287	-	287
14.6.2 Current Period Income or (Loss)		4.221.561	-	4.221.561	2.813.795	-	2.813.795
<b>TOTAL LIABILITIES</b>		<b>66.209.378</b>	<b>83.395.638</b>	<b>149.605.016</b>	<b>49.227.444</b>	<b>49.727.770</b>	<b>98.955.214</b>

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET AS OF SEPTEMBER 30, 2023

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

STATEMENT OF OFF BALANCE SHEET	Note (Fifth Section- III)	THOUSAND TL			THOUSAND TL		
		CURRENT PERIOD (30/09/2023)			PRIOR PERIOD (31/12/2022)		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>A. OFF BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>26.402.862</b>	<b>15.289.274</b>	<b>41.692.136</b>	<b>13.582.886</b>	<b>17.334.633</b>	<b>30.917.519</b>
<b>I. GUARANTEES AND SURETIES</b>	(1)	<b>11.360.969</b>	<b>4.337.768</b>	<b>15.698.737</b>	<b>7.168.358</b>	<b>3.306.651</b>	<b>10.475.009</b>
1.1 Letters of Guarantees		11.338.597	3.532.137	14.870.734	7.164.657	2.680.614	9.845.271
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		11.338.597	3.532.137	14.870.734	7.164.657	2.680.614	9.845.271
1.2 Bank Loans		22.372	57.236	79.608	3.701	196.736	200.437
1.2.1 Import Letter of Acceptances		22.372	57.236	79.608	3.701	196.736	200.437
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letter of Credits		-	748.395	748.395	-	429.301	429.301
1.3.1 Documentary Letter of Credits		-	748.395	748.395	-	429.301	429.301
1.3.2 Other Letter of Credits		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Other Guarantees		-	-	-	-	-	-
1.7 Other Collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(1)	<b>9.023.586</b>	<b>5.110.865</b>	<b>14.134.451</b>	<b>5.577.597</b>	<b>4.633.812</b>	<b>10.211.409</b>
2.1 Irrevocable Commitments		9.023.586	5.110.865	14.134.451	5.577.597	4.633.812	10.211.409
2.1.1 Asset Purchase and Sale Commitments		274.209	4.623.725	4.897.934	67.720	4.301.368	4.369.088
2.1.2 Share Capital Commitment to Associates and Subsidiaries		67.500	-	67.500	-	-	-
2.1.3 Loan Granting Commitments		8.382.624	-	8.382.624	4.307.375	-	4.307.375
2.1.4 Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6 Payment Commitment for Cheques		299.253	-	299.253	170.002	-	170.002
2.1.7 Tax And Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.8 Commitments for Credit Card Expenditure Limits		-	-	-	-	-	-
2.1.9 Commitments for Promotions Related with Credit Cards and Banking Activities		-	-	-	-	-	-
2.1.10 Receivables From Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Other Irrevocable Commitments		-	487.140	487.140	1.032.500	332.444	1.364.944
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>6.018.307</b>	<b>5.840.641</b>	<b>11.858.948</b>	<b>836.931</b>	<b>9.394.170</b>	<b>10.231.101</b>
3.1 Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1 Fair Value Hedge		-	-	-	-	-	-
3.1.2 Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2 Held for Trading Transactions	(3)	6.018.307	5.840.641	11.858.948	836.931	9.394.170	10.231.101
3.2.1 Forward Foreign Currency Buy/Sell Transactions		512.643	492.825	1.005.468	463.718	448.315	912.033
3.2.1.1 Forward Foreign Currency Transactions-Buy		256.840	247.127	503.967	225.427	231.190	456.617
3.2.1.2 Forward Foreign Currency Transactions-Sell		255.803	245.698	501.501	238.291	217.125	455.416
3.2.2 Other Forward Buy/Sell Transactions		5.505.664	5.347.816	10.853.480	373.213	8.945.855	9.319.068
3.3 Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>522.982.348</b>	<b>45.596.789</b>	<b>568.579.137</b>	<b>329.532.626</b>	<b>27.260.409</b>	<b>356.793.035</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>26.033.792</b>	<b>11.780.001</b>	<b>37.813.793</b>	<b>22.338.186</b>	<b>7.653.917</b>	<b>29.992.103</b>
4.1 Assets Under Management		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		6.655.036	1.415.713	8.070.749	5.748.785	679.660	6.428.445
4.3 Cheques Received for Collection		7.780.271	127.423	7.907.694	4.744.393	240.789	4.985.182
4.4 Commercial Notes Received for Collection		752.429	-	752.429	650.398	-	650.398
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		15.397	-	15.397	10.638	-	10.638
4.8 Custodians		10.830.659	10.236.865	21.067.524	11.183.972	6.733.468	17.917.440
<b>V. PLEDGED ITEMS</b>		<b>496.948.556</b>	<b>33.816.788</b>	<b>530.765.344</b>	<b>307.194.440</b>	<b>19.606.492</b>	<b>326.800.932</b>
5.1 Marketable Securities		819.864	-	819.864	572.427	-	572.427
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodity		8.338.814	2.945.111	11.283.925	5.801.967	377.970	6.179.937
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		73.806.366	-	73.806.366	37.477.419	-	37.477.419
5.6 Other Pledged Items		413.983.512	30.871.677	444.855.189	263.342.627	19.228.522	282.571.149
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		-	-	-	-	-	-
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>549.385.210</b>	<b>60.886.063</b>	<b>610.271.273</b>	<b>343.115.512</b>	<b>44.595.042</b>	<b>387.710.554</b>

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF MARCH 31, 2023

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

	Note (Fifth Section- IV)	THOUSAND TL	THOUSAND TL	THOUSAND TL	THOUSAND TL
		Current period 1 January – 30 September 2023	Previous period 1 January – 30 September 2022	Current period (for 3 months) 1 July – 30 September 2023	Previous period (for 3 months) 1 July – 30 September 2022
<b>STATEMENT OF PROFIT AND LOSS</b>					
<b>I. PROFIT SHARE INCOME</b>	(1)	<b>10.051.280</b>	<b>5.037.116</b>	<b>4.054.652</b>	<b>2.153.755</b>
1.1 Profit Share on Loans		6.282.961	3.449.283	2.518.162	1.620.615
1.2 Income Received from Reserve Deposits		595.423	18.732	254.169	-
1.3 Income Received from Banks		2.899	210	1.532	134
1.4 Income Received from Money Market Placements		-	340	-	159
1.5 Income Received from Marketable Securities Portfolio		3.088.551	1.537.767	1.255.371	520.327
1.5.1 Financial Assets at Fair Value Through Profit and Loss		304.400	50.545	105.178	17.495
1.5.2 Financial Assets at Fair Value through Other Comprehensive Income		1.788.376	1.252.893	758.444	376.683
1.5.3 Financial Assets Measured at Amortised Cost		995.775	234.329	391.749	126.149
1.6 Finance Lease Income		72.312	29.152	22.405	11.525
1.7 Other Profit Share Income		9.134	1.632	3.013	995
<b>II. PROFIT SHARE EXPENSE (-)</b>	(2)	<b>6.130.524</b>	<b>2.978.405</b>	<b>2.729.859</b>	<b>1.365.082</b>
2.1 Expense on Profit Sharing Accounts		4.401.615	2.228.538	1.988.090	1.091.608
2.2 Profit Share Expense on Funds Borrowed		301.900	156.654	106.085	62.295
2.3 Profit Share Expense on Money Market Borrowings		12.621	60.868	477	9.668
2.4 Expense on Securities Issued		1.345.779	497.078	608.868	186.858
2.5 Lease Profit Share Expense		68.609	34.798	26.339	14.652
2.6 Other Profit Share Expenses		-	469	-	1
<b>III. NET PROFIT SHARE INCOME (I - II)</b>		<b>3.920.756</b>	<b>2.058.711</b>	<b>1.324.793</b>	<b>788.673</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>1.641.197</b>	<b>240.974</b>	<b>757.807</b>	<b>127.226</b>
4.1 Fees and Commissions Received		1.686.487	260.999	775.836	136.816
4.1.1 Non-Cash Loans		102.568	52.848	39.013	22.377
4.1.2 Other	(3)	1.583.919	208.151	736.823	114.439
4.2 Fees and Commissions Paid (-)		45.290	20.025	18.029	9.590
4.2.1 Non-Cash Loans		164	101	100	24
4.2.2 Other	(3)	45.126	19.924	17.929	9.566
<b>V. DIVIDEND INCOME</b>	(4)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VI. NET TRADING INCOME</b>	(5)	<b>3.567.834</b>	<b>553.930</b>	<b>1.229.584</b>	<b>459.939</b>
6.1 Capital Market Transaction Gains / (Losses)		14.044	8.412	4.412	727
6.2 Gains/ (Losses) from Derivative Financial Instruments		(776.502)	742.857	143.861	419.775
6.3 Foreign Exchange Gains / (Losses)		4.330.292	(197.339)	1.081.311	39.437
<b>VII. OTHER OPERATING INCOME</b>	(6)	<b>396.196</b>	<b>66.735</b>	<b>121.957</b>	<b>10.616</b>
<b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>9.525.983</b>	<b>2.920.350</b>	<b>3.434.141</b>	<b>1.386.454</b>
<b>IX. PROVISION FOR EXPECTED LOSS (-)</b>	(7)	<b>282.377</b>	<b>326.016</b>	<b>80.216</b>	<b>108.371</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	(7)	<b>98.532</b>	<b>43.536</b>	<b>(3.716)</b>	<b>10.168</b>
<b>XI. PERSONNEL EXPENSES (-)</b>		<b>705.650</b>	<b>314.347</b>	<b>279.535</b>	<b>117.984</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	(8)	<b>1.689.193</b>	<b>264.336</b>	<b>244.555</b>	<b>92.881</b>
<b>XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>6.750.231</b>	<b>1.972.115</b>	<b>2.833.551</b>	<b>1.057.050</b>
<b>XIV. INCOME RESULTED FROM MERGERS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GAIN/LOSS ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PROFIT/LOSS FROM PARTNERSHIPS USING THE EQUITY METHOD</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVI. PROFIT/LOSS BEFORE TAXES (XIII+...+XV)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII. PROVISION FOR TAXES (±)</b>		<b>6.750.231</b>	<b>1.972.115</b>	<b>2.833.551</b>	<b>1.057.050</b>
<b>XVIII. TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	(10)	<b>2.528.670</b>	<b>505.888</b>	<b>1.615.576</b>	<b>277.562</b>
18.1 Current Tax Provision		2.247.925	761.196	1.160.851	220.653
18.2 Deferred Tax Expense (+)		1.900.791	237.285	763.274	149.208
18.3 Deferred Tax Income (-)		1.620.046	492.593	308.549	92.299
<b>XIX. NET OPERATING PROFIT/LOSS AFTER TAXES (XVI±XVII)</b>	(9)	<b>4.221.561</b>	<b>1.466.227</b>	<b>1.217.975</b>	<b>779.488</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
20.1 Income from Assets Held for Sale		-	-	-	-
20.2 Income from Sale of Associates, Subsidiaries and Joint-Ventures		-	-	-	-
20.3 Income from Other DisContinued Operations		-	-	-	-
<b>XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
21.1 Expenses on Assets Held for Sale		-	-	-	-
21.2 Expenses on Sale of Associates, Subsidiaries and Joint-Ventures		-	-	-	-
21.3 Expenses from Other DisContinued Operations		-	-	-	-
<b>XXII. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XIX-XX)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXIII. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)</b>	(9)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
23.1 Current Tax Provision		-	-	-	-
23.2 Deferred Tax Expense (+)		-	-	-	-
23.3 Deferred Tax Income (-)		-	-	-	-
<b>XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXV. NET PROFIT/LOSS (XVIII+XXIII)</b>		<b>4.221.561</b>	<b>1.466.227</b>	<b>1.217.975</b>	<b>779.488</b>
Earnings Per Share		0,04111	0,01428	0,01186	0,00759

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF SEPTEMBER 31, 2023

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

	THOUSAND TL	THOUSAND TL
	CURRENT PERIOD (01/01/2023- 30/09/2023)	PRIOR PERIOD 01/01/2022- 30/09/2022)
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
<b>I. CURRENT PERIOD PROFIT/LOSS</b>	<b>4.221.561</b>	<b>1.466.227</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>(79.159)</b>	<b>1.396.608</b>
<b>2.1 Other Income/Expense Items not to be Recycled to Profit or Loss</b>	<b>1.275</b>	<b>-</b>
2.1.1 Revaluation Surplus on Tangible Assets	-	-
2.1.2 Revaluation Surplus on Intangible Assets	-	-
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses	-	-
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	1.275	-
<b>2.2 Other Income/Expense Items to be Recycled to Profit or Loss</b>	<b>(80.434)</b>	<b>1.396.608</b>
2.2.1 Translation Differences	-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Fair Value through Other Comprehensive Income	(177.898)	1.860.967
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	97.464	(464.359)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>4.142.402</b>	<b>2.862.835</b>

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF SEPTEMBER 30, 2023

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

Current Period (01.01.2023- 30.09.2023)	Paid-in Capital	Share Premium	Share Cancellatio n Profits	Other Capital Reserves <sup>(*)</sup>	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity Except for Minority Interests	Total Shareholders' Equity
					1	2	3	4	5	6					
<b>I. Balances at Beginning Period</b>	<b>1.026.915</b>	-	-	<b>33.186</b>	-	(19.114)	-	-	<b>1.542.227</b>	-	<b>630.721</b>	<b>287</b>	<b>2.813.795</b>	<b>6.028.017</b>	<b>1.026.915</b>
<b>II. Correction made as per TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Adjusted Balances at Beginning of Period (I+II)</b>	<b>1.026.915</b>	-	-	<b>33.186</b>	-	(19.114)	-	-	<b>1.542.227</b>	-	<b>630.721</b>	<b>287</b>	<b>2.813.795</b>	<b>6.028.017</b>	<b>1.026.915</b>
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	<b>1.275</b>	-	-	<b>(80.434)</b>	-	-	-	<b>4.221.561</b>	<b>4.142.402</b>	-
<b>V. Capital Increase in Cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase from Internal Sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Adjustments to Paid-in Capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Other Changes</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>	-	-	-	<b>6.086</b>	-	-	-	-	-	-	<b>2.803.863</b>	<b>3.846</b>	<b>(2.813.795)</b>	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	6.086	-	-	-	-	-	-	2.803.863	-	(2.809.949)	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	3.846	(3.846)	-	-
<b>Balances at end of the period (III+IV...+X+XI)</b>	<b>1.026.915</b>	-	-	<b>39.272</b>	-	(17.839)	-	-	<b>1.461.793</b>	-	<b>3.434.584</b>	<b>4.133</b>	<b>4.221.561</b>	<b>10.170.419</b>	<b>1.026.915</b>

1. Revaluation surplus on tangible and intangible assets,

2. Defined Benefit Plans' Actuarial Gains/Losses,

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

4. Foreign Currency Translation Differences,

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

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

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF SEPTEMBER 30, 2023

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

	Prior Period (01.01.2022 – 30.09.2022)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves(*)	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
						1	2	3	4	5	6				
<b>I. Balances at Beginning Period</b>	<b>1.026.915</b>	-	-	-	<b>23.088</b>	-	(1.411)	-	-	<b>45.324</b>	-	<b>485.999</b>	<b>5.424</b>	<b>143.411</b>	<b>1.728.750</b>
<b>II. Correction made as per TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Adjusted Balances at Beginning of Period (I+II)</b>	<b>1.026.915</b>	-	-	-	<b>23.088</b>	-	(1.411)	-	-	<b>45.324</b>	-	<b>485.999</b>	<b>5.424</b>	<b>143.411</b>	<b>1.728.750</b>
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	-	<b>1.396.608</b>	-	-	-	<b>1.466.227</b>	<b>2.862.835</b>
<b>V. Capital Increase in Cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase from Internal Sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Adjustments to Paid-in Capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Other Changes</b>	-	-	-	-	<b>10.098</b>	-	-	-	-	-	-	(3.796)	-	-	<b>6.302</b>
<b>XI. Profit Distribution</b>	-	-	-	-	-	-	-	-	-	-	-	<b>148.518</b>	(5.137)	(143.411)	(30)
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	148.518	(148.548)	-	(30)
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	143.411	(143.113)	298
<b>Balances at end of the period (III+IV...+X+XI)</b>	<b>1.026.915</b>	-	-	-	<b>33.186</b>	-	(1.411)	-	-	<b>1.441.932</b>	-	<b>630.721</b>	-	<b>1.461.798</b>	<b>4.597.857</b>

1. Revaluation surplus on tangible and intangible assets,

2. Defined Benefit Plans' Actuarial Gains/Losses,

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

4. Foreign Currency Translation Differences,

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

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

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## CONSOLIDATED STATEMENT OF CASH FLOWS AS OF SEPTEMBER 30, 2023

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

STATEMENT OF CASH FLOWS	THOUSAND TL	THOUSAND TL
	CURRENT PERIOD (01/01/2023- 30/09/2023)	PRIOR PERIOD (01/01/2022- 30/09/2022)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating Profit Before Changes In Assets And Liabilities from Banking Operations</b>	<b>(15.866.581)</b>	<b>687.750</b>
1.1.1 Profit Share Income Received	9.785.800	4.446.334
1.1.2 Profit Share Expense Paid	(5.443.738)	(2.824.558)
1.1.3 Dividend Received	-	-
1.1.4 Fees and Commissions Received	1.686.487	260.999
1.1.5 Other Income	210.821	61.019
1.1.6 Collections from Previously Written off Loans	77.961	14.040
1.1.7 Payments to Personnel and Service Suppliers	(705.650)	(387.764)
1.1.8 Taxes Paid	(2.331.363)	(556.923)
1.1.9 Others	(19.146.899)	(325.397)
<b>1.2 Changes in Assets and Liabilities from Banking Operations</b>	<b>6.642.418</b>	<b>20.493.514</b>
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(829.576)	136.188
1.2.2 Net (Increase) Decrease in Due From Banks and Other Financial Institutions	(8.611.787)	(6.492.880)
1.2.3 Net (Increase) Decrease in Loans	(5.909.031)	(15.613.367)
1.2.4 Net (Increase) Decrease in Other Assets	1.782.426	622.939
1.2.5 Net Increase (Decrease) in Bank Deposits	1.203.496	94.532
1.2.6 Net Increase (Decrease) in Other Deposits	23.143.512	43.302.774
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	32.353	(130.401)
1.2.9 Net Increase (Decrease) in Matured Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	(4.168.975)	(1.426.271)
<b>I. Net Cash Flows from Banking Operations</b>	<b>(9.224.163)</b>	<b>21.181.264</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net cash flow from investing activities</b>	<b>(2.188.458)</b>	<b>(8.095.300)</b>
2.1 Cash Paid For Acquisition of Investments, Associates and Subsidiaries	(22.500)	-
2.2 Cash Obtained From Disposal of Investments, Associates and Subsidiaries	-	-
2.3 Purchases of Property and Equipment	(338.938)	(81.462)
2.4 Disposals of Property and Equipment	-	17.825
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(1.672.405)	(5.149.589)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income	-	114.034
2.7 Purchase of Financial Assets Measured at Amortised Cost	-	(2.943.426)
2.8 Sale of Financial Assets Measured at Amortised Cost	-	-
2.9 Other	(154.615)	(52.682)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net Cash Flows from Financing Activities</b>	<b>2.367.615</b>	<b>5.000.492</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued	80.004.581	46.685.730
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	(77.636.966)	(41.652.372)
3.3 Issued Capital Instruments	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	-	(32.866)
3.6 Other	-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>32.445.893</b>	<b>2.980.280</b>
<b>V. Net increase/(decrease) in cash and cash equivalents</b>	<b>23.400.887</b>	<b>21.066.736</b>
<b>VI. Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>17.247.813</b>	<b>3.262.469</b>
<b>VII. Cash and Cash Equivalents at the End of the period</b>	<b>40.648.700</b>	<b>24.329.205</b>

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### SECTION THREE

#### ACCOUNTING POLICIES

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

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

The 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 1 November 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 TFRS 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. The accounting policies and valuation principles related with current period are explained in Notes II to XXIII below.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Accounting Policies (Continued)

#### I. Explanations on basis of presentation (Continued)

##### b. Accounting policies and valuation principles applied in the preparation of consolidated financial statements (Continued)

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 September 30, 2023 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 September 30, 2023.

The February 2023 earthquake disaster in Kahramanmaraş and surrounding provinces the consequences have been reviewed, and the impact on the financial statements is being assessed.

##### c. Comparative information and classifications:

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

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

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.

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.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Accounting Policies (Continued)

#### II. Explanations on strategy of using financial instruments and foreign currency transactions (Continued)

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.

#### 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 8 November 2006 and the “Consolidated Financial Statements” (“TFRS 10”).

##### a. Consolidation principles for subsidiaries

Subsidiaries (including special purpose entity) are all entities, in which the Group has power to control the financial and operating policies for the benefit of the Parent Bank, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the using rights, otherwise having the power to exercise control over the financial and operating policies.

Control is evident when the Parent Bank owns, either directly or indirectly, the majority of the share capital of the company or owns the privileged shares or owns the right of controlling the operations of the company in accordance with the agreements made with other shareholders or owns the right of appointment or the designation of the majority of the board of directors of the company.

Subsidiaries are consolidated with full consolidation method by considering the outcomes of their activities and the size of their assets and shareholders' equity in scope of the materiality principle.

Financial statements of the related subsidiaries are included in the consolidated financial statements beginning from the date control on their activities are transferred to the Group. Subsidiaries will be excluded from the scope of consolidation at the date that control is over. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In accordance with the full consolidation method, balance sheet, income statement and off balance sheet items of the subsidiaries have been 100% consolidated line by line with the balance sheet, income statement and off balance sheet of the Parent Bank. The book value of the investments of the Group in each subsidiary has been netted off with the portion of each subsidiary's capital that belongs to the Group. Unrealized gains and losses and balances resulting from the transactions among the subsidiaries included in consolidation have been eliminated. In order to determine the net income of the Group, minority shares in the net income of the consolidated subsidiaries have been identified and deducted from the net income of the subsidiary.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Accounting Policies (Continued)

#### III. Information on consolidated associates (Continued)

##### a. Consolidation principles for subsidiaries (Continued)

Emlak Varlık Kiralama A.Ş. which is subsidiary of the Parent Bank was established and registered to the trade registry in 20 January 2020 with the permission taken from “Banking Regulation and Supervision Agency” and “Capital Markets Board of Turkey”. Emlak Varlık Kiralama A.Ş has been founded to operate lease certificate (III – 61.1) according to rulings of Capital Markets Board of Turkey which was dated 7 June 2013 and numbered 28760 serial: 3 no: 61.1 published in Official Gazette. Emlak Varlık Kiralama A.Ş. was established on 5 August 2019 with TL 50 capital amount paid by the Parent Bank. It began to operate after the registration on 5 August 2019.

Emlak Katılım Varlık Kiralama A.Ş, 100% subsidiaries of the Parent Bank was established and registered to the trade registry in 20 January 2020 with the permission taken from “Banking Regulation and Supervision Agency” and “Capital Markets Board of 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.	Istanbul/Turkey	Lease Certificate Issue	100	100
Emlak Katılım Varlık Kiralama A.Ş.	Istanbul/Turkey	Lease Certificate Issue	100	100

##### b. Presentation of affiliates, subsidiaries and joint ventures that are not in the scope of consolidation in the consolidated financial statements

“The Group has no consolidated subsidiaries, associates or joint ventures that are not in the scope of consolidation.”

#### IV. Explanations on forward, option contracts and derivative instruments

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

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

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Accounting Policies (Continued)

#### V. Explanations on profit share income and expenses

##### *Profit share income*

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

##### *Profit share expense*

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

#### VI. Explanations on fees, commission income and expenses

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

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

#### 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". The relevant classification is determined by the contractual cash flow characteristics of financial assets at the time of initial recognition. 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.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Accounting Policies (Continued)

#### VII. Explanations on financial assets and liabilities (Continued)

##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are 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 or 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.

##### Financial assets and liabilities measured at amortized cost:

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

Financial assets that are held for collection of contractual cash flows within the scope of business model where those cash flows represent solely payments of principal and profit share on certain dates are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs, which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective internal rate of return method. Profit share income obtained from financial assets measured at amortized cost is accounted in income statement.

#### 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.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Accounting Policies (Continued)

#### VIII. Explanations on expected credit losses (Continued)

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).

#### 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:

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Accounting Policies (Continued)

#### VIII. Explanations on expected credit losses (Continued)

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

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

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

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

The Group classifies financial assets as stage 2 by considering the following criterias:

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

##### 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 (In this case, the customer is followed as default on the 31st day),
- Restructured loans and classified as performing loan and that have been structured at least once more during the one-year monitoring period.

#### IX. Explanations on offsetting of financial instruments

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

#### X. Explanations on sale and repurchase agreements and lending of securities

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Accounting Policies (Continued)

#### **XI. Explanations on assets held for sale and discontinued operations and liabilities related to these assets**

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

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

The Group has no discontinued operations.

#### **XII. Explanations on goodwill and other intangible assets**

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

As of September 30, 2023, there is no goodwill in the financial statements of the Group. (December 31, 2022: None).

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

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

#### **XIII. Explanations on tangible assets**

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

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.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Accounting Policies (Continued)

#### XIII. Explanations on tangible assets (Continued)

The annual rates used are as follows:

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

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

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

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

#### XIV. Explanations on leasing transactions

The Group applies the TFRS 16 leases standard.

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

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

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

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

#### Existence of right to use

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

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

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

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

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Accounting Policies (Continued)

#### XIV. Explanations on leasing transactions (Continued)

##### The lease obligations

At the effective date of the lease, the Group measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the lease's implied profit share rate, if that rate is easily determined. If this ratio cannot be easily calculated, the Group employs its alternative borrowing dividend ratio.

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

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

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

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

#### XV. Explanations on provisions and contingent liabilities

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

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

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

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

#### XVI. Explanations on liabilities regarding employee rights

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

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

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Accounting Policies (Continued)

#### XVI. Explanations on liabilities regarding employee rights (Continued)

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

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

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

According to the new law Group pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9,80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

In accordance with 58th article and 7th provisional article of the Banking Law, restricting banks from transferring any funds to the pension funds in order to compensate the actuarial deficits effective from 1 January 2008, has been delayed up to 5 years. Based on the Council of Ministers' decree numbered 2011/1559 and issued in the Official Gazette numbered 27900, dated 9 April 2011, and 20th provisional article of law numbered 506, the deadline for transferring banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, exchange markets and the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for two years. Besides, the phrase of "two years" in Clause (2), Article 1 of the temporary 20th provision of the law numbered 5510 is revised as "four years" with the law numbered 6283 amending on the Social Insurance and General Health Insurance Law, published in the Official Gazette numbered 28227, dated 8 March 2012. Based on the Council of Ministers' decree numbered 2014/6042 and issued in the Official Gazette numbered 28987 dated 30 April 2014, the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for one year.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Accounting Policies (Continued)

#### XVI. Explanations on liabilities regarding employee rights (Continued)

Lastly, 51st article of Law No.6645 dated 23 April 2015, published on Official Gazette and the first paragraph of the transient 20th article of Law No.5510 related to the transfer of Group and Insurance Funds to Social Security Institution; “Council of Ministers is the authority to determine the date of transfer of banks, insurance and reinsurance companies, boards of trade, chambers of industry and stock markets or the participants of funds established for their constitute union personnel and the ones that were endowed salary or income and their beneficiaries within the scope of transient 20th article of Law No.506. As from the transfer date, the participants are considered as insured within the scope of clause (a), first paragraph and 4th article of this Law. Based on the decision of the Council of Ministers dated 24 February 2014; May 2015 was determined as the transfer period. As a result of the last amendment made in the first paragraph of the provisional article 20 of the Law No. 5510 and the Occupational Health and Safety Law No. 6645 published in the Official Gazette dated 23 April 2015 and numbered 29335; The Council of Ministers has been authorized to determine the transfer date and the President has been authorized to determine the transfer date in the repeated Official Gazette numbered 30473 on 9 July 2018.

The technical balance sheet report as of 31 December 2022 which is prepared in accordance with the new law and the allowance determined as 9,80%, concluded no technical deficit arises in the above mentioned fund. Since the Group has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Group’s financial statements.

#### XVII. Explanations on taxation

##### Current tax:

In the financial statements as of September 30, 2023, the corporate tax rate is applied 25%. The corporate tax rate has been permanently increased to 25% for banks, consumer finance companies, factoring and financial leasing companies, capital market institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in accordance with the publication of the Law No. 7394 in the Official Gazette dated April 15,2022.

Dividends paid to the resident institutions are not subject to withholding tax in Türkiye. Withholding tax rate on the dividend payments other than these is 10%. Appropriation of the retained earnings to capital is not considered as profit distribution and accordingly is not subject to withholding tax.

Corporations calculate advance tax with their current rate on quarterly profits and pay until the evening of the same day by declaring until the 17th day of the second month following that period.

The prepaid taxes can be deducted from the annual corporate tax calculated on the annual corporate income. The remaining prepaid tax, if any after deduction, can be refunded in cash or deducted from other financial liabilities to the government.

75% portion of the capital gains derived from the sale of equity investments and 50% portion of the capital gains derived from the sale of immovable properties held for at least two years is tax exempt if such gains are added to paid-in capital or held in a special fund account under liability for five years.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

In Türkiye, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns until the last day of the following fourth month after the closing of the accounting year to which they relate.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Accounting Policies (Continued)

#### XVII. Explanations on taxation (Continued)

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings and carry out sectorial investigations.

The monetary amount included in the financial statements Non-inflationary assets had to be adjusted for inflation in accordance with the reiterated article 298/A of the Tax Procedure Law (VUK). The provisional tax calculation 2021 and 2022 accounting periods, including the periods of inflation adjustment, are accepted as the accounting periods in which they are not realized as of January 29, 2022, and with the Law No. 7352 published in the Official Gazette No. 31734.

Changes have been made to the Tax Procedure Law with Law No. 7338, which was published in the Official Gazette on October 26, 2021. As a result, revaluation of immovables registered in the asset and economic assets subject to depreciation is possible. On January 14, 2023, a communiqué was published in the Official Gazette with the amendment of the Accounting System Implementation General Communiqués, different accounting and taxpayers subject to financial reporting standards rules are now also subject to Tax Procedure Law No. 213. revaluation is governed by Article 298's second paragraph (Ç) and the provisional Article 32. the application's eligibility requirements have been clarified.

Repetitive Article 298/ç and Provisional Article 32 of Tax Procedure Law Nos. 213 and 537 have been applied in relation to these and revaluation by the Bank in accordance with the General Communiqués of Tax Procedure Law No. 547 provisions. Adjusted in the corporate tax base for the 2022 accounting period Provisional Article 32, a tax of 2% is calculated on the value increase amount within the scope of the and paid, taking into account the TPL depreciation expenses determined over the values. Tax depreciation expense in corporate tax calculations for the fiscal year ending September 30, 2023 calculated using the net book values following revaluation. Revaluation of the remaining TPL net book values as a result of the revaluation of the economic assets subject to revaluation it will be depreciated over the course of its useful life

#### Deferred tax

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

Deferred tax is been figured in financial tables by netting assets and liabilities. While deferred tax liability can be calculated for all taxable temporary difference, deferred tax assets only can be calculated on the condition that if high 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.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

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### Accounting Policies (Continued)

#### XXVIII. Additional explanations on borrowings

There are no instruments that represent borrowings issued by the Parent Bank. The Group's debt instruments are issued through the Parent Bank's subsidiaries, which are consolidated using the full consolidation method. Borrowings, except for funds collected, are recognized at amortized cost using the effective internal rate of return method in the following periods after the initial recognition.

#### XIX. Explanations on issued share certificates

None.

#### XX. Explanations on acceptances and availed drafts

The Group carries out the payments of avals and acceptances simultaneously with the payments of the customers. Avals and acceptances are shown in off-balance sheet liabilities as possible liabilities and commitments.

#### XXI. Explanations on government grants

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

#### XXII. Explanations on segment reporting

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

Segment reporting is disclosed in Section Four, Note X.

#### XXIII. Explanations regarding subsidiaries, affiliates and jointly controlled partnerships:

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

#### XXIV. Information on other issues:

None

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### SECTION FOUR

#### INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT

##### I. Explanations on consolidated equity items

Equity amount and capital adequacy standard ratio are calculated within the framework of the "Regulation on Equity of Banks" and the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks". The Parent Bank's current period equity amount calculated as of September 30, 2023 is 15.215.381 TL and the capital adequacy standard ratio is 28.21%. The equity amount for 31 December 2022 is 9.559.625 TL and the capital adequacy standard rate is 28.23%. The Parent Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.

##### a. Information on consolidated total capital items

	Current Period 30 September 2023	Prior Period 31 December 2022
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1.026.915	1.026.915
Share issue premiums	-	-
Reserves	3.434.584	630.722
Gains recognized in equity as per TAS	1.350.330	1.440.881
Profit	4.225.694	2.814.082
Current Period Profit	4.221.561	2.813.795
Prior Period Profit	4.133	287
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>10.037.523</b>	<b>5.912.600</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1 <sup>st</sup> clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	17.839	19.114
Leasehold improvements(-)	-	-
Goodwill (net of related tax liability)	106.147	85.314
Other intangibles other than mortgage-servicing rights (net of related tax liability)	-	-
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	253.914	100.413
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
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	-	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>377.900</b>	<b>204.841</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>9.659.623</b>	<b>5.707.759</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Information On Consolidated Financial Structure And Risk Management (Continued)

#### I. Explanations on consolidated equity items (Continued)

##### a. Information on consolidated total capital items (Continued)

<b>ADDITIONAL TIER 1 CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	5.080.959	3.498.078
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>5.080.959</b>	<b>3.498.078</b>
<b>Deductions from Additional Tier I Capital</b>		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions From Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
<b>Total Additional Tier I Capital</b>	<b>5.080.959</b>	<b>3.498.078</b>
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>14.740.582</b>	<b>9.205.837</b>
<b>TIER 2 CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA ( Temporary Article 4 )	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	478.667	371.657
<b>Contribution Capital Before Discounts</b>	<b>478.667</b>	<b>371.657</b>
<b>Deductions From Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	<b>-</b>	<b>-</b>
<b>Total Tier II Capital</b>	<b>478.667</b>	<b>371.657</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>15.219.249</b>	<b>9.577.494</b>
<b>Deductions from Capital</b>		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	3.868	17.869

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Information On Consolidated Financial Structure And Risk Management (Continued)

#### I. Explanations on consolidated equity items (Continued)

##### a. Information on consolidated 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	-	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital )</b>	15.215.381	9.559.625
<b>Total Risk Weighted Amounts</b>	53.933.149	34.146.697
<b>Capital Adequacy Ratios</b>		
Core Capital Adequacy Ratio (%)	17,91	16,86
Tier I Capital Adequacy Ratio (%)	27,33	27,19
Capital Adequacy Ratio (%)	28,21	28,23
<b>BUFFERS</b>		
Total buffer requirement (a+b+c)	2,5	2,5
a) Capital conservation buffer requirement (%)	2,5	2,5
b) Bank specific counter-cyclical buffer requirement (%)	-	-
c) Systemic important bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets(%)	13,41	12,36
<b>Amounts Lower Than Excesses as per Deduction Rules</b>		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Limits related to provisions considered in Tier II calculation	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	478.667	371.657
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	478.667	371.657
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

(\*) The Group, provided subordinated loan from Türkiye Varlık Fonu Piyasa İstikrar ve Denge Alt Fonu with the approval of BRSA dated 22 April 2019, on 24 April 2019 amounting to 200 million (Full Euro) with no fixed term and no profit share within the scope of additional main capital and loan from Türkiye Varlık Fonu Piyasal İstikrar ve Denge Alt Fonu with the approval of BRSA dated March 8, 2022, on March 9,2022 amounting to 31.688.489 Euro (Full Euro) with no fixed term and no profit share within the scope of additional main capital.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Information On Consolidated Financial Structure And Risk Management (Continued)

#### I. Explanations on consolidated equity items (Continued)

##### a. Information on consolidated total capital items (Continued)

"According to the Board Decision of the BRSA dated January 31, 2023 and numbered 10496; Board dated 28.04.2022 and numbered 9996 Capital of Banks, stated in its decision in accordance with the Regulation (Regulation) on the Measurement and Evaluation of Sufficiency, the basis for credit risk in the calculation of the amount; monetary and non-monetary assets valued at their historical cost valued amounts of non-currency items and related items in accordance with Turkish Accounting Standards The Central Bank of the Republic of Turkey (Central Bank) provided the foreign exchange buying rate for the date of 31.12.2021 when calculating the specific provision amounts; until a Board Decision to the contrary is taken, it is possible to continue by using the Central Bank's foreign exchange buying rate of 30.12.2022.

In addition, according to the BRSA's Decision dated 16 April 2020 and numbered 8999; Turkish Republic Center of Banks Measuring the Capital Adequacy of Banks for their receivables from their management and issued in FX, and Amount subject to credit risk in accordance with Standard Approach within the scope of Regulation on Evaluation It is possible to apply 0% risk weight in the calculation.

As of September 31, 2023, the Bank had taken advantage of these opportunities in its Capital Adequacy calculations. Board decisions have a 10.48% impact on the standard capital adequacy ratio."

##### b) Information on consolidated debt instruments to be included in the equity calculation

Issuer	Türkiye Varlık Fonu Piyasa İstikrar Ve Denge Alt Fonu
Unique Identifier (CUSIP, ISIN etc.)	TRT240424F22
Governing Law(s) of the Instrument	Regulation on Banks' Equity Communique on Principles Regarding Borrowing Instruments to be Included in Bank' Equity Calculation
<b>Special Consideration in the Calculation of Equity</b>	
As of 1 January 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Subordinated Loan
Amount recognized in regulatory capital (as of most recent reporting date)	4.559.591
Par Value of Instrument	5.812.416
Accounting Classification	Subordinated Loan
Original date of Issuance	24.04.2019
Perpetual or dated	Undated
Maturity date	24.04.2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: 24.05.2024 Total Repayment Amount: EUR 200 million (full)
Subsequent call dates	-
<b>Profit Share/Dividends</b>	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Full discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
<b>Convertible or Non-convertible</b>	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
<b>Write-down feature</b>	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy falls below 5,125 %
If write-down, full or partial	At least to ensure that the core capital ratio exceeds 5,125 %
If write down, permanent or temporary	Permanent and Temporary
If temporary write-down, description of write-up mechanism	There is write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7
Details of non-compliances with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Information On Consolidated Financial Structure And Risk Management (Continued)

#### I. Explanations on consolidated equity items (Continued)

Issuer	Türkiye Varlık Fonu Piyasa İstikrar Ve Denge Alt Fonu
Unique Identifier (CUSIP, ISIN etc.)	TRT250232F15
Governing Law(s) of the Instrument	Regulation on Banks"Equity Communiqué on Principles Regarding Borrowing Instruments to be Included in Bank"Equity Calculation
<b>Special Consideration in the Calculation of Equity</b>	
As of 1 January 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Subordinated Loan
Amount recognized in regulatory capital (as of most recent reporting date)	521.368
Par Value of Instrument	920.933
Accounting Classification	Subordinated Loan
Original date of Issuance	09.03.2022
Perpetual or dated	Undated
Maturity date	09.03.2022
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: 09.03.2032 Total Repayment Amount: Euro equivalent to TL 500.000
Subsequent call dates	-
<b>Profit Share/Dividends</b>	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Full discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
<b>Convertible or Non-convertible</b>	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
<b>Write-down feature</b>	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy falls below 5,125 %
If write-down, full or partial	At least to ensure that the core capital ratio exceeds 5,125 %
If write down, permanent or temporary	Permanent and Temporary
If temporary write-down, description of write-up mechanism	There is write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7
Details of incompliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7

#### 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

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Information On Consolidated Financial Structure And Risk Management (Continued)

#### III. Explanations on consolidated currency risk

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

a) The Group is exposed to currency risks as a market risk and pay attention to keep at a minimum level by avoiding to keep any positions. The currency risk and the calculation of value at risk method are monitored on a daily basis. Net foreign currency position / shareholders' equity ratio is also controlled daily. While calculating the capital requirement for currency risk, all foreign currency assets liabilities and forward foreign exchange transactions of the Group are taken into consideration, and the amount subject to market risk used in legal reports is calculated monthly with the standard method.

b) The Group does not have any derivative financial instruments held for hedging purposes.

c) In loan allocations, attention is taken to ensure that TL resources are used in TL and foreign currency resources are used in the relevant currency without any currency mismatch. The foreign currency position limit that may occur for strategic purposes due to uncertainties and fluctuations in the markets is limited and followed.

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 September 30, 2023 - Balance sheet evaluation rate	27,4247	29,0621
As of September 29, 2023	27,3003	28,7997
As of September 28, 2023	27,2501	28,8635
As of September 27, 2023	27,1550	28,9038
As of September 26, 2023	27,1550	28,9038
As of September 25, 2023	27,0473	28,8056

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 23,5986 for 1 USD (December 2022: full TL 18,6587), full TL 20,3164 for 1 Euro (December 2023: full TL 19,7536).

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Information On Consolidated Financial Structure And Risk Management (Continued)

#### III. Explanations on consolidated currency risk (Continued)

##### Information on the Group's Currency Risk

	EURO	USD	Other FC	Total
<b>Current Period</b>				
<b>Assets</b>				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey (*)	11.407.099	30.303.687	126.430	41.837.216
Banks (*)	364.124	371.520	12.221.008	12.956.652
Financial assets at fair value through profit and loss	115.629	365.559	1.092.222	1.573.410
Money market placements	-	-	-	-
Financial Assets Valued At Fair Value Through Profit And Loss	907.170	3.013.590	-	3.920.760
Loans and financial lease receivable(**)	4.718.617	7.333.785	-	12.052.402
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	6.240.407	-	-	6.240.407
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets (***)	5.018	5.621	4.443	15.082
<b>Total Assets</b>	<b>23.758.064</b>	<b>41.393.762</b>	<b>13.444.103</b>	<b>78.595.929</b>
<b>Liabilities</b>				
Current account and funds collected from banks via participation accounts	-	90.926	6.407	97.333
Other current and profit sharing accounts	16.537.996	45.872.534	12.868.590	75.279.120
Money market borrowings (***)	-	-	-	-
Funds provided from other financial institutions and subordinated loans	6.851.060	23.870	-	6.874.930
Marketable securities issued	-	-	-	-
Miscellaneous payables	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities (***)	276.172	552.461	315.622	1.144.255
<b>Total liabilities</b>	<b>23.665.228</b>	<b>46.539.791</b>	<b>13.190.619</b>	<b>83.395.638</b>
<b>Net balance sheet position</b>	<b>92.836</b>	<b>(5.146.029)</b>	<b>253.484</b>	<b>(4.799.709)</b>
<b>Net balance sheet position</b>	<b>(69.648)</b>	<b>5.380.560</b>	<b>(230.681)</b>	<b>5.080.231</b>
Derivative financial instruments assets	388.494	6.533.523	850.282	7.772.299
Derivative financial instruments liabilities	458.142	1.152.963	1.080.963	2.692.068
Non-cash loans (**)	1.631.052	2.576.372	130.344	4.337.768
<b>Prior Period</b>				
Total assets	17.484.857	27.908.585	3.844.911	49.238.353
Total liabilities	13.944.860	32.247.958	3.523.416	49.716.234
<b>Net balance sheet position</b>	<b>3.539.997</b>	<b>(4.339.373)</b>	<b>321.495</b>	<b>(477.881)</b>
<b>Net off balance sheet position</b>	<b>(3.555.105)</b>	<b>4.308.704</b>	<b>(319.605)</b>	<b>433.994</b>
Derivative financial instruments assets	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

(\*) The currency risk calculation does not include an expected loss provision of TL 60.956 for Cash and the Central Bank and TL 23.800 for banks.

(\*\*) The currency risk calculation excludes an expected loss provisions of TL 146.390 for loans and financial lease receivables.

(\*\*\*) Derivative financial assets are included in other assets.

(\*\*\*\*) Provisions and Shareholders' Equity are shown under other liabilities.

#### Explanations on consolidated position risk of equity securities in banking book

None (December 31, 2022: None).

**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS  
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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**Information On Consolidated Financial Structure And Risk Management (Continued)**

**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 Group 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 Group'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.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Information On Consolidated Financial Structure And Risk Management (Continued)

#### IV. Explanations on consolidated liquidity risk (Continued)

##### Consolidated Liquidity Coverage Ratio:

Current Period	Rate of "Percentage to be taken into account " not Implemented Total value <sup>(*)</sup>		Rate of "Percentage to be taken into account " Implemented Total value <sup>(*)</sup>	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1 HIGH QUALITY LIQUID ASSETS			<b>68.768.454</b>	<b>53.648.603</b>
<b>CASH OUTFLOWS</b>				
2 Retail and Small Business Funds Collected	30.134.868	25.444.097	2.970.884	2.544.410
3 Stable Funds Collected	852.070	-	42.604	-
4 Less stable Funds Collected	29.282.798	25.444.097	2.928.280	2.544.410
5 Unsecured Funding other than Retail and Small Business	51.789.433	44.412.670	22.728.168	18.193.778
6 Customers Deposits	-	-	-	-
7 Operational Funds Collected	51.031.313	44.340.419	21.970.048	18.121.527
8 Non-Operational Funds Collected	758.120	72.251	758.120	72.251
9 Other Unsecured Funding				
10 Secured funding	5.948.837	3.276.546	5.948.837	3.276.546
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	4.202.470	3.276.546	4.202.470	3.276.546
12 Debts related to the structured financial products	1.746.367	-	1.746.367	-
13 Commitment related to the structured financial markets and other off balance sheet liabilities	-	-	-	-
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	21.902.986	4.619.080	6.374.653	459.265
<b>16 TOTAL CASH OUTFLOWS</b>			<b>38.022.542</b>	<b>24.473.999</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	28.002.892	12.560.551	23.701.162	11.698.879
19 Other contractual cash inflows	4.279.977	3.521.199	4.279.977	3.521.199
<b>20 TOTAL CASH INFLOWS</b>	<b>32.282.869</b>	<b>16.081.750</b>	<b>27.981.139</b>	<b>15.220.078</b>
			Upper limit applied amounts	
<b>21 TOTAL HQLA</b>			<b>68.768.454</b>	<b>53.648.603</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>10.041.403</b>	<b>9.253.921</b>
<b>23 Liquidity Coverage Ratio (%)</b>			<b>684,85</b>	<b>579,74</b>

(\*) It is the average of the liquidity coverage ratio calculated by taking the simpleweekly arithmetic average for the last three months.

As per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette numbered 28948, dated 21 March 2014, the weeks on which the minimum and maximum liquidity coverage ratios have been calculated for the last three months are as follows:

Liquidity Coverage Ratio (%)	Current Period – 30.09.2023	
	TL+FC	FC
Lowest (%)	441,25	418,65
Month	August 4, 2023	July.14, 2023
Highest (%)	797,13	891,41
Month	August 20, 2023	August 30, 2023
Average	<b>656,70</b>	<b>595,52</b>

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

**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023**

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

**Information On Consolidated Financial Structure And Risk Management (Continued)**

**IV. Explanations on consolidated liquidity risk (Continued)**

**Consolidated Liquidity Coverage Ratio (Continued)**

Prior Period	Rate of "Percentage to be taken into account " not Implemented Total value <sup>(*)</sup>		Rate of "Percentage to be taken into account " Implemented Total value <sup>(*)</sup>	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1 HIGH QUALITY LIQUID ASSETS			<b>50.349.690</b>	<b>38.642.168</b>
<b>CASH OUTFLOWS</b>				
2 Retail and Small Business 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 Small Business	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 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	14.399.487	3.610.764	4.326.086	339.231
<b>16 TOTAL CASH OUTFLOWS</b>			<b>34.940.825</b>	<b>22.601.684</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	21.075.019	14.226.311	18.896.776	13.564.152
19 Other contractual cash inflows	8.993.174	8.216.255	8.993.174	8.216.255
<b>20 TOTAL CASH INFLOWS</b>	<b>30.068.193</b>	<b>22.442.566</b>	<b>27.889.950</b>	<b>21.780.407</b>
			<b>Upper limit applied amounts</b>	
<b>21 TOTAL HQLA</b>			<b>50.349.690</b>	<b>38.642.168</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>8.735.206</b>	<b>5.650.421</b>
<b>23 Liquidity Coverage Ratio (%)</b>			<b>576.40</b>	<b>683.88</b>

(\*) It is the average of the liquidity coverage ratio calculated by taking the simple monthly arithmetic average for the last three months.

Liquidity Coverage Ratio (%)	Prior Period – 31.12.2022	
	TL+FC	FC
Lowest (%)	428,89	524,40
Month	Oct, 2022	Oct, 2022
Highest (%)	493,47	695,05
Month	Nov, 2022	Nov, 2022
Average	<b>458,96</b>	<b>606,64</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Information On Consolidated Financial Structure And Risk Management (Continued)

#### IV. Explanations on consolidated liquidity risk (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 4,26% cash, 65,91% deposits in central banks and 29,83% securities considered as high quality liquid assets.

The Group's main fund sources consist of funds collected and loans received. As of the balance sheet date, 87.61% of the fund resources consist of collected funds, 4.60% from subordinated debt instruments, 7.15% from issued securities and 0.64% from loans received.

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

Current Period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated	Total
<b>Assets</b>								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	27.690.004	22.334.385	-	-	-	-	-	50.024.389
Banks	12.958.696	-	-	-	-	-	-	12.958.696
Financial Assets at Fair Value Through Profit and Loss	-	-	-	943.469	631.604	-	461.655	2.036.728
Money Market Placements	-	-	-	-	-	-	-	-
Financial assets valued at fair value through other comprehensive income	-	709.828	421.464	1.789.830	9.041.133	966.617	7.659	12.936.531
Loans	-	9.411.727	9.095.397	23.320.713	10.045.900	3.604.564	34.795	55.513.096
Financial assets valued at amortised cost	-	-	-	5.713.913	3.488.684	3.749.926	-	12.952.523
Other Assets <sup>(*)</sup>	-	-	-	-	-	-	3.853.431	3.853.431
<b>Total Assets</b>	<b>40.648.700</b>	<b>32.455.940</b>	<b>9.516.861</b>	<b>31.767.925</b>	<b>23.207.321</b>	<b>8.321.107</b>	<b>4.357.540</b>	<b>150.275.394</b>
<b>Liabilities</b>								
Current account and funds collected from banks via participation accounts	1.543.586	752.261	125.170	-	-	-	-	2.421.017
Other current and profit sharing accounts	72.920.325	23.382.907	14.748.060	4.522.596	319.804	-	-	115.893.692
Funds provided from other financial institutions and subordinated loans	-	306.350	19.480	191.411	349.341	-	6.215.605	7.082.187
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	4.629.269	2.911.167	2.111.353	-	-	-	9.651.789
Other liabilities <sup>(**)</sup>	-	1.035.423	-	-	-	-	13.520.908	14.556.331
<b>Total Liabilities</b>	<b>74.463.911</b>	<b>30.106.210</b>	<b>17.803.877</b>	<b>6.825.360</b>	<b>669.145</b>	<b>-</b>	<b>19.736.513</b>	<b>149.605.016</b>
<b>Liquidity Gap</b>	<b>(33.815.211)</b>	<b>2.349.730</b>	<b>(8.287.016)</b>	<b>24.942.565</b>	<b>22.538.176</b>	<b>8.321.107</b>	<b>(15.378.973)</b>	<b>670.378</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>2.367</b>	<b>(157.847)</b>	<b>94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(155.386)</b>
Financial Derivative Assets	-	444.281	5.347.818	59.682	-	-	-	5.851.781
Financial Derivative Liabilities	-	441.914	5.505.665	59.588	-	-	-	6.007.167
<b>Non-cash Loans</b>	<b>-</b>	<b>277.948</b>	<b>1.361.754</b>	<b>5.494.720</b>	<b>2.647.565</b>	<b>33.421</b>	<b>5.055.326</b>	<b>14.870.734</b>
<b>Prior Period</b>								
Total Assets	17.223.401	18.677.995	7.006.179	18.691.905	30.432.739	5.562.363	2.632.353	100.226.935
Total Liabilities	44.490.798	23.125.353	11.884.199	6.434.919	1.349.078	-	12.942.588	100.226.935
<b>Liquidity Gap</b>	<b>(27.267.397)</b>	<b>(4.447.358)</b>	<b>(4.878.020)</b>	<b>12.256.986</b>	<b>29.083.661</b>	<b>5.562.363</b>	<b>(10.310.235)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>(7.959)</b>	<b>128</b>	<b>744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7.087)</b>
Financial Derivative Assets	-	4.943.606	60.879	107.522	-	-	-	5.112.007
Financial Derivative Liabilities	-	4.951.565	60.751	106.778	-	-	-	5.119.094
<b>Non-cash Loans</b>	<b>-</b>	<b>298.864</b>	<b>959.878</b>	<b>3.880.727</b>	<b>1.615.240</b>	<b>21.397</b>	<b>3.069.165</b>	<b>9.845.271</b>

(\*) Expected loss provision of 64.501 TL allocated for Cash Values and the Central Bank and 23.806 TL allocated for Banks are not included in the exchange rate risk calculation.

(\*\*) Expected loss provision of 582.071 TL allocated for loans and financial leasing receivables is not included in the exchange rate risk calculation.

(\*\*\*) Other undistributable assets column consists of assets held for sale, partnership investments, tangible and intangible assets, current and deferred tax assets, derivative financial assets and other assets.

(\*\*\*\*) Other undistributable liabilities column consists of equity, derivative financial liabilities and provision balances.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Information On Consolidated Financial Structure And Risk Management (Continued)

#### V. Explanations on consolidated leverage ratio

As of September 30, 2023, leverage ratio of the Group calculated from the arithmetic average of the last 3 months is 7,59%.(December 31, 2022: 6,49%) Leverage ratio is required to remain minimum 3% as per “Communiqué on Measurement and Evaluation for Leverage Ratios of Banks”.

#### Leverage Ratio Public Disclosure Template:

	Current Period September 30, 2023(*)	Prior Period December 31, 2022 (*)
<b>Balance sheet assets</b>		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	142.699.977	107.441.491
2 (Assets deducted from Core capital)	347.039	163.506
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	142.352.938	107.277.985
<b>Derivative financial assets and credit derivatives</b>		
4 Cost of replenishment for derivative financial assets and credit derivatives	-	-
5 Potential credit risk amount of derivative financial assets and credit derivatives	306.558	112.984
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	306.558	112.984
<b>Financing transactions secured by marketable security or commodity</b>		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	18.091.425	10.030.149
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	18.091.425	10.030.149
<b>Off-balance sheet transactions</b>		
10 Gross notional amount of off-balance sheet transactions	27.520.966	20.891.725
11 (Correction amount due to multiplication with credit conversion rates)	-	-
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	27.520.966	20.891.725
<b>Capital and total risk</b>		
13 Core Capital	14.293.252	9.010.233
14 Total risk amount (sum of lines 3, 6, 9 and 12)	188.271.887	138.312.843
<b>Leverage ratio</b>		
15 Leverage ratio (%)	7,59	6,51

(\*) Amounts in the table show quarterly averages.

#### VI. Explanations on consolidated regarding the fair value of financial assets and liabilities

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

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

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

#### VIII. Explanations on consolidated risk management

Notes and explanations in this section have been prepared in accordance with the Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks that have been published in Official Gazette numbered 29511 on October 23, 2015 and became effective as of June 30, 2016. The tables related to ‘Internal Rating-Based (IRB) Approach’ are not presented due to the usage of standard approach for the calculation of capital adequacy.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Information On Consolidated Financial Structure And Risk Management (Continued)

#### VIII. Explanations on consolidated risk management (Continued)

##### 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)	47.292.827	32.027.599	3.783.426
2 Of which standardised approach (SA)	47.292.827	32.027.599	3.783.426
3 Of which internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	20.959	26.820	1.677
5 Of which standardised approach for counterparty credit risk (SA-CCR)	20.959	26.820	1.677
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	1.905.201	816.791	152.416
17 Of which standardised approach (SA)	1.905.201	816.791	152.416
18 Of which internal model approaches (IMM)	-	-	-
19 Operational risk	4.714.161	984.141	377.133
20 Of which Basic Indicator Approach	4.714.161	984.141	377.133
21 Of which Standardised Approach	-	-	-
22 Of which Advanced Measurement Approach	-	-	-
23 Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>53.933.148</b>	<b>33.855.351</b>	<b>4.314.652</b>

#### IX. Explanations on consolidated business segments

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

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
<b>Total Assets</b>	<b>4.131.091</b>	<b>47.158.018</b>	<b>96.094.240</b>	<b>2.221.667</b>	<b>149.605.016</b>
<b>Total Liabilities</b>	<b>45.099.477</b>	<b>79.001.818</b>	<b>12.587.815</b>	<b>2.745.487</b>	<b>139.434.597</b>
Net profit share income/(expense) (*)	493.630	2.686.627	848.237	(107.738)	3.920.756
Net fees and commissions income/(expense)	332.651	1.284.337	(13.409)	37.618	1.641.197
Other operating income/(expense)	1.348.296	1.441.803	62.953	(1.382.397)	1.470.655
Provision expenses	(5.756)	(60.604)	(62.210)	(153.807)	(282.377)
Profit/(loss) before tax	2.168.821	5.352.163	835.571	(1.606.324)	6.750.231
Provision for tax	-	-	-	(2.528.670)	(2.528.670)
<b>Net profit / (loss) for the period</b>	<b>2.168.821</b>	<b>5.352.163</b>	<b>835.571</b>	<b>(4.134.994)</b>	<b>4.221.561</b>

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Information On Consolidated Financial Structure And Risk Management (Continued)

#### IX. Explanations on consolidated business segments (Continued)

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
<b>Total Assets</b>	<b>2.963.819</b>	<b>39.831.388</b>	<b>56.564.347</b>	<b>1.595.660</b>	<b>98.955.214</b>
<b>Total Equity</b>	<b>48.236.244</b>	<b>34.581.528</b>	<b>7.812.211</b>	<b>2.297.214</b>	<b>92.927.197</b>
Net profit share income/(expense)	486.592	2.659.158	712.796	59.627	3.918.173
Net fees and commissions income/(expense)	148.152	246.695	(10.182)	(79.002)	305.663
Other operating income/(expense)	1.540.904	(554.701)	(808.377)	115.433	293.259
Provision expenses	(37.518)	(608.423)	(115.137)	(26.516)	(787.594)
Profit/(loss) before tax	2.138.130	1.742.729	(220.900)	69.542	3.729.501
Provision for tax	-	-	-	(915.706)	(915.706)
<b>Net profit / (loss) for the period</b>	<b>2.138.130</b>	<b>1.742.729</b>	<b>(220.900)</b>	<b>(846.164)</b>	<b>2.813.795</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### 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	61.650	464.726	63.660	188.870
CBRT	8.022.551	38.807.954	1.498.475	23.081.139
Other (*)	102.972	2.564.536	82.652	1.167.784
<b>Total</b>	<b>8.187.173</b>	<b>41.837.216</b>	<b>1.644.787</b>	<b>24.437.793</b>

(\*) As of 30 September 2023, it includes the precious metal warehouse account of 101.359 TL (31 December 2022: 42,641 TL) and the money in transit account of 2.566.149 TL (31 December 2022: 1,207,795 TL).

##### b. Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	8.022.551	16.473.569	1.498.475	9.358.541
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Reserve requirements	-	22.334.385	-	13.722.598
<b>Total</b>	<b>8.022.551</b>	<b>38.807.954</b>	<b>1.498.475</b>	<b>23.081.139</b>

The Parent Bank establishes required reserves at the CBRT for its Turkish currency and foreign currency liabilities in accordance with the CBRT's Communiqué No. 2005/1 on Reserve Requirements. Required reserves can be kept in Turkish Lira, US Dollar and/or Euro and standard gold according to the "Communiqué on Required Reserves" at the CBRT.

As of September 30, 2023, the Parent Bank's valid rates for Turkish currency required reserves are between 0% and 25%, depending on the maturity structure for participation funds and other liabilities; The applicable rates for foreign currency required reserves are between 5% and 29% for participation funds and other liabilities, depending on the maturity structure.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### I. Explanations and notes related to consolidated assets (Continued)

##### 2. a. Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	2.044	232.891	2.447	482.017
Abroad	-	12.723.761	-	4.403.367
<b>Total</b>	<b>2.044</b>	<b>12.956.652</b>	<b>2.447</b>	<b>4.885.384</b>

##### b. Information on foreign bank accounts

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

#### 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 September 30, 2023, there is no repurchase agreements in financial assets at fair value through profit and loss (December 31, 2022: None). The amount subject to guaranteed/blocked is TL 957.423 (December 31, 2022: TL 744.345).

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

	Current Period	Prior Period
Debt securities	2.039.053	948.045
Quoted on a stock exchange	1.210.638	804.038
Unquoted on a stock exchange (*)	828.415	144.007
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted on a stock exchange	-	-
Impairment provision (-)	2.325	3.086
<b>Total</b>	<b>2.036.728</b>	<b>944.959</b>

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### I. Explanations and notes related to consolidated assets (Continued)

#### 4. Information on Financial Assets at fair value through other comprehensive income

##### a. Information on financial assets valued at fair value through other comprehensive income subject to repurchase transactions, given as a guarantee or blocked

As of 31 September 2023, there is no amount subject to sale transactions with promises of repurchase in assets reflected in other comprehensive income financial statements (December 31, 2022: None). The amount of those blocked given as collateral is TL 11.071.428 (December 31, 2022: TL 2.184.200).

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

	Current Period	Prior Period
Debt securities	12.986.790	10.481.318
Quoted on a stock exchange (*)	8.503.973	7.916.788
Unquoted on a stock exchange	4.482.817	2.564.530
Share certificates	7.659	7.659
Quoted on a stock exchange (*)	-	-
Unquoted on a stock exchange	7.659	7.659
Impairment provision (-)	57.918	47.592
<b>Total</b>	<b>12.936.531</b>	<b>10.441.385</b>

(\*) 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	144.160	-	3.264	12.406
Forward Transactions	5.409	1.520	1.652	275
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>149.569</b>	<b>1.520</b>	<b>4.916</b>	<b>12.681</b>

#### 6. Information on loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans to Bank Partners	1.156.639	-	1.273.002	-
Loans to Legal Person Partners	1.156.639	-	1.273.002	-
Loans to Real Person Partners	-	-	-	-
Indirect Loans to Bank Partners	3.587	-	2.355	-
Loans to Bank Members	3.587	-	2.355	-
<b>Total</b>	<b>1.160.226</b>	<b>-</b>	<b>1.275.357</b>	<b>-</b>

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

**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023**

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

**Explanations And Notes On The Consolidated Financial Statements (Continued)**

**I. Explanations and notes related to consolidated assets (Continued)**

**6. Information on loans (Continued)**

**b. Information on 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 Not subject to restructured loans	Loans Under Close Monitoring	
			Loans with Revised Contract Terms	Restructured Loans Refinance
<b>Loans</b>	<b>54.653.611</b>	<b>107.349</b>	<b>108.193</b>	-
Export loans	-	-	-	-
Import loans	3.142.050	7.044	-	-
Business loans	35.213.710	92.406	108.193	-
Consumer loans	2.808.314	922	-	-
Credit cards	-	-	-	-
Loans given to financial sector	7.609.517	-	-	-
Other (*)	5.880.020	6.977	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>54.653.611</b>	<b>107.349</b>	<b>108.193</b>	-

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

Installment Commercial Loans	4.769.699
Loans Extended Abroad	103.910
Other Investment Loans	1.010.771
Other	2.617
<b>Total</b>	<b>5.886.997</b>

Cash Loans Prior Period	Standard Loans	Loans Not subject to restructured loans	Loans Under Close Monitoring	
			Loans with Revised Contract Terms	Restructured Loans Refinance
<b>Loans</b>	<b>43.578.249</b>	<b>35.147</b>	<b>95.567</b>	-
Export loans	-	-	-	-
Import loans	3.335.018	307	-	-
Business loans	26.375.121	15.166	95.567	-
Consumer loans	1.163.239	783	-	-
Credit cards	-	-	-	-
Loans given to financial sector	6.631.080	-	-	-
Other (*)	6.073.791	18.891	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>43.578.249</b>	<b>35.147</b>	<b>95.567</b>	-

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

Installment Commercial Loans	4.888.469
Loans Extended Abroad	43.842
Other Investment Loans	1.160.191
Other	180
<b>Total</b>	<b>6.092.682</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### I. Explanations and notes related to consolidated assets (Continued)

#### 6. Information on loans (Continued)

##### b2. Explanations on expected loss provisions for standard and closely monitored loans

<u>Current Period</u>	<u>Standard Loans</u>	<u>Loans Under Close Monitoring</u>
Expected loss of provision for 12 Months	414.264	-
Substantial increase in credit risk	-	29.137
<u>Prior Period</u>	<u>Standard Loans</u>	<u>Loans Under Close Monitoring</u>
Expected loss of provision for 12 Months	552.189	-
Substantial increase in credit risk	-	21.734

##### c. Maturity analysis of cash loans

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

##### d. Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards

<u>Current Period</u>	<u>Short-term</u>	<u>Medium and long-term</u>	<u>Total</u>
<b>Consumer loans-TL</b>	<b>43.738</b>	<b>2.761.911</b>	<b>2.805.649</b>
Housing loans	15.666	2.603.168	2.618.834
Vehicle loans	7.329	133.637	140.966
Consumer loans	20.743	25.106	45.849
Other	-	-	-
<b>Consumer loans-FC indexed</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Retail credit cards-TL</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Retail credit cards-FC</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>258</b>	<b>3.329</b>	<b>3.587</b>
Housing loans	-	2.068	2.068
Vehicle loans	253	1.090	1.343
Consumer loans	5	171	176
Other	-	-	-
<b>Personnel loans-FC indexed</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Personnel credit cards-FC</b>	-	-	-
With installment	-	-	-
Without-installment	-	-	-
<b>Overdraft account-TL(Real Person)</b>	-	-	-
<b>Overdraft account-FC(Real Person)</b>	-	-	-
<b>Total</b>	<b>43.996</b>	<b>2.765.240</b>	<b>2.809.236</b>

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

**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023**

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

**Explanations And Notes On The Consolidated Financial Statements (Continued)**

**I. Explanations and notes related to consolidated assets (Continued)**

**6. Information on loans (Continued)**

<b>Prior Period</b>	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
<b>Consumer loans-TL</b>	<b>57.983</b>	<b>1.098.696</b>	<b>1.156.679</b>
Housing loans	42.344	966.909	1.009.253
Vehicle loans	3.722	92.157	95.879
Consumer loans	11.917	39.630	51.547
Other	-	-	-
<b>Consumer loans-FC indexed</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Retail credit cards-TL</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Retail credit cards-FC</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>24</b>	<b>2.331</b>	<b>2.355</b>
Housing loans	-	1.527	1.527
Vehicle loans	-	601	601
Consumer loans	24	203	227
Other	-	-	-
<b>Personnel loans-FC indexed</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Personnel credit cards-FC</b>	-	-	-
With installment	-	-	-
Without-installment	-	-	-
<b>Overdraft account-TL(Real Person)</b>	-	-	-
<b>Overdraft account-FC(Real Person)</b>	-	-	-
<b>Total</b>	<b>58.007</b>	<b>1.101.027</b>	<b>1.159.034</b>

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

**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023**

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

**Explanations And Notes On The Consolidated Financial Statements (Continued)**

**I. Explanations and notes related to consolidated assets (Continued)**

**6. Information on loans (Continued)**

**e. Information on commercial loans with installments and corporate credit cards**

<b>Current Period</b>	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
<b>Commercial installment loans-TL</b>	<b>1.839.777</b>	<b>2.641.871</b>	<b>4.481.648</b>
Business loans	161.978	215.910	377.888
Vehicle loans	1.404.551	1.294.698	2.699.249
Consumer loans	273.248	1.131.263	1.404.511
Other	-	-	-
<b>Commercial installment loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment Loans-FC</b>	<b>894</b>	<b>205.443</b>	<b>206.337</b>
Business loans	-	22.823	22.823
Vehicle loans	474	122.305	122.779
Consumer loans	420	60.315	60.735
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Overdraft account-TL (Legal Entity)</b>	<b>74.574</b>	<b>-</b>	<b>74.574</b>
<b>Overdraft account-FC(Legal Entity)</b>	<b>7.140</b>	<b>-</b>	<b>7.140</b>
<b>Total</b>	<b>1.922.385</b>	<b>2.847.314</b>	<b>4.769.699</b>
<b>Prior Period</b>	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
<b>Commercial installment loans-TL</b>	<b>1.562.386</b>	<b>2.944.839</b>	<b>4.507.225</b>
Business loans	99.111	418.452	517.563
Vehicle loans	1.152.172	1.253.937	2.406.109
Consumer loans	311.103	1.272.450	1.583.553
Other	-	-	-
<b>Commercial installment loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment Loans-FC</b>	<b>9.256</b>	<b>314.997</b>	<b>324.253</b>
Business loans	-	16.111	16.111
Vehicle loans	9.256	135.535	144.791
Consumer loans	-	163.351	163.351
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Overdraft account-TL (Legal Entity)</b>	<b>3.111</b>	<b>-</b>	<b>3.111</b>
<b>Overdraft account-FC(Legal Entity)</b>	<b>53.880</b>	<b>-</b>	<b>53.880</b>
<b>Total</b>	<b>1.628.633</b>	<b>3.259.836</b>	<b>4.888.469</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### I. Explanations and notes related to consolidated assets (Continued)

#### 6. Information on loans (Continued)

##### f. Allocation of loans by customers

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

##### g. Breakdown of domestic and foreign loans

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

	Current Period	Prior Period
Domestic loans	53.858.382	42.548.772
Foreign loans	1.010.771	1.160.191
<b>Total</b>	<b>54.869.153</b>	<b>43.708.963</b>

##### h. Loans granted to subsidiaries and associates

None (December 31, 2022: None).

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

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	18.238	35.433
Doubtful Loans and Other Receivables	25.781	18.045
Uncollectible Loans and Receivables	94.651	26.393
<b>Total</b>	<b>138.670</b>	<b>79.871</b>

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

##### j.1 Non-performing loans and receivables which are restructured

None (December 31, 2022: None).

##### j.2 Movements of non-performing loans

Current Period	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Closing balance of prior period	35.852	27.204	30.320
Additions in the current period (+)	113.932	26.207	39.335
Transfers from other categories of non-performing loans (+)	-	74.030	61.027
Transfers to other categories of non-performing loans (-)	74.030	61.027	-
Collections in the current period (-)	36.228	22.778	18.955
Write offs (-)	-	-	-
Sale (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	39.526	43.636	111.727
Provision (-)	18.238	25.781	94.651
<b>Net balance at the balance sheet</b>	<b>21.288</b>	<b>17.855</b>	<b>17.076</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### I. Explanations and notes related to consolidated assets (Continued)

#### 6. Information on loans (Continued)

Prior Period	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Closing balance of prior period	8.312	13.071	174.144
Additions in the current period (+)	86.909	12.753	5.199
Transfers from other categories of non-performing loans (+)	-	41.874	24.418
Transfers to other categories of non-performing loans (-)	41.874	24.418	-
Collections in the current period (-)	17.397	14.020	3.526
Write offs (-)	-	-	168.069
Sale (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	35.950	29.260	32.166
Provisions (-)	35.433	18.045	26.393
<b>Net balance at the balance sheet</b>	<b>517</b>	<b>11.215</b>	<b>5.773</b>

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

None (December 31, 2022: None).

#### j.4. Gross and net non-performing loans and other receivables per customer categories

Current Period (net)	III. Group	IV. Group	V. Group
	Loans with limited collectibility	Loans with doubtful collectibility	Uncollectible loans
Loans to individuals and corporates (gross)	39.526	43.636	111.727
Provision (-)	18.238	25.781	94.651
<b>Loans to individuals and corporates (net)</b>	<b>21.288</b>	<b>17.855</b>	<b>17.076</b>
Banks (gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other Loans (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period (Net)</b>	<b>517</b>	<b>11.215</b>	<b>5.773</b>
Loans to Real Persons and Legal Entities (Gross)	35.950	29.260	32.166
Specific provision (-)	35.433	18.045	26.393
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>517</b>	<b>11.215</b>	<b>5.773</b>
Banks (Gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other loans and receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### I. Explanations and notes related to consolidated assets (Continued)

#### 6. Information on loans (Continued)

#### j.5. Information on profit share accrual accruals and valuation differences calculated for non-performing loans by banks allocating expected credit losses according to TFRS 9 and their equivalents

	III. Group	IV. Group	V. Group
	Limited Collection Loans	Doubtful Loans	Loss Loans
<b>Current Period (Net)</b>	<b>2.028</b>	<b>3.036</b>	<b>7.314</b>
Dividend Accruals and Rediscounts and Valuation Differere	2.028	3.036	7.314
Provisions (-)	-	-	-
<b>Prior Period (Net)</b>	<b>62</b>	<b>818</b>	<b>338</b>
Dividend Accruals and Rediscounts and Valuation Differere	102	2.057	1.845
Provisions (-)	40	1.239	1.507

#### k. Liquidation policy for uncollectible loans and receivables

In enforcement proceedings to be initiated by the Parent Bank for the collection of receivables arising from loan transactions, the assets of the debtor and debt-related parties and the material guarantees that constitute the guarantee of the Parent Bank's receivables will be exercised by converting security deposits to cash process. In addition to the process, Parent Bank will try to collect its receivables in administrative means.

#### l. Information on "Write-off" policies

Regarding Regulation on Procedures and Principles Regarding Classification of Loans and Provisions to be Set aside for These, Article 8, in the scope of "Fifth Group-Loans with Loss Characteristics", it partially covers the targeted and reasonable estimates of the long-term loan provision of the creditor in the loan or the recovery of the private loans, can be deducted from the records within the scope of TFRS 9 starting from the first reporting period following their classification in this group.

The derecognition of the loans that cannot be collected within the scope of the above provision is an accounting practice and does not result in the waiver of the right to receivable.

The Bank's general policy in the write-off of non-performing receivables is to write off receivables that are deemed uncollectible during the legal follow-up process, in line with the decision taken by the Bank's senior management. There are no cancellations regarding the loans that are deemed to be uncollectible in 2023 (December 31, 2022: None).

#### 7. Information on Financial Assets Measured at Amortized Cost

#### a. Information on government debt securities measured at amortized cost

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities	12.952.523	10.440.441
<b>Total</b>	<b>12.952.523</b>	<b>10.440.441</b>

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

**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023**

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

**Explanations And Notes On The Consolidated Financial Statements (Continued)**

**I. Explanations and notes related to consolidated assets (Continued)**

**7. Information on Financial Assets Measured at Amortized Cost (Continued)**

**b. Information on investment securities measured at amortized cost**

	Current Period	Prior Period
Debt Securities	12.952.523	10.440.441
Quoted on a stock Exchange	5.680.844	1.904.621
Unquoted	7.271.679	8.535.820
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Impairment Provision (-)	-	-
<b>Total</b>	<b>12.952.523</b>	<b>10.440.441</b>

**c. Information on the movements of financial assets valued at amortized cost during the year**

	Current Period	Prior Period
Balance at beginning of period	10.440.441	2.713.586
Foreign currency differences on monetary assets (*)	2.512.082	1.533.167
Purchases during period	-	6.209.920
Disposals through sales and redemptions	-	(16.232)
Impairment provision (-)	-	-
<b>Closing Balance</b>	<b>12.952.523</b>	<b>10.440.441</b>

(\*) This amount includes TL 1.939.065 ( December 31, 2022: TL 737.115) income accrual.

**8. Information on lease receivables (net)**

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	154.170	145.621	61.689	58.166
1 to 4 years	293.528	245.147	460.014	377.536
More than 4 years	63.924	58.286	55.961	50.580
<b>Total</b>	<b>511.622</b>	<b>449.054</b>	<b>577.844</b>	<b>486.282</b>

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

	Current Period	Prior Period
Finance lease receivables (gross)	511.622	577.844
Unearned finance lease receivable (-)	62.568	91.562
<b>Receivable from finance leases (net)</b>	<b>449.054</b>	<b>486.282</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### I. Explanations and notes related to consolidated assets (Continued)

#### 8. Information on lease receivables (net) (Continued)

##### c. General explanation on finance lease contracts

Finance lease contracts are realized in accordance with the related articles of Finance Lease, Factoring and Financing Companies Act numbered 6361. There are no restrictions due to finance lease contracts, no renewals or contingent rent payments that materially affect the financial statements.

##### Information on leasing receivables

Finance Lease	Standard Loans	Leasing Receivables Under Close Monitoring		
		Leasing receivables not subject to restructured loans	Restructured or rescheduled Leasing Receivables with Revised Contract Terms	Refinance
<b>Current Period</b>				
Finance lease receivables (Net)	444.926	-	4.128	-
<b>Prior Period</b>				
Finance lease receivables (Net)	486.282	-	-	-

#### 9. Information on assets held for sale and assets of discontinued operations

Financial assets held for sale consist of tangible assets acquired due to receivables.

	Current Period	Prior Period
Opening balance	5.242	8.000
Additions	4.164	4.360
Disposals	(1.102)	(7.118)
Transfers	-	-
Impairment (-)	-	-
<b>Closing balance</b>	<b>8.304</b>	<b>5.242</b>

#### 10. Information on associates

##### a. Associates (net)

##### a.1 Information on unconsolidated associates

None (December 31, 2022: None).

##### a.2 Information on consolidated associates

None (December 31, 2022: None).

##### b. Information on subsidiaries (net)

##### b.1 Information on unconsolidated subsidiaries

Emlak Menkul Değerler A.Ş., which is owned by the Parent 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 September 30, 2022 and December 31, 2022.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### I. Explanations and notes related to consolidated assets (Continued)

#### 10. Information on associates (Continued)

##### b.2 Information on consolidated subsidiaries

Emlak Varlık Kiralama A.Ş. %100 subsidiaries of the Parent 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	Adress (City/Country)	Operating Subject	Bank's share percentage (%)	Direct and Indirect Share Percentages (%)
Emlak Varlık Kiralama A.Ş.	Istanbul/TURKEY	Issuance Of Lease Certificate	100	100
Emlak Katılım Varlık Kiralama A.Ş.	Istanbul/TURKEY	Issuance Of Lease Certificate	100	100

The values stated in the table below are those of Emlak Varlık Kiralama A.Ş. and Emlak Katılım Varlık Kiralama A.Ş.'s financial statements dated September 30, 2022 which have undergone reviewed.

Name	Total Assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income /loss	Prior period income /loss	Fair Value
Emlak Varlık Kiralama A.Ş.	5.736.949	6.899	-	658.646	-	2.706	-	-
Emlak Katılım Varlık Kiralama A.Ş.	7.981.399	49	-	732.501	-	(1)	-	-

##### b.2.1 Movement information on subsidiaries

None (31 December 2022: None).

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### I. Explanations and notes related to consolidated assets (Continued)

##### 11. Information on tangible assets

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

##### 12. Information on intangible assets

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

##### 13. Information on investment property:

None (December 31, 2022: None).

##### 14. Information related to deferred tax asset

	Current Period	Prior Period
Lease certificates rediscount income	1.080.803	660.802
Prepaid wages and commissions and unearned income	88.867	71.391
Expected Loss Provisions	222.642	197.527
Securities valuation differences	-	6.511
Provisions for retirement premium and vacation pay liabilities	14.975	34.569
Derivative financial instruments	1.057	3.449
IFRS 16 allowance	15.924	12.503
Other debt and expense provisions	301.383	171.261
<b>Deferred tax asset</b>	<b>1.725.651</b>	<b>1.158.013</b>
Securities valuation differences	576.492	479.028
Derivative instruments	44.778	1.296
Profit share rediscount	793.502	12.886
Difference between book value and tax value of tangible fixed assets	19.216	-
Other	-	209
<b>Deferred tax liability</b>	<b>1.433.988</b>	<b>493.419</b>
<b>Deferred tax asset (Net)</b>	<b>291.663</b>	<b>664.594</b>

##### 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

Other assets of the balance sheet does not exceed 10% of the balance sheet total.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### II. Explanations and notes related to consolidated liabilities:

##### 1. Information on funds collected:

##### a. Information on maturity structure of funds collected

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
<b>I. Real Persons Current Accounts</b>									
<b>Non-Trade TL</b>	<b>616.931</b>	-	-	-	-	-	-	-	<b>616.931</b>
<b>II. Real Persons Participation</b>									
<b>Accounts Non-Trade TL</b>	-	<b>2.950.688</b>	<b>6.594.657</b>	<b>2.288.209</b>	<b>196.901</b>	<b>174.250</b>	<b>311.080</b>	-	<b>12.515.785</b>
<b>III. Current Account other-TL</b>	<b>4.940.613</b>	-	-	-	-	-	-	-	<b>4.940.613</b>
Public Sector	65.190	-	-	-	-	-	-	-	65.190
Commercial Institutions	3.399.905	-	-	-	-	-	-	-	3.399.905
Other Institutions	-	-	-	-	-	-	-	-	-
Commercial and Other Institutions	29.266	-	-	-	-	-	-	-	29.266
Banks and Participation Banks	1.446.252	-	-	-	-	-	-	-	1.446.252
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	1.446.252	-	-	-	-	-	-	-	1.446.252
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	<b>15.630.159</b>	<b>6.537.942</b>	<b>1.161.597</b>	<b>32.629</b>	<b>18.485</b>	<b>8.724</b>	-	<b>23.389.536</b>
Public Sector	-	4.572.381	1.542.669	141.834	-	-	-	-	6.256.884
Commercial Institutions	-	7.755.123	3.258.358	495.785	32.629	14.012	-	-	11.555.907
Other Institutions	-	1.443.069	21.020	-	-	-	-	-	1.464.089
Commercial and Other Institutions	-	1.107.325	1.590.725	523.978	-	4.473	8.724	-	3.235.225
Banks and Participation Banks	-	752.261	125.170	-	-	-	-	-	877.431
<b>V. Real Persons Current Accounts</b>									
<b>Non-Trade FC</b>	<b>22.863.271</b>	-	-	-	-	-	-	-	<b>22.863.271</b>
<b>VI. Real Persons Participation</b>									
<b>Accounts Non-Trade FC</b>	-	<b>2.794.115</b>	<b>478.955</b>	<b>95.512</b>	<b>12.897</b>	<b>71.244</b>	-	-	<b>3.452.723</b>
<b>VII. Other Current Accounts FC</b>	<b>44.315.240</b>	-	-	-	-	-	-	-	<b>44.315.240</b>
Residents in Turkey-Corporate	11.465.355	-	-	-	-	-	-	-	11.465.355
Residents Abroad-Corporate	32.755.101	-	-	-	-	-	-	-	32.755.101
Banks and Participation Banks	94.784	-	-	-	-	-	-	-	94.784
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	94.784	-	-	-	-	-	-	-	94.784
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other FC</b>	-	<b>1.681.356</b>	<b>166.825</b>	-	-	<b>125</b>	-	-	<b>1.848.306</b>
Public sector	-	5.646	-	-	-	-	-	-	5.646
Commercial institutions	-	1.224.137	108.174	-	-	125	-	-	1.332.436
Other institutions	-	5.514	-	-	-	-	-	-	5.514
Commercial and Other Institutions	-	446.059	58.651	-	-	-	-	-	504.710
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
<b>IX. Precious Metals Deposits</b>	<b>1.727.856</b>	<b>845.861</b>	<b>289.757</b>	<b>28.937</b>	<b>3.005</b>	<b>1.496</b>	-	-	<b>2.896.912</b>
<b>X. Participation Accounts Special</b>									
<b>Fund Pools TL</b>	-	<b>232.990</b>	<b>805.096</b>	<b>48.183</b>	-	<b>389.123</b>	-	-	<b>1.475.392</b>
Residents in Turkey	-	232.990	805.096	48.183	-	389.123	-	-	1.475.392
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation Accounts Special</b>									
<b>Fund Pools – FC</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	<b>74.463.911</b>	<b>24.135.169</b>	<b>14.873.232</b>	<b>3.622.438</b>	<b>245.432</b>	<b>654.723</b>	<b>319.804</b>	-	<b>118.314.709</b>

The participation account balance is 6,047,539 TL "Exchange Rate Protected Turkish Lira Time Deposit" opened within the scope of the announcement of the Ministry of Treasury and Finance of the Republic of Turkey dated 24 December 2021, the product published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696, "Foreign Exchange Convertible Exchange Rate Protected Turkish It also includes the balances of 6,255,855 TL opened within the scope of "Lira Time Deposits" and 5,999,306 TL opened within the scope of the product "YUVAM Accounts" published in the Official Gazette dated 1 February 2022 and numbered 31737.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### II. Explanations and notes related to consolidated liabilities (Continued)

##### 1. Information on funds collected (Continued)

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
<b>I. Real Persons Current</b>									
Accounts Non-Trade TL	603.060	-	-	-	-	-	-	-	603.060
<b>II. Real Persons Participation</b>									
Accounts Non-Trade TL	-	2.753.986	4.186.617	1.396.878	176.120	85.103	166.189	-	8.764.893
<b>III. Current Account other-TL</b>	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	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	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	-	-	-	-	-	-	-	-	-
<b>V. Real Persons Current</b>									
Accounts Non-Trade FC	13.656.496	-	-	-	-	-	-	-	13.656.496
<b>VI. Real Persons Participation</b>									
Accounts Non-Trade FC	-	2.497.226	350.410	20.179	35.765	28.097	-	-	2.931.677
<b>VII. Other Current Accounts</b>									
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	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts</b>									
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	-	-	-	-	-	-	-	-	-
<b>IX. Precious Metals Deposits</b>	1.291.088	602.867	198.260	12.683	14.023	1.975	-	-	2.120.896
<b>X. Participation Accounts</b>									
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	-	-	-	-	-	-	-	-	-
<b>XI. Participation Accounts</b>									
Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	<b>44.489.533</b>	<b>20.697.462</b>	<b>8.882.652</b>	<b>3.080.088</b>	<b>1.616.931</b>	<b>239.168</b>	<b>166.189</b>	<b>-</b>	<b>79.223.865</b>

The participation account balance is 3,294,695 TL “Exchange Rate Protected Turkish Lira Time Deposit” opened within the scope of the announcement of the Ministry of Treasury and Finance of the Republic of Turkey dated 24 December 2021, the product published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696, “Foreign Exchange Convertible Exchange Rate Protected Turkish It also includes the balances of 6,689,223 TL opened within the scope of "Lira Time Deposits" and 2,920,463 TL opened within the scope of the product "YUVAM Accounts" published in the Official Gazette dated 1 February 2022 and numbered 31737.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### II. Explanations and notes related to consolidated liabilities (Continued)

##### 1. Information on funds collected (Continued)

###### b. Saving deposits and other deposits accounts insured by Saving Deposit Insurance Fund

###### b.1 Exceeding the limit of Insurance Fund

Information on real persons' current and participation accounts not subject to trading transactions under the guarantee of insurance and exceeding the limit of Insurance Fund:

	Under the guarantee of Insurance		Exceeding the guarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Real persons' current and participation accounts not subject to trading transactions	3.766.079	1.872.374	39.292.591	26.084.753
Turkish Lira accounts	1.818.555	1.054.203	12.766.032	8.785.745
Foreign currency accounts	1.947.524	818.171	26.526.559	17.299.008
Foreign branches' deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

Information on legal persons' current and participation accounts 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
Legal persons' current and participation accounts not subject to trading transactions	2.101.124	967.011	64.240.921	41.922.324
Turkish Lira accounts	991.063	553.920	18.700.016	16.227.368
Foreign currency accounts	1.110.061	413.091	45.540.905	25.694.956
Foreign branches' deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

Funds collected by Participation Banks (except foreign branches) from current and participation accounts denominated in Turkish Lira or foreign currency up to a limit of maximum TL 400 (including both capital and profit shares) for each real person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law numbered 5411.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### II. Explanations and notes related to consolidated liabilities (Continued)

##### 1. Information on funds collected (Continued)

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

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

	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	1,912	9,763
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Turkey in order to engage solely in Off-Shore Banking Activities	-	-

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

	Current Period	Prior Period
Foreign Branches' Profit Sharing Accounts and Other Accounts	-	-
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board Of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	1,389	50,577
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Turkey in order to engage solely in Off-Shore Banking Activities	-	-

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### II. Explanations and notes related to consolidated liabilities (Continued)

#### 2. Information on received loans

##### a.1 Information on the type of loan received

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	207.257	368.704	149.370	364.003
Loans from foreign banks, institutions and funds	-	290.621	-	385.562
<b>Total</b>	<b>207.257</b>	<b>659.325</b>	<b>149.370</b>	<b>749.565</b>

##### a.2 Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	60.993	295.047	104.207	405.945
Medium and Long-Term	146.264	364.278	45.163	343.620
<b>Total</b>	<b>207.257</b>	<b>659.325</b>	<b>149.370</b>	<b>749.565</b>

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

The Parent Bank does not have concentration on customer or sector group providing funds (December 31, 2022: None).

#### 3. Information on issued securities

Emlak Katılım Varlık Kiralama A.Ş., a subsidiary of the Group, in order to raise funds from various investors. The issuance of a Lease Certificate (Sukuk) through Emlak Katılım Varlık Kiralama A.Ş. are listed below:

Date of Issue	Amount of Issue	Sort of Money	Maturity	Share of Profit's Ratio %(*)
October 6 2022 Thursday	97.000.000	TL	October 26 2023 Thursday	Unstable
November 14 2022 Monday	500.000.000	TL	January 18 2024 Thursday	Unstable
November 14 2022 Monday	220.000.000	TL	January 18 2024 Thursday	Stable
November 3 2022 Thursday	75.000.000	TL	November 15 2023 Wednesday	Stable
December 6 2022 Tuesday	100.000.000	TL	January 3 2024 Wednesday	Stable
February 1 2022 Wednesday	140.000.000	TL	February 7 2024 Wednesday	Stable
February 20 2022 Monday	94.000.000	TL	March 5 2024 Tuesday	Stable
March 3 2022 Friday	300.000.000	TL	March 7 2025 Thursday	Stable
April 7 2022 Friday	110.000.000	TL	April 19 2024 Friday	Stable
May 4 2022 Thursday	100.000.000	TL	May 8 2024 Wednesday	Stable
May 23 2022 Tuesday	120.000.000	TL	Jun 7 2024 Friday	Stable
June 12 2022 Monday	200.000.000	TL	Jun 14 2024 Friday	Stable
June 16 2023 Friday	215.000.000	TL	Jun 28 2024 Friday	Stable
July 5 2023 Wednesday	282.000.000	TL	October 13 2023 Friday	Stable
July 5 2023 Wednesday	282.000.000	TL	October 6 2023 Friday	Stable
July 6 2023 Thursday	300.000.000	TL	October 13 2023 Friday	Stable
July 7 2023 Friday	60.000.000	TL	October 13 2023 Friday	Stable
July 7 2023 Friday	133.000.000	TL	October 13 2023 Friday	Stable
July 7 2023 Friday	300.000.000	TL	October 5 2023 Thursday	Stable
July 13 2023 Thursday	630.000.000	TL	October 19 2023 Thursday	Stable
July 13 2023 Thursday	120.000.000	TL	October 12 2023 Thursday	Stable
July 13 2023 Thursday	650.000.000	TL	October 19 2023 Thursday	Stable
July 18 2023 Tuesday	350.000.000	TL	October 20 2023 Friday	Stable
July 4 2023 Tuesday	500.000.000	TL	October 13 2023 Friday	Stable
July 4 2023 Tuesday	620.000.000	TL	October 13 2023 Friday	Stable
August 2 2023 Wednesday	318.000.000	TL	November 17 2023 Friday	Stable
August 16 2023 Wednesday	200.000.000	TL	November 29 2023 Wednesday	Stable
August 17 2023 Thursday	500.000.000	TL	November 29 2023 Wednesday	Stable
August 17 2023 Thursday	400.000.000	TL	November 16 2023 Thursday	Stable
August 17 2023 Thursday	125.000.000	TL	November 29 2023 Wednesday	Stable
August 17 2023 Thursday	860.000.000	TL	December 8 2023 Friday	Stable
September 1 2023 Friday	135.000.000	TL	December 8 2023 Friday	Stable
September 1 2023 Friday	227.500.000	TL	September 5 2023 Thursday	Stable
September 1 2023 Friday	200.000.000	TL	December 28 2023 Thursday	Stable
September 22 2023 Friday	200.000.000	TL	January 5 2024 Friday	Stable
September 27 2023 Wednesday	285.000.000	TL	December 27 2023 Wednesday	Stable
September 27 2023 Wednesday	200.000.000	TL		

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### II. Explanations and notes related to consolidated liabilities (Continued)

##### 3. Information on issued securities (Continued)

###### a. Summary table of securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Lease certificate	9.651.789	-	5.031.689	-
<b>Total</b>	<b>9.651.789</b>	<b>-</b>	<b>5.031.689</b>	<b>-</b>

##### 4. Information on derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	3.523	-	2.261	-
Swap Transactions	-	-	-	11.536
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>3.523</b>	<b>-</b>	<b>2.261</b>	<b>11.536</b>

##### 5. Lease payables

	Current Period		Prior Period	
	FC	TL	FC	FC
Less than 1 year	74.050	-	50.502	-
Between 1-5 years	272.881	-	173.057	-
Over 5 years	63.362	-	54.689	-
<b>Total</b>	<b>410.293</b>	<b>-</b>	<b>278.248</b>	<b>-</b>

##### 6. Information on hedging derivative financial liabilities

None (December 31, 2022: None).

##### 7. Information on provisions:

###### a. Information on provisions for employee rights

As of the balance sheet date of the Parent Bank, the provision for severance pay amounting to 55,017 TL (31 December 2022: 38,248 TL) and the provision for leave fees amounting to 20,385 TL (31 December 2022: 10,027 TL) (31 December 2022: 90,000 TL), totaling 75,402 TL. (December 31, 2022: 138.275 TL) provision for employee rights.

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

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### II. Explanations and notes related to consolidated liabilities (Continued)

##### 7. Information on provisions (Continued)

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

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

	Current Period	Prior Period
Prior period ending balance	38.248	8.170
Change in the period	16.769	6.356
Actuarial (gain) / loss	-	23.722
<b>Balance at the end of the period</b>	<b>55.017</b>	<b>38.248</b>

##### b. Other Provisions

	Current Period	Prior Period
Provisions allocated from profit shares to be distributed to profit sharing accounts	226.204	103.969
Free provisions allocated for possible losses	642.414	642.414
Provisions for cases on trial	4.627	4.354
Impairment provision	4.595	4.059
Expected expected credit loss for Stage 1 and Stage 2 for non-cash loans	157.583	152.633
<b>Total</b>	<b>1.035.423</b>	<b>907.429</b>

(\*) Includes free provision amounting to 642,414 TL set aside by the Parent Bank management outside the requirements of BRSA Accounting and Financial Reporting Legislation. (31 December 2022: 642.414 TL).

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

None (December 31, 2022: None).

#### 8. Information on taxes payable

##### a. Information on Tax Liability

##### a.1. Explanations on current tax liability

As of September 30, 2023, the Group does not have any tax debt remaining after deducting the corporate taxes paid. (December 31, 2022: None).

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

**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023**

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

**Explanations And Notes On The Consolidated Financial Statements (Continued)**

**II. Explanations and notes related to consolidated liabilities (Continued)**

**8. Information on taxes payable (Continued)**

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

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Tax Payable	1.159.150	1.215.294
BSMV	20.865	31.817
Income tax deducted from wages	51.226	33.449
Income Tax on Securities	12.119	10.447
Foreign Exchange Transaction Tax	6.688	45.618
Value Added Tax Payable	1.200	4.546
Real Estate Capital Gains Tax	54.402	770
Other	949	3.098
<b>Total</b>	<b>1.306.599</b>	<b>1.345.039</b>

**a.3. Information on premiums**

	<b>Current Period</b>	<b>Prior Period</b>
Social security premiums-employee	26	87
Social security premiums-employer	18	59
Unemployment insurance-employee	13.342	8.296
Unemployment insurance-employer	19.538	12.148
Bank pension fund premium- employees	-	-
Bank pension fund premium- employer	-	-
Pension fund membership fees and provisions-employees	1.764	1.888
Pension fund membership fees and provisions- employer	3.528	941
Other	-	-
<b>Total</b>	<b>38.216</b>	<b>23.419</b>

**9. Information on liabilities for non-current assets related to held for sale and discontinued operations**

None (December 31, 2022: None).

**10. Detailed explanations regarding the number of subordinated loans used by the Group, their maturity, dividend ratio, the institution from which the loan was obtained and the option to convert into shares, if any**

<b>Information on subordinated loans</b>	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Borrowing Instruments to be Included in				
Additional Capital Calculation	-	6.215.605	-	4.110.376
Subordinated Loans	-	6.215.605	-	4.110.376
Subordinated Debt Instruments	-	-	-	-
Debt Instruments to be Included in the				
Contribution Capital Calculation	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
<b>Total</b>	<b>-</b>	<b>6.215.605</b>	<b>-</b>	<b>4.110.376</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### II. Explanations and notes related to consolidated liabilities (Continued)

##### 10. Detailed explanations regarding the number of subordinated loans used by the Group, their maturity, dividend ratio, the institution from which the loan was obtained and the option to convert into shares, if any (Continued)

As of September 30, 2023 the Group has a subordinated debt that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR) and a subordinated debt that creditor is Türkiye Varlık Fonu A.Ş. with an ISIN code of TRT250232F15, starting date of 9 March 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31,688.489 (Full Euro).

The related borrowing instrument has no option to pay dividends and convert to share certificates.

##### 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, 2022: 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

<u>Share Capital System</u>	<u>Paid-in Capital</u>	<u>Ceiling</u>
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

There is no capital increase in the current period.

###### d. Information on share capital increases from capital reserves during the current period

There is no share capital increase from capital reserves during the current period.

###### e. Capital commitments in the last fiscal year and by the end of the following interim period, general purpose of these commitments and projected resources required to meet these commitments

There are no capital commitments (December, 31 2022: None).

###### f. Estimated effects on the shareholders equity of the Group , of predictions to be made by taking into account previous period indicators regarding the Group's income, profitability and liquidity, and uncertainties regarding such indicators

The Group's profits are kept in shareholders' equity through transfer to reserves. Moreover, the Group's shareholders' equity is invested in liquid and earning assets.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### II. Explanations and notes related to consolidated liabilities (Continued)

##### 12. Information on shareholders' equity (Continued)

###### 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	1.423.356	38.437	1.520.003	22.224
Foreign exchange difference	-	-	-	-
<b>Total</b>	<b>1.423.356</b>	<b>38.437</b>	<b>1.520.003</b>	<b>22.224</b>

###### i. Information on other capital reserves

The Group has an subordinated debt that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date 24 April 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR) and a subordinated debt that creditor is Türkiye Varlık Fonu A.Ş. with an ISIN code of TRT250232F15, starting date of 9 March 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31,688.489 (Full Euro) 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	8.382.624	4.307.375
Forward Asset Sale Commitments	4.897.934	4.369.088
Payment Commitments for Cheques	299.253	170.002
Tax and Fund Liabilities Arising from Export Commitments	-	-
Credit Cards Limit Commitments	-	-
Affiliate Capital Commitments	67.500	-
Other Irrevocable Commitments	487.140	1.364.944
<b>Total</b>	<b>14.134.451</b>	<b>10.211.409</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### III. Explanations and notes related to consolidated off-balance sheet (Continued)

##### 1. Explanations on off balance sheet (Continued)

###### b. Type and amount of possible losses and commitments arising from off-balance sheet items

###### b.1. Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit

	Current Period	Prior Period
Guarantees	14.870.734	9.845.271
Letters of credit	79.608	200.437
Bank loans	748.395	429.301
Other guaranties and sureties	-	-
<b>Total</b>	<b>15.698.737</b>	<b>10.475.009</b>

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

	Current Period	Prior Period
Temporary Letters of Guarantees	457.363	523.772
Advance Letters of Guarantees	1.013.613	854.173
Letters of Guarantees Given to Customs	638.586	334.379
Definitive Letters of Guarantee	9.129.821	5.651.877
Letters of Guarantee Given for the Guarantee of Cash Loans	3.622.932	2.475.291
Other	8.419	5.779
<b>Total</b>	<b>14.870.734</b>	<b>9.845.271</b>

###### c. Within the Non-cash Loans

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

	Current Period	Prior Period
Non-cash loans given against cash loans	3.622.932	2.475.291
With original maturity of 1 year or less	89.679	206.803
With original maturity of more than 1 year	3.533.253	2.268.488
Other non-cash loans	<b>12.075.805</b>	7.736.118
<b>Total</b>	<b>15.698.737</b>	<b>10.211.409</b>

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

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

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

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### III. Explanations and notes related to consolidated off-balance sheet (Continued)

##### 2. Explanations on derivative transactions

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

##### 3. Explanations on contingent assets and liabilities

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

##### 4. Explanations on services rendered on behalf of third parties

These kinds of activities are not carried out when placing the bank on behalf of natural and legal persons, foundations, pension 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	3.482.830	520.006	1.608.004	121.081
Medium and Long Term Loans	2.050.030	227.591	1.499.588	218.440
Profit Share on Non-Performing Loans	2.250	254	2.157	13
<b>Total</b>	<b>5.535.110</b>	<b>747.851</b>	<b>3.109.749</b>	<b>339.534</b>

###### b. Information on profit share income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	595.423	-	18.732	-
Domestic Banks	2.899	-	210	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
<b>Total</b>	<b>598.322</b>	<b>-</b>	<b>18.942</b>	<b>-</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### IV. Explanations and notes related to consolidated the statement of income or loss (Continued)

##### 1. Information on profit share income (Continued)

##### 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)	263.557	40.843	33.054	17.633
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	1.642.392	145.984	1.193.160	59.733
Financial Assets Measured at Amortized Cost	816.831	178.944	119.678	114.651
<b>Total</b>	<b>2.722.780</b>	<b>365.771</b>	<b>1.345.892</b>	<b>192.017</b>

##### d. Information on profit share income received from associates and subsidiaries

None (December 31, 2022).

##### 2. Explanations on profit share expenses

##### a. Distribution of profit share expense on funds collected based on maturity of funds collected

Account Name	Profit Sharing Accounts							Total
	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 years	More than 1 years	Accumulated participation accounts	
<b>TL</b>								
Funds collected from banks through current and profit sharing accounts	37.625	15.044	-	-	-	-	-	52.669
Real persons' non-trading profit sharing accounts	30.040	901.090	213.496	-	1.601	115.156	-	1.261.383
Public sector profit sharing accounts	641.746	236.903	68.944	-	1.247	2.066	-	950.906
Commercial sector profit sharing accounts	309.391	1.461.355	87.453	-	17.538	121.893	-	1.997.630
Other institutions profit sharing accounts	4.653	72.546	967	-	-	-	-	78.166
<b>Total</b>	<b>1.023.455</b>	<b>2.686.938</b>	<b>370.860</b>	<b>-</b>	<b>20.386</b>	<b>239.115</b>	<b>-</b>	<b>4.340.754</b>
<b>FC</b>								
Banks	-	-	-	-	-	-	-	-
Real persons' non-trading profit sharing accounts	4.705	13.672	626	-	7.081	203	-	26.287
Public sector profit sharing accounts	4.455	31	-	-	-	-	-	4.486
Public sector profit sharing accounts	11.814	11.003	194	-	9.141	-	-	32.152
Other institutions profit sharing accounts	14	27	-	-	-	-	-	41
Precious metals deposits	2.193	-	-	-	-	-	-	2.193
<b>Total</b>	<b>23.181</b>	<b>24.733</b>	<b>820</b>	<b>-</b>	<b>16.222</b>	<b>203</b>	<b>-</b>	<b>65.159</b>
<b>Grand Total</b>	<b>1.046.636</b>	<b>2.711.671</b>	<b>371.680</b>	<b>-</b>	<b>36.608</b>	<b>239.318</b>	<b>-</b>	<b>4.405.913</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### IV. Explanations and notes related to consolidated the statement of income or loss (Continued)

##### 2. Explanations on profit share expenses (Continued)

Prior Period Account Name	Profit Sharing Accounts							Accumulated participation accounts	Total
	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 years	More than 1 years			
<b>TL</b>									
Funds collected from banks through current and profit sharing accounts	2.314	77.914	-	-	-	-	-	-	80.228
Real persons' non-trading profit sharing accounts	18.309	298.126	34.823	-	804	22.253	-	-	374.315
Public sector profit sharing accounts	336.295	68.224	13.320	-	5.652	65	-	-	423.556
Commercial sector profit sharing accounts	200.333	638.941	149.730	-	5.292	48.083	-	-	1.043.021
Other institutions profit sharing accounts	6.757	72.303	5.079	-	-	-	-	-	84.139
<b>Total</b>	<b>564.008</b>	<b>1.155.508</b>	<b>202.952</b>	<b>-</b>	<b>11.748</b>	<b>70.401</b>	<b>-</b>	<b>-</b>	<b>2.004.617</b>
<b>FC</b>									
Banks	-	6.204	-	-	-	-	-	-	6.204
Real persons' non-trading profit sharing accounts	7.963	45.436	3.403	-	2.825	295	-	-	59.922
Public sector profit sharing accounts	-	1.896	-	-	-	-	-	-	1.896
Public sector profit sharing accounts	8.747	124.654	15.979	-	729	-	-	-	150.109
Other institutions profit sharing accounts	1.749	2.017	-	-	-	-	-	-	3.766
Precious metals deposits	2.024	-	-	-	-	-	-	-	2.024
<b>Total</b>	<b>20.483</b>	<b>180.207</b>	<b>19.382</b>	<b>-</b>	<b>3.554</b>	<b>295</b>	<b>-</b>	<b>-</b>	<b>223.921</b>
<b>Grand Total</b>	<b>584.491</b>	<b>1.335.715</b>	<b>222.334</b>	<b>-</b>	<b>15.302</b>	<b>70.696</b>	<b>-</b>	<b>-</b>	<b>2.228.538</b>

##### b. Information on profit share expense paid to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	60.833	46.760	14.360	17.960
CBRT	-	-	-	-
Domestic banks	60.833	23.756	14.360	7.798
Foreign banks	-	23.004	-	10.162
Head offices and branches abroad	-	-	-	-
Other institutions	-	194.307	321	124.013
<b>Total</b>	<b>60.833</b>	<b>241.067</b>	<b>14.681</b>	<b>141.973</b>

##### c. Information on profit share expense given to consolidated associates and subsidiaries

None (September 30, 2022: None).

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### IV. Explanations and notes related to consolidated the statement of income or loss (Continued)

##### 2. Explanations on profit share expenses (Continued)

###### d. Information profit share expenses given to issued securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Dividend Expenses on Issued Securities	1.345.779	-	497.078	-
<b>Total</b>	<b>1.345.779</b>	<b>-</b>	<b>497.078</b>	<b>-</b>

##### 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
Service package revenues	936.357	110.385
Remittance Commissions	361.577	45.948
Fees and commissions from correspondents	149.696	10.555
Import commissions	30.882	8.880
Appraisal fees	14.428	5.367
Insurance and brokerage commissions	35.483	3.640
Early closing commission income	8.536	4.098
Limit allocation commission	5.953	1.946
Fees and commissions from member merchant pos	5.875	914
Safe deposit box revenues	1.035	547
Other commission and service income received	34.097	15.871
<b>Total</b>	<b>1.583.919</b>	<b>208.151</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### IV. Explanations and notes related to consolidated the statement of income or loss (Continued)

#### 3. The Other Items in Net Fees and Commission Income / Expenses, which constitute at least 20% of the total of other items, if the total of other items in income statement exceed 10% of the total of income statement (Continued)

<u>Other Fees and Commissions Given</u>	<u>Current Period</u>	<u>Prior Period</u>
Expenses and commissions given to correspondents	29.538	14.253
Fees and commissions for Swift, EFT and money transfer	4.143	1.807
Commissions given to credits used	1.634	299
Fees and commissions given for loans used	274	109
Fees and commissions paid to member workplaces	-	-
Other commissions and fees	9.537	3.456
<b>Total</b>	<b>45.126</b>	<b>19.924</b>

#### 4. Information on dividend income

None (September 30, 2022: None).

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

	<u>Current Period</u>	<u>Prior Period</u>
<b>Income</b>	<b>15.014.732</b>	<b>5.250.580</b>
Income from capital market transactions	15.028	9.768
Income from derivative financial instruments	774.875	1.588.158
Foreign exchange income	14.224.829	3.652.654
<b>Loss (-)</b>	<b>11.446.898</b>	<b>4.696.650</b>
Loss on capital market transactions	984	1.356
Loss on derivative financial instruments	1.551.377	845.301
Foreign exchange losses	9.894.537	3.849.993
<b>Trading income/loss (net)</b>	<b>3.567.834</b>	<b>553.930</b>

#### 6. Explanations related to other operating income

	<u>Current Period</u>	<u>Prior Period</u>
Income from provisions made in previous years	319.536	32.153
Income from sales of assets	1.180	26.264
Revenues from provisions allocated in previous years	30.974	444
Cancellation against communication	313	128
Lease income	44.187	7.740
Other income	6	6
<b>Total</b>	<b>396.196</b>	<b>66.735</b>

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

**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023**

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

**Explanations And Notes On The Consolidated Financial Statements (Continued)**

**IV. Explanations and notes related to consolidated the statement of income or loss (Continued)**

**7. Expected loss provision expenses and other provision expenses**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Expected Credit Loss</b>	<b>282.377</b>	<b>326.016</b>
12 month expected credit loss (stage 1)	203.465	276.537
Significant increase in credit risk (stage 2)	10.217	13.140
Non-performing loans (stage 3)	68.695	36.339
<b>Marketable Securities Impairment Expense</b>	<b>548</b>	<b>2.075</b>
Financial Assets at Fair Value through Profit or Loss	548	2.075
Financial Assets at Fair Value through Other		
Comprehensive Income	-	-
<b>Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease</b>	<b>-</b>	<b>-</b>
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Investments Held to Maturity	-	-
<b>Other (*)</b>	<b>97.984</b>	<b>41.461</b>
<b>Total</b>	<b>380.909</b>	<b>369.552</b>

(\*) Other provision expenses include provision expenses for litigation provisions and profits to be distributed to participation accounts.

**8. Information on other operating expenses**

	<b>Current Period</b>	<b>Prior Period</b>
Provision for retirement pay liability (*)	16.769	4.013
Accumulated allowance amount (*)	14.926	-
Deficit provision for pension fund (*)	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	116.723	69.429
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	2.303	6.587
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and assets of discontinued operations	-	-
Other operating expenses	1.371.222	130.035
Lease expenses related to TFRS 16 exemptions	2.113	943
Operating Maintenance expenses	33.678	14.963
Advertisement expenses	95.764	40.712
Other expenses <sup>(1)</sup>	1.239.667	73.417
Loss on sale of assets	-	-
Other <sup>(2)</sup>	198.945	58.285
<b>Total</b>	<b>1.720.888</b>	<b>268.439</b>

(\*) The amount of severance pay and accumulated vacation provisions shown in other provisions in the profit or loss statement, which are not included in other operating expenses, are also included in this table.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### IV Explanations and notes related to consolidated the statement of income or loss (Continued)

#### 8. Information on other operating expenses (Continued)

<sup>1)</sup> Details of “Other Expenses” balance under Other Operating Expenses are as follows:

	Current Period	Prior Period
Communication Expenses	1.046.181	968
Cleaning Expenses	40.017	15.504
Heating, Lighting and Water Expenses	39.741	12.521
Vehicle Expenses	19.921	11.024
Representation and Hospitality expenses	12.223	4.840
Securities insurance expenses	10.374	6.981
Stationary supplies expenses	6.767	2.963
Aid and donations	2.730	1.645
Participation on common expenses	1.960	943
Litigation and court expenses	453	383
Other Expenses	59.300	15.645
<b>Total</b>	<b>1.239.667</b>	<b>73.417</b>

<sup>2)</sup> Other balance details are as below table:

	Current Period	Prior Period
Taxes, Duties, Charges and Funds	115.939	29.534
Audit and Consultancy Fees	26.819	9.778
Participation Share Expenses	7.989	3.238
Saving Deposit Insurance Fund	28.340	7.837
Other	19.858	7.898
<b>Total</b>	<b>198.945</b>	<b>58.285</b>

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

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

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

As of 30 September 2023, the Group has deferred tax income of 1.620.046 TL (30 September 2022: 492.593 TL) and deferred tax expense of 1.900.791 TL (30 September 2022: 237,285 TL). As of 30 September 2023, the Parent Bank's current tax provision is 2.247.925 TL (30 September 2022: 761.196 TL).

Since the Group does not have any discontinued operations, there is no tax provision regarding this. (September 30, 2022: Not available).

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### IV Explanations and notes related to consolidated the statement of income or loss (Continued)

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

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

##### 12. Explanations on net income/ loss

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

None.

#### V. Explanations and notes related to consolidated the statement of changes in shareholders’ equity

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

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

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

#### 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 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
<b>Loans and Other Receivables</b>						
Balance at the beginning of period	1.273.002	-	2.355	-	-	-
Balance at the end of period	1.156.639	-	3.587	-	-	-
<b>Dividend and Commission Income Received (**)</b>	<b>20.670</b>	<b>-</b>	<b>245</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) It is defined in Article 49 of the Banking Law No. 5411 and Article 4 of the “Regulation on Credit Transaction of Banks” published on 1 November 2006.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### VII. Explanations related to the risk group of the Parent Bank (Continued)

##### 1. The volume of transactions related to the risk group that the Parent Bank belongs to, credit and fund transactions collected at the end of the period, income and expenses for the period (Continued)

###### b. Prior Period

Risk Group of the 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
<b>Loans and Other Receivables</b>						
Balance at the beginning of period	714.824	-	973	-	-	-
Balance at the end of period	1.273.002	-	2.355	-	-	-
<b>Dividend and Commission Income Received (**)</b>	<b>37.480</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>

###### c. 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
<b>Current and profit sharing accounts</b>						
Balance at the beginning of period	51.265	128.021	-	-	-	-
Balance at the end of period	51.285	51.265	-	-	-	-
<b>Profit share expense</b>	<b>412</b>	<b>14.180</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

###### c.2. Information on forward and option agreements and other similar agreements with the risk group of the Parent Bank

The Parent Bank does not have any forward foreign exchange purchase / sale contracts with the risk group it is included.

#### VIII. Explanations related to domestic, foreign and offshore branches or investments and foreign representative offices of the Parent Bank

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Explanations And Notes On The Consolidated Financial Statements (Continued)

#### IX. Explanations and notes on matters after balance sheet

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 7/181. Within the scope of the said issue ceiling, Emlak Katılım Varlık Kiralama A.Ş. within the scope of the issue approval of TL 20.000.000 received from the CMB on February 3, 2022, to be sold to private and / or qualified investors,

-210.000.000 TL, with a maturity of 366 days, for qualified domestic investors on April 3, 2023,  
-320.000.000 TL, with a maturity of 370 days, for qualified domestic investors on October 5, 2023,  
-306.000.000 TL, with a maturity of 105 days, for qualified domestic investors on October 6, 2023,  
-130.000.000 TL with a maturity of 98 days for qualified domestic investors on October 12, 2023,  
-401.000.000 TL, with a maturity of 98 days, for qualified domestic investors on October 13, 2023,  
-193.000.000 TL, with a maturity of 104 days, for qualified domestic investors on October 19, 2023,  
-162.000.000 TL, with a maturity of 366 days, for qualified domestic investors on November 1, 2023,  
-135.000.000 TL, with a maturity of 98 days, for qualified domestic investors on 16 November 2023,  
-300.000.000 TL, with a maturity of 105 days, for qualified domestic investors on 17 November 2023,  
-On 17 November 2023, lease certificate issuance transactions were carried out in the amount of 470.000.000TL, with a maturity of 103 days, for qualified investors in the country.

In the issuance of the lease certificates the Parent Bank was involved as the authorized investment institution.

KGK made an announcement on 23 November 2023 regarding the Adjustment of Financial Statements of Companies Subject to Independent Audit for Inflation, and with this announcement;

1) Financial statements of businesses that apply Turkish Financial Reporting Standards and the Financial Reporting Standard for Large and Medium-Sized Enterprises (BOBİ FRS) for the annual reporting period ending on or after December 31, 2023, in accordance with "Turkish Accounting Standard 29 Financial Reporting in High Inflation Economies" and "BOBİ It must be presented adjusted for the effect of inflation in accordance with the relevant accounting principles set out in FRS Chapter 25 Financial Reporting in Highly Inflationary Economies.

2) It has been stated that institutions or organizations authorized to regulate and supervise their own fields may determine different transition dates than those foreseen above for the implementation of the provisions in TMS 29 or BOBİ FRS.

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

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### SECTION SIX

#### INDEPENDENT AUDITOR'S REVIEW REPORT

##### **I. Explanations on the Independent Auditor's Review Report**

The consolidated financial statements of the Group for the nine months period ended September 30, 2023 were reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ and Auditors' Limited Review Report dated May 25, 2023 is presented in the introduction of this report.

##### **II. Explanations and Notes Prepared by Independent Auditors**

None.

**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS  
OF SEPTEMBER 30, 2023**

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

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**SECTION SEVEN**

**INTERIM ACTIVITY REPORT**

**I. Message from the Chairman of the Board of Directors and CEO about activities related the interim period**

**a. Message from the Chairman of the Board of Directors**

First of all, on the occasion of the 100th anniversary of the Republic of Turkey, I would like to express our eternal gratitude to Gazi Mustafa Kemal and all those who have fought and died in the service of their nation.

In the third quarter of 2023, global markets were again focused on central banks' and monetary authorities' policies and efforts to combat inflation and sustain growth. In the October 2023 issue of Global Economic Outlook, the International Monetary Fund said that it expects global growth to slip from 3.5% in 2022 to 3.0% in 2023 but subsequently stabilize at 2.9% in 2024. Although global inflation is continuing to subside with the support of tight-money policies worldwide, the rate is still above long-term averages. For this reason, most countries' central banks and monetary authorities around the world are still engaged in a concerted effort to rein in inflation.

Supported by domestic demand, the Turkish economy registered an annualized 3.9% rate of growth in the first half-year despite the challenges that confronted it at home and abroad. Leading Q3 2023 indicators suggest that despite a three-month loss in growth momentum, economic activity continues to be nourished by domestic demand. That said, strong demand, unruly pricing behavior, soaring energy prices, service-price rigidity, and cost-side pressures all pose upward risks for the inflationary outlook. As a demonstration of its commitment to reining in prices in the face of an increasingly worsening inflationary outlook, TCMB raised its policy rate to 30%. In a bid to bring inflation under control as soon as possible, the Bank also stated that it will continue to adhere to a tight-money policy stance so long as unruly pricing behavior persists.

Our bank continued to grow and make progress in line with its strategies during the recently-concluded quarter. With 101 branches, a presence in 39 of our country's provinces, over 1,400 employees, and total assets worth TL 150 billion, Emlak Katılım is engaged in a relentless effort to deliver products and services to customers in every part of our country while also making significant contributions to the national economy and to employment.

Going forward, our bank will continue to meet customer expectations by providing the participation finance sector with innovative and sustainable products and services while also strengthening its own technological capabilities so as to develop even more digital banking services.

Sincerely yours,

**Prof. Dr. Mehmet Emin BİRPINAR**

Chairman of the Board of Directors

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Interim Activity Report (Continued)

#### I. Message from the Chairman of the Board of Directors and CEO about activities related the interim period (Continued)

##### b. Message from the CEO

The effects of shrinking trade brought on by a weakening global economy and bouts of inflation in recent years are being felt all around the world. The war in Ukraine, a US banking system crisis, and stagnation in both the US and EU have all contributed significantly to the emergence of difficulties. In addition to these developments, issues such as oil price volatilities also had an impact across all sectors.

In Turkey, measures to combat inflation continue to bear fruit. The Turkish economy broke one export record after another and increased employment. Such positive developments set Turkey apart from countries similar to it. Supported by domestic demand, the Turkish economy maintained its controlled growth in the midst of inflation, posting a 3.8% 12-month rate of growth in Q2 2023. In its October 2023 Global Economic Outlook, the International Monetary Fund revised its 2023 growth forecast for Turkey upward from 3.2% to 4%.

By increasing support to their retail and real-sector customers, both the traditional banking and the participation finance systems remained on the path of stable growth during this quarter. While supporting the Turkish economy's growth in line with decisions taken by the government on the one hand, on the other the Turkish banking industry also began to recognize sustainability as an element of business strategy. The sector's total assets grew by approximately 47% year-on and reached TL 21 trillion in value. During the same twelve-month period, participation banks registered about a 51% rate of growth, outperforming the sector as a whole by a small margin. Participation banks also grew their share of the Turkish banking industry's total assets to a little over 8%, thereby also drawing a little closer to the 15% target set by President Erdoğan.

The sector's total lendings in the first nine months of the year increased by an annualized 41% and reached TL 10.7 trillion. During the same twelve-month period, its deposits grew by 50% to TL 13.3 trillion, which translates into an overall loan/deposit (leveraging) ratio of 80%. The sector's overall capital adequacy ratio was 18.5%, a figure consistent with its performance hitherto. Looking at the lending performance of participation banks, we see that their funds allocated weighed in at TL 811 billion while their funds collected reached TL 1.3 trillion, which yields a leveraging ratio of 61%.

Turning now to Emlak Katılım, our bank has increased the number of its branches to 101, the number of provinces in which it has a presence to 39, and the number of its employees to over 1,400. As of Q3 2023, our bank's total assets and total funds collected reached TL 150 billion and TL 118 billion respectively, both measures of our continued and confident progress, while total profit weighed in at TL 4.2 billion. I take pride in noting that we have already exceeded our end-2023 targets by substantial margins.

We will continue our unremitting efforts to expand our customer base and service network and to contribute to the national economy and employment while also further diversifying the innovative digital-channel products and services that we offer. In the third quarter we introduced two new products. "Üretenle Kazan" is a financial product that allows customers to invest through financial leasing. In return for their investment, customers receive a monthly rental income. "Limit Koruma Sigortası" is a limit protection insurance product that provides coverage against death, temporary disability, earthquake, and similar risks.

On the occasion of our commemoration of the first centenary of the Republic of Turkey, I consider it my duty to express my gratitude to Gazi Mustafa Kemal Atatürk and all his comrades-in-arms.

Sincerely yours,

**Onur Gök**  
General Manager

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Interim Activity Report (Continued)

#### I. Message from the Chairman of the Board of Directors and CEO about activities related the interim period (Continued)

##### c. Capital and Shareholder Structure

Name and Surname/ Trade name	Share Amounts	Share Rates	Paid Shares	Unpaid Shares
Ministry of Treasury and Finance	1.026.915	%99,99999	1.026.915	-
Other	-	%0,00001	-	-

##### d. The amendments in the articles of association during period of January 1, 2023 – September 30, 2023

None.

##### e. Branch and Personal Information

The Bank's total number of branches is 101 (including 1 e-branch) and the total number of personnel is 1.423 at 31 September 2023.

##### f. Board of Directors and Executive Management

Name and Surname	Administrative Function and Responsibility	Educational Degree	Ownership Percentage(%)
Prof. Dr. Mehmet Emin BİRPINAR	Chairman of BOD	Doctorate	-
Mahmut KAÇAR <sup>(*)</sup>	Vice Chairman of the Board of Directors	Bachelor	-
Hasan SUVER	Member of BOD	Master	-
Mustafa ERDEM	Member of BOD	Bachelor	-
Mehmet Nuri YAZICI	Member of BOD and Chairman of the Audit Committee	Bachelor	-
Prof. Dr. Murat BALCI <sup>(***)</sup>	Member of BOD	Doctorate	-
Ramazan GÜNGÖR <sup>(*)</sup>	Member of BOD and Audit Committee	Bachelor	-
Onur GÖK <sup>(**)</sup>	Member of BOD / General Manager	Master	-
Tuğba GEDİKLİ	Assistant General Manager Responsible for Finance	Bachelor	-
Ali Kemal KÜÇÜKCAN	Assistant General Manager Responsible for Treasury and International Banking	Master	-
Hüseyin Cahit BÜYÜKBAŞ <sup>(****)</sup>	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	-

<sup>(\*)</sup> In accordance with the 2022 Ordinary General Assembly Decision held on 4 August 2023, Mr. Mahmut KAÇAR and Mr. Ramazan GÜNGÖR were appointed as Members of the Board of Directors of our Bank.

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

<sup>(\*\*\*)</sup> He was appointed as a member of the Audit Committee by the Board of Directors' decision dated 21 August 2023.

<sup>(\*\*\*\*)</sup> He resigned from his position on October 13, 2023

##### Managers of Internal Systems

Name and Surname	Professional Experience	Seniority in the Field of Responsibility	Education	Area of Responsibility
Abdulkadir CEBECİ	17 year 6 month	17 year 6 month	Master	Head of Inspection Committee Head of Internal Control and Compliance
Halil İbrahim ÖZER	17 year 4 month	10 year 3 month	Master	Head of Internal Control and Compliance
Erhan ŞANLI	16 year 11 month	2 year 9 month	Bachelor	Head of Risk Management

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Interim Activity Report (Continued)

#### I. Message from the Chairman of the Board of Directors and CEO about activities related the interim period (Continued)

##### g. Committee and committee members formed after the distribution of duties among the board members

###### AUDIT COMITEE

Mehmet Nuri YAZICI (Head)  
Ramazan GÜNGÖR

###### CREDIT COMITEE

Prof. Dr. Murat BALCI (Head)  
Mustafa ERDEM (Original Member)  
Onur GÖK (Original Member)  
Prof. Dr. Mehmet Emin BİRPINAR (Substitute Member)  
Hasan SUVER (Substitute Member)

###### CORPORATE GOVERNANCE COMMITTEE

Mahmut KAÇAR (Head)  
Prof. Dr. Murat BALCI  
Mustafa ERDEM

###### REMUNERATION COMMITTEE

Hasan SUVER (Head)  
Mehmet Nuri YAZICI  
Ramazan GÜNGÖR

###### EXECUTIVE COMMITTEE

Prof. Dr. Mehmet Emin BİRPINAR (Head)  
Onur GÖK  
Hasan SUVER

#### h. The Group's Selected Financial Indicators as of September 30, 2023

Assets	Current Period	Prior Period
Loans and Financial Leasing Receivables	55.513.096	44.292.621
Total Securites	27.925.782	21.826.785
<b>Total of Selected Assets</b>	<b>83.438.878</b>	<b>66.119.406</b>
Liabilities	Current Period	Prior Period
Funds Collected	118.314.709	79.172.023
Funds Borrowed	866.582	898.935
Shareholders' Equity	10.170.419	6.028.017
<b>Total of Selected Liabilities</b>	<b>129.351.710</b>	<b>86.098.975</b>

# TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

## NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

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

### Interim Activity Report (Continued)

#### I. Message from the Chairman of the Board of Directors and CEO about activities related the interim period (Continued)

<b>Income and Expense Items</b>	<b>Current Period</b>	<b>Prior Period</b>
Profit Share Income	10.051.280	5.037.258
Profit Share Expense	6.130.524	2.978.547
Net Profit Share Income/Expenses	3.920.756	2.058.711
Net Fees and Commissions Income/Expenses	1.641.197	235.006
Personnel Expenses	705.650	314.347
Trading Income/Loss	3.567.834	553.930
Other Operating Income	396.196	65.638
Loans and Other Receivables from Provision for Losses	282.377	326.016
Other Operating Expenses	1.689.193	263.107
Profit Before Tax and Provisions	6.750.231	1.966.279
Tax Provisions	(2.528.670)	(504.481)
Net Profit/Losses	4.221.561	1.461.798
<b>Ratios (%)</b>	<b>Current Period</b>	<b>Prior Period</b>
Total Loans/Total Assets (*)	37,11	44,76
Total Loans/Total Deposits (*)	46,92	55,94
Capital Adequacy Ratio	28,21	28,23

(\*) Financial Leasing Receivables are included in the Total Loans figure.

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