

# **Türkiye Emlak Katılım Bankası Anonim Şirketi**

**Publicly Announced Unconsolidated Financial  
Statements and Related Disclosures at  
June 30, 2021 together with Independent Auditor's  
Limited Review Report**

*(Convenience translation of publicly announced unconsolidated  
financial statements, related disclosures and audit report originally  
issued in Turkish – see section three Note I.a)*

**Convenience translation of the auditor’s report originally issued in Turkish, See Note I of Section three)**

## **Review Report on Interim Unconsolidated Financial Information**

**To the Board of Directors of Türkiye Emlak Katılım Bankası A.Ş.**

### ***Introduction***

We have reviewed the unconsolidated statement of financial position of Türkiye Emlak Katılım Bankası A.Ş. (“the Bank”) at June 30, 2021 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the six-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of these unconsolidated of interim financial information in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (“BRSA”) and circulars and interpretations published by Banking Regulation and Supervision Authority (together referred as BRSA Accounting and Financial Reporting Legislation) and Turkish Accounting Standard 34 “Interim Financial Reporting” principles for those matters not regulated by BRSA Legislation; together referred as “BRSA Accounting and Financial Reporting Legislation”. Our responsibility is to express a conclusion on this unconsolidated interim financial information based on our review.

### ***Scope of Review***

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards of Turkey 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.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the unconsolidated financial position of Türkiye Emlak Katılım Bankası A.Ş. at June 30, 2021, and the results of its operations and its unconsolidated cash flows for the six-month-period then ended in all material aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

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

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

***Additional paragraph for convenience translation to English:***

As explained in detail in Note I.a. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Financial Reporting Legislation and the accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Emre Çelik, SMMM  
Partner

August 20, 2021  
Istanbul, Turkey

**THE UNCONSOLIDATED FINANCIAL REPORT OF TÜRKİYE EMLAK KATILIM BANKASI A.Ş. FOR THE SIX-MONTH PERIOD THEN ENDED JUNE 30, 2021**

Bank's headquarter address : Barbaros Mahallesi, Begonya Sk. No:9A,  
34746 Ataşehir/İstanbul  
Bank's phone number and facsimile : 0 (216) 266 26 26 - 0 (216) 275 25 25  
Bank's website : www.emlakkatilim.com.tr  
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The interim six month unconsolidated 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 BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- AUDITORS' INTERIM REPORT
- INTERIM ACTIVITY REPORT

The unconsolidated financial statements and related disclosures and footnotes for the six 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

**Nevzat BAYRAKTAR**  
General Manager

**Mesut AK**  
Financial Director

**Abdullah Erdem CANTİMUR**  
Head of the Audit  
Committee

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

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

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## Table of Contents

### Section One

#### General information

I.	History of the Bank including its incorporation date, initial legal status and amendments to legal status	1
II.	Shareholding structure, shareholders having direct or indirect, joint or individual control over the management of the Bank and disclosures on related changes in the current year, if any	2
III.	Explanation on the chairman and members of board of directors, members of audit committee, general manager and assistant general managers, their areas of responsibility and their shares in the Bank, if any	2
IV.	Information on the Bank's qualified shareholders	2
V.	Summary on the Bank's service activities and field of operations	2
VI.	Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards with respect to consolidation and short explanation about the institutions subject to full or proportional consolidation and institutions which are deducted from equity or not included in these three methods	3
VII.	The existing or potential, actual or legal obstacles on immediate transfer of equity or reimbursement of liabilities between the Bank and its subsidiaries	3

### Section Two

#### The unconsolidated financial statements

I	Balance sheet (Statement of financial position)	5
II.	Statement of off-balance sheet	7
III.	Statement of Profit or Loss	8
IV.	Statement of Profit or Loss and other comprehensive income	9
V.	Statement of changes in shareholders' equity	10
VI.	Statement of cash flows	12

### Section Three

#### Accounting policies

I.	Explanations on basis of presentation	13
II.	Explanations on strategy of using financial instruments and foreign currency transactions	14
III.	Explanations on forward, option contracts and derivative instruments	15
IV.	Explanations on profit share income and expenses	15
V.	Explanations on fees, commission income and expenses	15
VI.	Explanations on financial assets	16
VII.	Explanations on expected credit losses:	17
VIII.	Explanations on offsetting of financial instruments	20
IX.	Explanations on sale and repurchase agreements and lending of securities	20
X.	Explanations on assets held for sale and discontinued operations and liabilities related to these assets	21
XI.	Explanations on goodwill and other intangible assets	21
XII.	Explanations on tangible assets	21
XIII.	Explanations on leasing transactions	22
XIV.	Explanations on provisions and contingent liabilities	23
XV.	Explanations on liabilities regarding employee rights	23
XVI.	Explanations on taxation	24
XVII.	Additional explanations on borrowings	25
XVIII.	Explanations on issued share certificates	25
XIX.	Explanations on acceptances and availed drafts	25
XX.	Explanations on government grants	25
XXI.	Explanations on segment reporting	25
XXII.	Explanations on investments in associates and subsidiaries	26
XXIII.	Explanations on reporting according to segmentation	26

### Section Four

#### Information on financial structure and risk management

I.	Explanations on equity items	26
II.	Explanations on credit risk	31
III.	Explanations on currency risk	31
IV.	Explanations on liquidity risk	33
V.	Explanations on leverage ratio	38
VI.	Explanations regarding the fair value of financial assets and liabilities	38
VII.	Explanations regarding the activities carried out on behalf and account of other persons	38
VIII.	Explanations on risk management	39
IX.	Links between financial statements and risk amounts	50
X.	Explanations on business segments	51

### Section Five

#### Explanations and notes on the unconsolidated financial statements

I	Explanations and notes related to assets	52
II.	Explanations and notes related to liabilities	67
III.	Explanations and notes related to off-balance sheet	75
IV.	Explanations and notes related to the income statement	77
V.	Explanations and notes related to the statements of changes in shareholders' equity	85
VI.	Explanations and notes related to the statement of cash flows	85
VII.	Explanations related to the risk group of the Bank	85
VIII.	Explanations related to domestic, foreign and offshore branches or investments and foreign representative offices	86
IX.	Explanations and notes on matters after balance sheet	86

### Section Six

#### Auditor's review report

I.	Explanations on the Independent Auditor's Review Report	87
II.	Explanations and Notes Prepared by Independent Auditors	87

### Section Seven

#### Interim activity report

I.	Interim annual report including the evaluations of interim activities of the Chairman of the Board of Directors and General Manager	88
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## **SECTION ONE**

### **General information**

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

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

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

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

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

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

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

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

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

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

The Bank's head office is located in İstanbul and there are 65 branches of the Bank as of June 30, 2021. (December 31, 2020: 50). The Bank is operating with 1.022 staff as of 30 June 2021 (December 31, 2020: 814).

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

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

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

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

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

<b>Name and Surname</b>	<b>Administrative Function and Responsibility</b>	<b>Educational Degree</b>	<b>Ownership Percentage(%)</b>
Prof. Dr. Mehmet Emin BİRPINAR	Chairman of BOD	Doctorate	-
Abdullah Erdem CANTİMUR	Vice Chairman of the Board of Directors and Chairman of the Audit Committee	Master	-
Mehmet Ali KAHRAMAN	Member of BOD	Master	-
Mustafa GÜLEN	Member of BOD	Bachelor	-
Mehmet Nuri YAZICI	Member of BOD and Audit Committee	Bachelor	-
Prof. Dr. Murat BALCI	Member of BOD	Doctorate	-
Nevzat BAYRAKTAR	Member of BOD / General Manager	Bachelor	-
Nihat BULUT	Assistant General Manager Responsible for Credits	Bachelor	-
Yusuf OKUR	Assistant General Manager Responsible for Operations	Bachelor	-
Uğur KARA	Assistant General Manager Responsible for Human Resources	Master	-

**IV. Information on the Bank's qualified shareholders:**

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

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

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

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

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

- To buy or sell money or capital market instruments on the spot or in the term according to the legislation and interest-free banking principles, and to mediate their purchase and sale, to operate in stock exchanges,
- Within the principles of interest-free banking; to allocate funds to the economy, to use loans in cash and non- Cash in all types and forms,

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

- To make financial leasing transactions, to make operational leasing transactions,
- To make all kinds of payment and collection transactions, payment such as travel checks, credit cards the activities of the vehicles, to provide merchant services (POS), consultancy and advising, providing safe deposit services,
- Buying, acquiring, building any kind of real estate and transferring, renting them to other people when necessary and making all kinds of savings on them,
- For Companies and organizations (including insurance companies); giving services of representation, substitution and being agentship,
- To support Agricultural Credit Cooperatives and SMEs, to carry out activities to support urban transformation,
- To carry out portfolio management and management operations,
- Providing custody services,
- The Bank, extends non-cash funds in the type of letter of guarantee, loan of acceptance, letter of credit.

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

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

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

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

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



## **SECTION TWO**

### **The unconsolidated financial statements**

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

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

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

**UNCONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)**

**AS OF JUNE 30, 2021**

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

ASSETS	Note (5-I)	THOUSAND TL			THOUSAND TL		
		CURRENT PERIOD (30/06/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>I. FINANCIAL ASSETS (NET)</b>		<b>2.079.671</b>	<b>4.888.145</b>	<b>6.967.816</b>	<b>1.496.116</b>	<b>3.465.407</b>	<b>4.961.523</b>
<b>1.1 Cash and cash equivalents</b>		<b>437.105</b>	<b>3.649.989</b>	<b>4.087.094</b>	<b>259.407</b>	<b>2.917.315</b>	<b>3.176.722</b>
1.1.1 Cash and Balances with Central Bank	(1)	435.052	2.542.238	2.977.290	255.369	2.011.728	2.267.097
1.1.2 Banks	(2)	2.207	1.108.765	1.110.972	4.130	906.712	910.842
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4 Expected Loss Provisions (-)		154	1.014	1.168	92	1.125	1.217
<b>1.2 Financial Assets Measured at Fair Value Through Profit/Loss (FVTPL)</b>		<b>178.977</b>	<b>551.967</b>	<b>730.944</b>	<b>312.473</b>	<b>306.207</b>	<b>618.680</b>
1.2.1 Government Debt Securities	(3)	102.119	551.967	654.086	216.844	306.207	523.051
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		76.858	-	76.858	95.629	-	95.629
<b>1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI)</b>		<b>1.451.988</b>	<b>677.467</b>	<b>2.129.455</b>	<b>922.824</b>	<b>241.566</b>	<b>1.164.390</b>
1.3.1 Government Debt Securities	(4)	1.444.329	677.467	2.121.796	915.165	241.566	1.156.731
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>		<b>11.601</b>	<b>8.722</b>	<b>20.323</b>	<b>1.412</b>	<b>319</b>	<b>1.731</b>
1.4.1 Derivative Financial Assets Measured at FVTPL	(5)	11.601	8.722	20.323	1.412	319	1.731
1.4.2 Derivative Financial Assets Measured at FVOCI		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)</b>		<b>10.710.801</b>	<b>5.983.930</b>	<b>16.694.731</b>	<b>9.939.118</b>	<b>4.963.488</b>	<b>14.902.606</b>
<b>2.1 Loans</b>		<b>10.882.806</b>	<b>4.183.219</b>	<b>15.066.025</b>	<b>10.148.747</b>	<b>3.421.877</b>	<b>13.570.624</b>
<b>2.2 Lease Receivables</b>		<b>61.346</b>	<b>16.156</b>	<b>77.502</b>	<b>25.623</b>	<b>2.786</b>	<b>28.409</b>
<b>Other Financial Assets Measured at Amortized Cost</b>		<b>-</b>	<b>1.819.664</b>	<b>1.819.664</b>	<b>-</b>	<b>1.568.929</b>	<b>1.568.929</b>
2.3.1 Government Debt Securities	(7)	-	1.819.664	1.819.664	-	1.568.929	1.568.929
2.3.2 Other Financial Assets		-	-	-	-	-	-
<b>2.4 Expected Loss Provisions(-)</b>		<b>233.351</b>	<b>35.109</b>	<b>268.460</b>	<b>235.252</b>	<b>30.104</b>	<b>265.356</b>
<b>III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>		<b>12.362</b>	<b>-</b>	<b>12.362</b>	<b>23.797</b>	<b>-</b>	<b>23.797</b>
3.1 Asset Held for Sale	(9)	12.362	-	12.362	23.797	-	23.797
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>IV. PARTNERSHIP INVESTMENTS</b>		<b>100</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>100</b>
<b>4.1 Associates (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1 Associates Consolidated Under Equity Accounting	(10)	-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
<b>4.2 Subsidiaries (Net)</b>		<b>100</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>100</b>
4.2.1 Unconsolidated Financial Investments in Subsidiaries		100	-	100	100	-	100
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
<b>4.3 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>		<b>323.055</b>	<b>-</b>	<b>323.055</b>	<b>251.229</b>	<b>-</b>	<b>251.229</b>
<b>VI. INTANGIBLE ASSETS (NET)</b>		<b>30.746</b>	<b>-</b>	<b>30.746</b>	<b>34.559</b>	<b>-</b>	<b>34.559</b>
6.1 Goodwill	(11)	-	-	-	-	-	-
6.2 Other		30.746	-	30.746	34.559	-	34.559
<b>VII. INVESTMENT PROPERTY (NET)</b>		<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>		<b>76.259</b>	<b>-</b>	<b>76.259</b>	<b>73.853</b>	<b>-</b>	<b>73.853</b>
<b>X. OTHER ASSETS</b>		<b>193.075</b>	<b>264</b>	<b>193.339</b>	<b>142.437</b>	<b>73</b>	<b>142.510</b>
<b>TOTAL ASSETS</b>		<b>13.426.069</b>	<b>10.872.339</b>	<b>24.298.408</b>	<b>11.961.209</b>	<b>8.428.968</b>	<b>20.390.177</b>

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

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

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

**UNCONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)**

**AS OF JUNE 30, 2021**

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

LIABILITIES	Note (5-II)	THOUSAND TL CURRENT PERIOD (30/06/2021)			THOUSAND TL PRIOR PERIOD (31/12/2020)		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>I. FUNDS COLLECTED</b>	(1)	6.275.843	8.845.985	15.121.828	5.332.739	6.344.661	11.677.400
<b>II. FUNDS BORROWED</b>	(2)	3.137.842	715.081	3.852.923	3.146.199	926.868	4.073.067
<b>III. MONEY MARKET FUNDS</b>		1.402.657	-	1.402.657	1.069.349	-	1.069.349
<b>IV. SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
<b>V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VI. DERIVATIVE FINANCIAL LIABILITIES</b>		2.751	37	2.788	43.279	7	43.286
6.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(3)	2.751	37	2.788	43.279	7	43.286
6.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5)	-	-	-	-	-	-
<b>VII. LEASE PAYABLES (NET)</b>	(4)	169.493	-	169.493	119.338	-	119.338
<b>VIII. PROVISIONS</b>	(6)	29.383	32.008	61.391	48.188	46.035	94.223
8.1 General Provisions		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		10.151	-	10.151	14.482	-	14.482
8.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4 Other Provisions		19.232	32.008	51.240	33.706	46.035	79.741
<b>IX. CURRENT TAX LIABILITY</b>	(7)	26.641	-	26.641	20.900	-	20.900
<b>X. DEFERRED TAX LIABILITY</b>		-	-	-	-	-	-
<b>XI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(8)	-	-	-	-	-	-
11.1 Held for Sale Purpose		-	-	-	-	-	-
11.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XII. SUBORDINATED DEBT INSTRUMENTS</b>	(9)	-	1.797.005	1.797.005	-	1.545.981	1.545.981
12.1 Loans		-	1.797.005	1.797.005	-	1.545.981	1.545.981
12.2 Other Debt Instruments		-	-	-	-	-	-
<b>XIII. OTHER LIABILITIES</b>		278.297	12.919	291.216	205.782	1.585	207.367
<b>XIV. SHAREHOLDERS' EQUITY</b>	(11)	1.567.846	4.620	1.572.466	1.538.157	1.109	1.539.266
14.1 Paid-in capital		1.026.915	-	1.026.915	1.026.915	-	1.026.915
14.2 Capital Reserves		23.088	-	23.088	27.450	1.141	28.591
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserve		23.088	-	23.088	27.450	1.141	28.591
14.3 Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		(1.255)	-	(1.255)	(1.255)	-	(1.255)
14.4 Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		8.026	4.620	12.646	(952)	(32)	(984)
14.5 Profit Reserves		485.999	-	485.999	396.085	-	396.085
14.5.1 Legal Reserves		280.353	-	280.353	275.857	-	275.857
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		205.646	-	205.646	120.228	-	120.228
14.5.4 Other Profit Reserves		-	-	-	-	-	-
14.6 Income or (Loss)		25.073	-	25.073	89.914	-	89.914
14.6.1 Prior Periods' Income or (Loss)		5.395	-	5.395	9.317	-	9.317
14.6.2 Current Period Income or (Loss)		19.678	-	19.678	80.597	-	80.597
<b>TOTAL LIABILITIES</b>		<b>12.890.753</b>	<b>11.407.655</b>	<b>24.298.408</b>	<b>11.523.931</b>	<b>8.866.246</b>	<b>20.390.177</b>

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

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

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

**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET AS OF JUNE 30, 2021**

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

STATEMENT OF OFF BALANCE SHEET	NOTE (5-III)	THOUSAND TL CURRENT PERIOD (30/06/2021)			THOUSAND TL PRIOR PERIOD (31/12/2020)		
		TL	FC	TOTAL	TL	FC	TOTAL
		<b>A. OFF BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>3.477.132</b>	<b>4.937.908</b>	<b>8.415.040</b>	<b>2.523.491</b>
<b>I. GUARANTEES AND SURETIES</b>	<b>(1)</b>	<b>1.969.359</b>	<b>2.563.207</b>	<b>4.532.566</b>	<b>1.402.281</b>	<b>1.759.081</b>	<b>3.161.362</b>
1.1 Letters of Guarantees		1.899.110	1.245.644	3.144.754	1.298.020	889.899	2.187.919
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		1.899.110	1.245.644	3.144.754	1.298.020	889.899	2.187.919
1.2. Bank Loans		-	1.175.010	1.175.010	31.000	819.386	850.386
1.2.1. Import Letter of Acceptances		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		-	1.175.010	1.175.010	31.000	819.386	850.386
1.3. Letter of Credits		70.249	142.553	212.802	73.261	49.796	123.057
1.3.1. Documentary Letter of Credits		70.249	142.553	212.802	73.261	49.796	123.057
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>	<b>(1)</b>	<b>839.446</b>	<b>313.339</b>	<b>1.152.785</b>	<b>419.983</b>	<b>242.514</b>	<b>662.497</b>
2.1. Irrevocable Commitments		839.446	313.339	1.152.785	419.983	242.514	662.497
2.1.1. Asset Purchase and Sale Commitments		40.192	158.984	199.176	64.799	110.655	175.454
2.1.2. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3. Loan Granting Commitments		725.009	-	725.009	323.542	-	323.542
2.1.4. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6. Payment Commitment for Cheques		74.245	-	74.245	31.642	-	31.642
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		-	154.355	154.355	-	131.859	131.859
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>668.327</b>	<b>2.061.362</b>	<b>2.729.689</b>	<b>701.227</b>	<b>773.061</b>	<b>1.474.288</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		668.327	2.061.362	2.729.689	701.227	773.061	1.474.288
3.2.1. Forward Foreign Currency Buy/Sell Transactions		79.739	78.690	158.429	107.624	106.721	214.345
3.2.1.1. Forward Foreign Currency Transactions-Buy		39.902	39.345	79.247	91.612	15.356	106.968
3.2.1.2. Forward Foreign Currency Transactions-Sell		39.837	39.345	79.182	16.012	91.365	107.377
3.2.2. Other Forward Buy/Sell Transactions		588.588	1.982.672	2.571.260	593.603	666.340	1.259.943
3.3. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>103.572.366</b>	<b>8.052.028</b>	<b>111.624.394</b>	<b>67.873.182</b>	<b>6.078.363</b>	<b>73.951.545</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>5.563.581</b>	<b>3.234.750</b>	<b>8.798.331</b>	<b>4.600.441</b>	<b>2.112.045</b>	<b>6.712.486</b>
4.1. Assets Under Management		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		2.591.839	189.200	2.781.039	2.593.321	-	2.593.321
4.3. Cheques Received for Collection		1.380.088	128.600	1.508.688	803.612	72.891	876.503
4.4. Commercial Notes Received for Collection		65.718	-	65.718	23.422	-	23.422
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		844	-	844	894	-	894
4.8. Custodians		1.525.092	2.916.950	4.442.042	1.179.192	2.039.154	3.218.346
<b>V. PLEDGED ITEMS</b>		<b>98.008.785</b>	<b>4.817.278</b>	<b>102.826.063</b>	<b>63.272.741</b>	<b>3.966.318</b>	<b>67.239.059</b>
5.1. Marketable Securities		130.500	-	130.500	61.650	-	61.650
5.2. Guarantee Notes		-	-	-	-	-	-
5.3. Commodity		1.540.994	12.692	1.553.686	760.269	-	760.269
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		6.917.869	-	6.917.869	4.366.808	-	4.366.808
5.6. Other Pledged Items		89.419.422	4.804.586	94.224.008	58.084.014	3.966.318	62.050.332
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>107.049.498</b>	<b>12.989.936</b>	<b>120.039.434</b>	<b>70.396.673</b>	<b>8.853.019</b>	<b>79.249.692</b>

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

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

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

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF JUNE 30, 2021**

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

STATEMENT OF PROFIT AND LOSS	Note (5-IV)	THOUSAND TL	THOUSAND TL	THOUSAND TL	THOUSAND TL
		CURRENT PERIOD (01/01/2021- 30/06/2021)	PRIOR PERIOD (01/01/2020- 30/06/2020)	CURRENT PERIOD (01/04/2021- 30/06/2021)	PRIOR PERIOD (01/04/2020- 30/06/2020)
<b>I. PROFIT SHARE INCOME</b>	(1)	<b>974.793</b>	<b>382.579</b>	<b>522.582</b>	<b>213.844</b>
1.1 Profit Share on Loans		789.361	298.906	422.706	163.558
1.2 Income Received from Reserve Deposits		20.865	3.929	13.227	2.340
1.3 Income Received from Banks		91	-	31	-
1.4 Income Received from Money Market Placements		-	-	-	-
1.5 Income Received from Marketable Securities Portfolio		160.369	79.044	83.965	47.542
1.5.1 Financial Assets at Fair Value Through Profit and Loss		34.162	30.330	16.754	14.164
1.5.2 Financial Assets at Fair Value through Other Comprehensive Income		88.359	21.561	47.084	19.089
1.5.3 Financial Assets Measured at Amortised Cost		37.848	27.153	20.127	14.289
1.6 Finance Lease Income		3.265	210	2.158	165
1.7 Other Profit Share Income		842	490	495	239
<b>II. PROFIT SHARE EXPENSE (-)</b>	(2)	<b>817.992</b>	<b>211.624</b>	<b>448.444</b>	<b>122.890</b>
2.1 Expense on Profit Sharing Accounts		479.209	163.434	256.949	91.240
2.2 Profit Share Expense on Funds Borrowed		308.600	34.840	177.179	19.952
2.3 Profit Share Expense on Money Market Borrowings		18.140	10.457	7.709	9.976
2.4 Expense on Securities Issued		-	-	-	-
2.5 Lease Profit Share Expense		12.043	2.893	6.607	1.722
2.6 Other Profit Share Expenses		-	-	-	-
<b>III. NET PROFIT SHARE INCOME (I - II)</b>		<b>156.801</b>	<b>170.955</b>	<b>74.138</b>	<b>90.954</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>28.591</b>	<b>6.520</b>	<b>18.583</b>	<b>5.404</b>
4.1 Fees and Commissions Received		37.521	11.363	21.922	8.255
4.1.1 Non-Cash Loans		12.541	2.959	6.668	1.540
4.1.2 Other	(3)	24.980	8.404	15.254	6.715
4.2 Fees and Commissions Paid (-)		8.930	4.843	3.339	2.851
4.2.1 Non-Cash Loans		29	29	17	15
4.2.2 Other	(3)	8.901	4.814	3.322	2.836
<b>V. DIVIDEND INCOME</b>	(4)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VI. NET TRADING INCOME</b>	(5)	<b>(10.278)</b>	<b>24.477</b>	<b>(9.205)</b>	<b>19.613</b>
6.1 Capital Market Transaction Gains / (Losses)		2.765	8.340	1.431	8.230
6.2 Gains/ (Losses) from Derivative Financial Instruments		(140.919)	(88.886)	(126.429)	(86.161)
6.3 Foreign Exchange Gains / (Losses)		127.876	105.023	115.793	97.544
<b>VII. OTHER OPERATING INCOME</b>	(6)	<b>110.521</b>	<b>53.706</b>	<b>64.070</b>	<b>43.244</b>
<b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>285.635</b>	<b>255.658</b>	<b>147.586</b>	<b>159.215</b>
<b>IX. PROVISION FOR EXPECTED LOSS (-)</b>	(7)	<b>37.712</b>	<b>88.748</b>	<b>18.850</b>	<b>54.199</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	(7)	<b>5.100</b>	<b>37.414</b>	<b>1.706</b>	<b>3.802</b>
<b>XI. PERSONNEL EXPENSES (-)</b>	(8)	<b>122.789</b>	<b>57.548</b>	<b>60.618</b>	<b>32.179</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>		<b>95.859</b>	<b>51.630</b>	<b>51.462</b>	<b>29.223</b>
<b>XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>24.175</b>	<b>20.318</b>	<b>14.950</b>	<b>39.812</b>
<b>XIV. INCOME RESULTED FROM MERGERS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XV. GAIN/LOSS ON NET MONETARY POSITION</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>24.175</b>	<b>20.318</b>	<b>14.950</b>	<b>39.812</b>
<b>XVIII. TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	(9)	<b>4.497</b>	<b>10.648</b>	<b>2.989</b>	<b>8.836</b>
18.1 Current Tax Provision		-	-	-	-
18.2 Deferred Tax Expense (+)		36.706	30.972	10.269	19.275
18.3 Deferred Tax Income (-)		32.209	20.324	7.280	10.439
<b>XIX. NET OPERATING PROFIT/LOSS AFTER TAXES (XVI±XVII)</b>		<b>19.678</b>	<b>9.670</b>	<b>11.961</b>	<b>30.976</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>19.678</b>	<b>9.670</b>	<b>11.961</b>	<b>30.976</b>
Earnings Per Share		0,00019	0,00013	0,00012	0,00041

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

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

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

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF JUNE 30, 2021**

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	THOUSAND TL	THOUSAND TL
	CURRENT PERIOD (01/01/2021- 30/06/2021)	PRIOR PERIOD 01/01/2020- 30/06/2020)
<b>I. CURRENT PERIOD PROFIT/LOSS</b>	<b>19.678</b>	<b>9.670</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>8.127</b>	<b>4.810</b>
<b>2.1 Other Income/Expense Items not to be Recycled to Profit or Loss</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	-	-
<b>2.2 Other Income/Expense Items to be Recycled to Profit or Loss</b>	<b>8.127</b>	<b>4.810</b>
2.2.1 Translation Differences	-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Financial Assets Measured at Fair Value through Other Comprehensive Income	8.834	6.167
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	(707)	(1.357)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>27.805</b>	<b>14.480</b>

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

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

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

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF JUNE 30, 2021**

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

Reviewed	Paid-in Capital	Share Premium	Share Cancellati on Profits	Other Capital Reserves(*)	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity Except for Minority Interests	Total Shareholders' Equity
					1	2	3	4	5	6					
<b>Current Period</b>															
<b>30 June 2021</b>															
I. Balances at Beginning Period	1.026.915	-	-	28.591	-	(1.255)	-	-	(984)	-	396.085	9.317	80.597	1.539.266	1.539.266
II. Correction made as per TAS 8	-	-	-	(5.503)	-	-	-	-	5.503	-	-	5.395	-	5.395	5.395
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	5.395	-	5.395	5.395
2.2 Effect of Changes in Accounting Policies	-	-	-	(5.503)	-	-	-	-	5.503	-	-	-	-	-	-
III. Adjusted Balances at Beginning of Period (I+II)	1.026.915	-	-	23.088	-	(1.255)	-	-	4.519	-	396.085	14.712	80.597	1.544.661	1.544.661
IV. Total Comprehensive Income	-	-	-	-	-	-	-	-	8.127	-	-	-	19.678	27.805	27.805
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	89.914	(9.317)	(80.597)	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	89.914	(89.914)	-	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	80.597	(80.597)	-	-
<b>Balances at end of the period (III+IV...+X+XI)</b>	<b>1.026.915</b>	<b>-</b>	<b>-</b>	<b>23.088</b>	<b>-</b>	<b>(1.255)</b>	<b>-</b>	<b>-</b>	<b>12.646</b>	<b>-</b>	<b>485.999</b>	<b>5.395</b>	<b>19.678</b>	<b>1.572.466</b>	<b>1.572.466</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),

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

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

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

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

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

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF JUNE 30, 2020**

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

Audited	Paid-in Capital	Share Premium	Share Cancellati on 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>Prior Period 30 June 2020</b>														
<b>I. Balances at Beginning Period(**)</b>	<b>750.000</b>	-	-	<b>23.088</b>	-	-	-	-	-	-	<b>351.106</b>	-	<b>44.979</b>	<b>1.169.173</b>
<b>II. Correction made as per TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	<b>9.317</b>	-	<b>9.317</b>
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	9.317	-	9.317
<b>III. Adjusted Balances at Beginning of Period (I+II)</b>	<b>750.000</b>	-	-	<b>23.088</b>	-	-	-	-	-	-	<b>351.106</b>	<b>9.317</b>	<b>44.979</b>	<b>1.178.490</b>
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	<b>4.810</b>	-	-	-	<b>9.670</b>	<b>14.480</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>4.410</b>	-	-	-	-	-	-	-	-	-	<b>4.410</b>
<b>2XI. Profit Distribution</b>	-	-	-	-	-	-	-	-	-	-	<b>44.979</b>	-	<b>(44.979)</b>	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	44.979	(44.979)	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	44.979	(44.979)	-
<b>Balances at end of the period (III+IV...+X+XI)</b>	<b>750.000</b>	-	-	<b>27.498</b>	-	-	-	-	<b>4.810</b>	-	<b>396.085</b>	<b>9.317</b>	<b>9.670</b>	<b>1.197.380</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),

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

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

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



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

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

**UNCONSOLIDATED STATEMENT OF CASH FLOWS AS OF JUNE 30, 2021**

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

STATEMENT OF CASH FLOWS	THOUSAND TL	THOUSAND TL
	CURRENT PERIOD (01/01/2021- 30/06/2021)	PRIOR PERIOD (01/01/2020- 30/06/2020)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating Profit Before Changes In Operating Assets And Liabilities</b>	<b>(299.148)</b>	<b>(482.661)</b>
1.1.1 Profit Share Income Received	884.610	239.619
1.1.2 Profit Share Expense Paid	(782.259)	(170.634)
1.1.3 Dividend Received	-	-
1.1.4 Fees and Commissions Received	37.521	11.363
1.1.5 Other Income	92.540	56.654
1.1.6 Collections from Previously Written off Loans	-	-
1.1.7 Payments to Personnel and Service Suppliers	(157.033)	(57.397)
1.1.8 Taxes Paid	(10.238)	(11.626)
1.1.9 Others	(364.289)	(550.640)
<b>1.2 Changes in Operating Assets and Liabilities</b>	<b>1.304.083</b>	<b>880.572</b>
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(111.551)	508.017
1.2.2 Net (Increase) Decrease in Due From Banks and Other Financial Institutions	(513.664)	(321.502)
1.2.3 Net (Increase) Decrease in Loans	(1.020.285)	(2.563.368)
1.2.4 Net (Increase) Decrease in Other Assets	(30.196)	13.418
1.2.5 Net Increase (Decrease) in Bank Deposits	119.326	253.658
1.2.6 Net Increase (Decrease) in Other Deposits	2.367.741	2.439.880
1.2.7 Net Increase (Decrease) in Financial Liabilities Measured at Financial Assets at Fair Value Through Profit or Loss	-	-
1.2.8 Net Increase (Decrease) in Funds Borrowed	-	-
1.2.9 Net Increase (Decrease) in Matured Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	492.712	550.469
<b>I. Net Cash Flows from Banking Operations</b>	<b>1.004.935</b>	<b>397.911</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net cash flow from investing activities</b>	<b>(926.945)</b>	<b>(916.275)</b>
2.1 Cash Paid For Acquisition of Investments, Associates and Subsidiaries	-	(50)
2.2 Cash Obtained From Disposal of Investments, Associates and Subsidiaries	-	-
2.3 Purchases of Property and Equipment	(36.053)	(23.985)
2.4 Disposals of Property and Equipment	15.450	383
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(1.426.758)	(890.748)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income	516.603	-
2.7 Purchase of Financial Assets Measured at Amortised Cost	-	-
2.8 Sale of Financial Assets Measured at Amortised Cost	-	-
2.9 Other	3.813	(1.875)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net Cash Flows from Financing Activities</b>	<b>180.831</b>	<b>544.573</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued	189.930.564	3.717.158
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	(189.709.752)	(3.168.821)
3.3 Issued Capital Instruments	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(39.981)	(3.764)
3.6 Other	-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>140.892</b>	<b>132.694</b>
<b>V. Net increase/(decrease) in cash and cash equivalents</b>	<b>399.713</b>	<b>158.903</b>
<b>VI. Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>1.723.008</b>	<b>251.608</b>
<b>VII. Cash and Cash Equivalents at the End of the period</b>	<b>2.122.721</b>	<b>410.511</b>

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

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

(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 unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette numbered 26333 dated 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 unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” and “Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks” and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

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

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

##### **Additional paragraph for convenience translation to English**

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

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

The accounting policies and valuation principles used in the preparation of June 30, 2021 financial statements have been determined and applied in accordance with the principles included in the “BRSA Accounting and Financial Reporting Legislation”, and the accounting policies applied in the annual financial statements prepared for the year ended December 31, 2020 is consistent except for the application of the and “TFRS 9 Financial Instruments” expected credit loss calculation. The Bank has started to apply TFRS 9 Financial Instruments (“TFRS 9”) published by Public Oversight Accounting and Auditing Standards Authority (“POA”) in the Official Gazette numbered 29953 dated January 19, 2017 in lieu of TAS 39 Financial Instruments: “Accounting and Measurement” starting from January 1 2020. TFRS 9 sets out the new principles for the classification and measurement of financial instruments and expected credit loss which will be calculated for financial assets.

**I. Explanations on basis of presentation (continued):**

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

The preparation of unconsolidated financial statements in conformity with TFRS requires the use of certain critical accounting estimates by the Participation Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent matters as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

The COVID-19 epidemic, which has emerged in China, has spread to various countries around the world, causing potentially fatal respiratory infections, affects both regional and global economic conditions negatively, as well as causing malfunctions in operations, especially in countries exposed to the epidemic. As a result of the spread of COVID-19 around the world, various measures have been taken in our country as well as in the world in order to prevent the transmission of the virus and it is still being taken. In addition to these measures, economic measures are also taken to minimize the economic impact of the virus outbreak on individuals and businesses in our country and worldwide.

While preparing the interim financial statements as of June 30, 2021, the Bank reflected the possible effects of the COVID-19 outbreak on the estimates and judgments used in the preparation of the financial statements. The estimates and assumptions used in the calculation of expected loan losses are explained in the statements on impairment of financial assets.

**c. Comparative information and classifications:**

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

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

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

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

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

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

There are no foreign currency differences capitalized by the Bank.

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

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

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

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

The differences that occur in the fair value as a result of the valuation are accounted in the "Income / loss from derivative financial transactions" in the income statement.

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

*Profit share income*

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

*Profit share expense*

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

**V. Explanations on fees, commission income and expenses:**

Fees and commissions are accounted for in accordance with "IFRS 15 Revenue from Contracts with Customers" except for fees and commissions that are integral part of the effective profit share rates of financial instruments measured at amortized costs.

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

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**V. Explanations on fees, commission income and expenses (continued):**

Related to financial liabilities; loan fees and commission expenses which constitute the transaction cost and which are paid to other institutions and organizations are accounted under the prepaid expense account and reflected in the expense accounts according to the internal rate of return method.

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

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

During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

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

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

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

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

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

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**VI. Explanations on financial assets and liabilities (continued):**

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

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit share are classified as financial assets measured at amortized cost. Financial assets and liabilities measured at amortized cost are initially recognized at cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using the internal rate of return. Profit share income and profit share expense obtained from financial assets and liabilities measured at amortized cost are accounted in the income statement.

As of June 30, 2021 the Bank has an subordinated debt that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR), the financial liability is recorded at fair value and the difference between cost value and fair value is accounted under "Other Capital Reserves" in shareholders' equity at the date of initial acquisition (Section 5 Part 2 Note 9 and Note 11).

In addition, government securities with no fixed term and with 0% return are classified as 'financial assets carried at amortized cost' and recorded to the balance sheet with the reduced amount of government securities' rate of return, in accordance with the decision taken by the Bank's Management. The difference between the initial acquisition date cost value and the reduced amount is recorded under 'Other Capital Reserves' account in shareholders' equity (Section 5 Part 1 Note 7).

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

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

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

**Calculation of expected credit losses**

The Bank measures expected credit losses with the reasonable, objective and supportable information based on a probability-weighted including estimations about past events, current conditions as of the reporting date, without undue cost or effort. The Bank has not developed an internal model for estimating these risk parameters due to insufficient historical data for modeling. In ECL calculations, the Bank consider sectoral average NPL ratio as PD with reasonable approach and the ratio of non-performing loans to gross loans, in line with the projection of the next year. For LGD, the Bank uses a 45% ratio in compliance with the basic IDD approach in Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach published by the BRSA with a reasonable approach. The calculation of expected credit losses consists of three main parameters: Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

**VII. Explanations on expected credit losses (continued):**

**Parameters used in calculating expected loss provisions:**

**Probability of Default (PD):**

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

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

**Loss Given Default (LGD):**

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

**Exposure at Default (EAD):**

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

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

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

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

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

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

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

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

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**VII. Explanations on expected credit losses (continued):**

**Default (3rd Stage / Special Provision):**

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

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

As mentioned in the important estimates and judgments note used in the preparation of the financial statements, the Bank reflected the possible effects of the COVID-19 outbreak on the financial statements with the best estimation method as of December 31, 2020. Due to the effects of the epidemic on the economy, the Bank has increased the default probabilities for loans in Transportation and Storage, Accommodation and Food Service Activities, Human Health and Social Services Activities. As a result, an additional provision of TL 2.624 has been set aside. TL 2.608 of this additional provision amount has been reserved in 2020. This approach, which has been preferred in provision calculations since the first quarter of 2020, when the effects of the epidemic began to be seen, will be reviewed again by considering the impact of the epidemic, credit portfolio and future expectations in the upcoming reporting periods.



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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**VII. Explanations on expected credit losses (continued):**

**Default (3rd Stage / Special Provision) (continued)**

Due to the disruptions in economic and commercial activities as a result of the COVID-19 outbreak, based on the BRSA's resolutions of March 17, 2020, numbered 8948 and March 27, 2020, numbered 8970, as of March 17, 2020, within the scope of the 4th and 5th articles of the "Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to Be Allocated for Them", 30 days delay period envisaged for classification of loans in the second group is applied as 90 days until December 31, 2020 for the loans monitored in the first group, 90 days delay period envisaged for the classification of loans in non performing loans, is provided to be applied as 180 days until December 31, 2020 for the loans monitored in the first and second groups. With its decision numbered 9312 dated December 12, 2020, the BRSA extended these opportunities to 30 June 2021. According to the BRSA Decision dated June 17, 2021, the 90-day delay period stipulated for the non-performing loan classification of loans within the scope of Articles 4 and 5 of the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set aside for These, to be extended to 180 days, until September 30, 2021 decided. In this context;

- Temporarily, the practice of the classifying receivables which cannot be collected up to 180 days in the second group has been established.
- For customer who do not want to be delayed in overdue installments, the installment of installments has started within the framework of these deadlines without breaking the existing configuration contracts.
- In the completion of the "Garame" banks protocols, the time to be given to time-consuming operations was extended with a joint agreement.

Ultimately, it was concluded that the provisions to be set aside for such receivables will continue according to their own risk models used by banks to calculate expected loan losses under TFRS 9.

As of 30 June 2021, within the scope of the aforementioned flexibility, the Bank has a total of TL 1.159 cash loans with a delay of 30 days or more, and a total of TL 5.252 with a delay of 90 days or more, and these loans are followed in the first group and the second group, respectively.

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

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

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

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

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

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

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

The Bank has no discontinued operations.

**XI. Explanations on goodwill and other intangible assets:**

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

As of June 30, 2021, there is no goodwill in the financial statements of the Bank. The Bank's intangible assets consist of softwares and intangible rights (December 31, 2020: None).

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

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

**XII. Explanations on tangible assets:**

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

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

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

**XII. Explanations on tangible assets (continued)**

	<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.

**XIII. Explanations on leasing transactions:**

The Bank applies the TFRS 16 leases standard.

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

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

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

The Bank when valuing its leasing obligations, discounted its leasing payments using an alternative borrowing rate. The weighted-average rate applied is 17% for leasing agreements denominated in Turkish liras.

**Existence of right to use**

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

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

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

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

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

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**XIII. Explanations on leasing transactions (continued)**

**The lease obligations**

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

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

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

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

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

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

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

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

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

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

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

i) *Defined benefit plans:*

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

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

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

Some of the bank employees are members of T.C. Ziraat Bankası A.Ş. ve T. Halk Bankası A.Ş. Mensupları Emekli ve Yardım Sandığı Vakfı.

The Bank has no liabilities to these foundations (December 31, 2020: None).

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**XV. Explanations on liabilities regarding employee rights (continued)**

ii) *Defined contribution plans:*

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

iii) *Short term benefits to employees:*

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

**XVI. Explanations on taxation:**

**Current tax:**

The Bank is subject to tax laws and legislation effective in Turkey.

In accordance with the Law No. 7316 published in the Official Gazette dated April 22, 2021, the corporate tax rate has been increased to 25% for the taxation period of 2021, starting from the declarations required to be submitted as of July 1, 2021 and being effective for the taxation period starting from January 1, 2021. This rate will be applied as 23% for the taxation period of 2022 and 20% for the taxation periods of 2023 and beyond.

Dividends paid to the resident institutions are not subject to withholding tax. Withholding tax rate on the dividend payments other than these is 15%. Appropriation of the retained earnings to capital is not considered as profit distribution and accordingly is not subject to withholding tax.

The prepaid taxes are calculated based on quarterly profits of the Bank using current rate which must be announced by the 14th day and paid by the 17th day of the second month following the taxed period. The prepaid taxes can be deducted from the annual corporate tax calculated on the annual corporate income. The remaining prepaid tax, if any after deduction, can be refunded in cash or deducted from other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and a 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 five years. Tax losses cannot be carried back to offset profits from previous periods.

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However financial losses can not be offsetted from last year's profits.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns to their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings and carry out sectorial investigations.

The Bank calculates and accounts for deferred income taxes for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with TAS 12 "Turkish Accounting Standard for Income Taxes". Deferred tax asset is calculated on all temporary differences other than general loan loss provisions to the extent that is probable that taxable profit will be available and deferred tax liability is calculated for all temporary differences. Deferred tax asset and liabilities are shown in the accompanying financial statements on a net basis.

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**XVI. Explanations on taxation (continued):**

**Current tax (continued):**

While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly likely to benefit from these differences by obtaining taxable profit in the future.

**Deferred tax:**

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. In accordance with the Clause 91 of Corporate Tax Law numbered 7061 published in the Official Gazette numbered 30261 dated December 5, 2017, current tax rate is increased from 20% to 22% for corporations in 2018, 2019 and 2020 taxation periods. From January 1, 2018, the tax rate of 22% for 3 years will be applied as 20% as of January 1, 2021. Therefore, the rate of 20% (December 31, 2020: 20%) is used in the deferred tax calculation as of June 30, 2021.

**Transfer pricing**

Transfer pricing is regulated through the article 13 of Corporate Tax Law titled "Disguised Profit Distribution by way of Transfer Pricing". Detailed information for the practice regarding the subject is found in the "General Communiqué on Disguised Profit Distribution by way of Transfer Pricing". According to the related regulation, in the case of making purchase or sales of goods or services with related persons/corporations at a price that is determined against "the arm's length principle", the gain is considered to be distributed implicitly through transfer pricing and such distribution of gains is not deductible in calculation of corporate tax.

**XVII. Additional explanations on borrowings:**

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

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

None.

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

The Bank 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.

**XX. Explanations on government grants:**

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

**XXI. Explanations on segment reporting:**

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

Segment reporting is disclosed in Section Four, Note X.

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

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

**XXIII. Information on other issues:**

None

**SECTION FOUR**

**Information on financial structure and risk management**

**I. Explanations on capital adequacy standard ratio:**

The calculation of the own funds and the capital adequacy standard ratio are performed in accordance with the communiqués such as "Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio", and "Regulation Regarding Banks' Shareholders' Equity". The Bank's common Equity Tier 1 Capital is TL 3.115.422 (December 31, 2020: TL 2.885.620) which calculated as of June 30, 2021 and the capital adequacy ratio is 25,75% (December 31, 2020: 28,05%).

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

	Current Period 30 June 2021	Prior Period 31 December 2020
<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	485.999	396.085
Gains recognized in equity as per TAS	2.550	-
Profit	25.073	89.914
Current Period Profit	19.678	80.597
Prior Period Profit	5.395	9.317
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>1.540.537</b>	<b>1.512.914</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 (-)	1.255	2.239
Leasehold improvements(-)	77.603	66.716
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	30.746	34.559
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>109.604</b>	<b>103.514</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>1.430.933</b>	<b>1.409.400</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**I. Explanations on capital adequacy standard ratio (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	1.635.723	1.444.940
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>1.635.723</b>	<b>1.444.940</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>-</b>	<b>-</b>
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>3.066.656</b>	<b>2.854.340</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)	57.820	54.655
<b>Contribution Capital Before Discounts</b>	<b>57.820</b>	<b>54.655</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>57.820</b>	<b>54.655</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>3.124.476</b>	<b>2.908.995</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	9.055	23.375



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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital )</b>	<b>3.115.422</b>	<b>2.885.620</b>
<b>Total Risk Weighted Amounts</b>	<b>12.096.585</b>	<b>10.287.202</b>
<b>Capital Adequacy Ratios</b>		
Core Capital Adequacy Ratio (%)	11,83	13,70
Tier 1 Capital Adequacy Ratio (%)	25,35	27,75
Capital Adequacy Ratio (%)	25,75	28,05
<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 (%)	7,33	9,20
<b>Amounts Lower Than Excesses as per Deduction Rules</b>		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Limits related to provisions considered in Tier II calculation	-	-
Amount arising from deferred tax assets based on temporary differences	94.723	88.464
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	57.820	54.655
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	57.820	54.655
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

(<sup>1</sup>) The Bank, provided 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.

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

The Banking Regulatory and Supervisory Authority (“BRSA”) issued a press release on March 23, 2020 announcing certain measures due to financial market fluctuations caused by the COVID-19 pandemic. The Banks are entitled to use the year-end buying exchange in calculating the amount subject to credit risk as per the Regulation on the Calculation and the Evaluation of Banks’ Capital Adequacy for the valued amounts as per the Turkish Accounting Standards; and the relevant reserves to set aside related to its monetary and non-monetary assets, excluding the assets in foreign currency measured in historical cost. In addition, negative revaluation differences of the securities classified under “Financial Assets Measured at Fair Value through Other Comprehensive Income” which is acquired before 23 March 2020 may not be included in capital adequacy ratio calculations in accordance with the Regulation on Banks’ Equity. However, for the Financial Assets Measured at Fair Value through Other Comprehensive Income acquired after March 23, 2020, the implementation of the existing provisions of the Regulation continues.

As a result of the re-evaluation by the BRSA of the Board Decisions and instructions, which were taken as provisional and will expire as of 30 June 2021, provided that they are valid until 31 December 2020, in the current period where the possible effects of the pandemic continue, the following regulations will implemented to be extended until on 30 September 2021,

- Regulation on Measurement and Assessment of Capital Adequacy of Banks In the calculation of the base amount of credit risk The Turkish Accounting Standards for monetary assets and non-monetary environments the remainder of the remainder in a slightly measured foreign currency while calculating only the valued amounts and the relevant special amounts, while the calculation period is that the simple arithmetic average of the Central Bank exchange rates of the last 252 business days.
- The Banking Regulation and Supervision Board applies a 0% risk weight decision in the calculation of the amount subject to credit risk in accordance with the Standard Approach within the scope of the Regulation on Measurement and Assessment of Capital Adequacy for the above mentioned receivables of the Republic of Turkey Central Government and issued in foreign currency,

has decided. It is taken as relevant in the standard capital adequacy calculations of the bank and provides 3,4% effect on the standard capital adequacy ratio.

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**b) Information on debt instruments to be included in the equity calculation:**

Issuer	Türkiye Varlık Fonu Piyasa İstikrar Ve Denge Alt Fonu
Unique Identifier (CUSIP, ISIN etc.)	TRT240424F22
Governing Law(s) of the Instrument	Regulation on Banks' Equity Communique on Principles Regarding Borrowing Instruments to be Included in Bank' Equity Calculation
<b>Special Consideration in the Calculation of Equity</b>	
As of 1 January 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Subordinated Loan
Amount recognized in regulatory capital (as of most recent reporting date)	1.635.723
Par Value of Instrument	2.066.196
Accounting Classification	Subordinated Loan
Original date of Issuance	24.04.2019
Perpetual or dated	Undated
Maturity date	24.04.2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: 24.05.2024 Total Repayment Amount: EUR 200 million (full)
Subsequent call dates	-
<b>Profit Share/Dividends</b>	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Full discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
<b>Convertible or Non-convertible</b>	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
<b>Write-down feature</b>	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy falls below 5,125 %
If write-down, full or partial	At least to ensure that the core capital ratio exceeds 5,125 %
If write down, permanent or temporary	Permanent and Temporary
If temporary write-down, description of write-up mechanism	There is write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7
Details of incompliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**c. Explanations on reconciliation of equity items and balance sheet amounts**

The difference between Total Capital and Equity in the unconsolidated balance sheet mainly arises from Stage 1 and Stage 2 expected credit losses, debt instruments, and share issue premiums deemed suitable by the BRSA. In the calculation of Total Capital, Stage 1 and Stage 2 expected credit losses up to 1,25% of the credit risk is taken into consideration as Tier II Capital. On the other hand, in the calculation of the Total Capital, improvement costs for operating leases followed under tangible assets in the balance sheet, intangible assets and related deferred tax liabilities, net book value of immovables that are acquired against overdue receivables and retained more than five years, other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

**II. Explanations on credit risk**

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".

**III. Explanations on currency risk:**

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

a) The Bank is exposed to currency risks as a market risk and pay attention to keep at a minimum level by avoiding 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 Bank are taken into consideration, and the amount subject to market risk used in legal reports is calculated monthly with the standard method.

b) The Bank 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 Bank are as follows:

	<b>USD</b>	<b>EUR</b>
As of June 30, 2021 - Balance sheet evaluation rate	8,6898	10,3310
As of June 29, 2021	8,7192	10,3766
As of June 28, 2021	8,7331	10,4170
As of June 25, 2021	8,6902	10,3828
As of June 24, 2021	8,6701	10,3509
As of June 23, 2021	8,6270	10,3016

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 8,6162 for 1 USD (December 2020: full TL 7,7172), full TL 10,3782 for 1 Euro (December 2020: full TL 9,3855).

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

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**III. Explanations on currency risk (continued):**

**Information on the Bank's Currency Risk**

	<b>EURO</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<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	1.295.495	935.175	311.568	2.542.238
Banks (****)	474.899	337.687	295.165	1.107.751
Financial assets at fair value through profit and loss	41.281	212.211	298.475	551.967
Money market placements	-	-	-	-
Financial Assets Valued At Fair Value Through Profit And Loss	321.672	355.795	-	677.467
Loans and financial lease receivable(*)	2.903.778	1.260.488	-	4.164.266
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	1.819.664	-	-	1.819.664
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	2	262	-	264
<b>Total Assets</b>	<b>6.856.791</b>	<b>3.101.618</b>	<b>905.208</b>	<b>10.863.617</b>
<b>Liabilities</b>				
Current account and funds collected from banks via participation accounts	-	-	-	-
Other current and profit sharing accounts (**)	3.997.053	4.052.875	796.057	8.845.985
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	2.220.728	291.358	-	2.512.086
Marketable securities issued	-	-	-	-
Miscellaneous payables	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	27.407	22.135	5	49.547
<b>Total liabilities</b>	<b>6.245.188</b>	<b>4.366.368</b>	<b>796.062</b>	<b>11.407.618</b>
<b>Net balance sheet position</b>	<b>611.603</b>	<b>(1.264.750)</b>	<b>109.146</b>	<b>(544.001)</b>
<b>Net balance sheet position</b>	<b>(516.549)</b>	<b>1.222.188</b>	<b>(107.081)</b>	<b>598.558</b>
Derivative financial instruments assets	20.662	1.240.871	68.427	1.329.960
Derivative financial instruments liabilities	537.211	18.683	175.508	731.402
Non-cash loans (**)	1.209.502	1.353.705	-	2.563.207
Prior Period				
Total assets	<b>5.928.768</b>	<b>2.050.059</b>	<b>449.822</b>	<b>8.428.649</b>
Total liabilities	<b>5.855.707</b>	<b>2.476.864</b>	<b>533.668</b>	<b>8.866.239</b>
<b>Net balance sheet position</b>	<b>73.061</b>	<b>(426.805)</b>	<b>(83.846)</b>	<b>(437.590)</b>
<b>Net off balance sheet position</b>	<b>-</b>	<b>381.423</b>	<b>85.670</b>	<b>467.093</b>
Derivative financial instruments assets	-	534.408	85.670	620.078
Derivative financial instruments liabilities	-	152.985	-	152.985
Non-cash loans	1.021.487	737.594	-	1.759.081

(\*) Includes expected loss provisions amounting to TL 35.109 in the balance sheet..

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

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

(\*\*\*\*) Includes expected loss provisions amounting to TL 1.014 in the balance sheet..

**III. Explanations on currency risk (continued):**

None (December 31, 2020: None).

**IV. Explanations on liquidity risk:**

Liquidity Risk is managed by Asset and Liability Committee ("ALCO") in line with risk management policies and risk appetite approved by the Board of Directors in order to take the necessary measures in a timely and correct manner against possible liquidity shortages that may result from market conditions and balance sheet structure of the Bank.

The Board of Directors reviews the liquidity risk management strategy, policy and practices and approves the liquidity strategy and policies within the framework of risk management strategy and policies, ensures the effective of practice of policies and integrations with Bank's risk management strategy. The Board of Directors determines the basic metrics in liquidity risk measurement and monitoring.

ALCO takes necessary decisions which will be executed by related departments by assessing the liquidity risk that the Bank is exposed to and considering the Bank's strategy and conditions of competition and pursues the implementations.

The liquidity structure is evaluated in the framework of ALCO decisions for liquidity management and a placement strategy is developed. Liquidity risk management strategy is determined by considering both normal economic conditions and stress conditions.

Risk Management Presidency, liquidity risk; periodically reports to the relevant unit, the relevant committee and the senior management with the methods of measurement of liquidity risk in compliance with the standards. It manages liquidity risk in accordance with the Bank's portfolio, strategic plans and policies and legal limits, and informs and coordinates the relevant parties on time. In accordance with the market conditions and the Bank's structure, the relevant liquidity risk measurement methods establish, assumptions and parameters used in liquidity risk analyzes are reviewed. Liquidity risk analyzes and important liquidity indicators are regularly reported to senior management. In the stress conditions are carried out in the framework of "Emergency Funding Plan".

The Bank's high level management to determine management strategies for liquidity risk;

- follows obligations arising from domestic and foreign currencies,
- determine the concentration risks of placements,
- actively follows funding sources,
- consider the portfolio diversity,
- follow up the fund flows related to assets and liabilities depending on the maturities.

Market conditions are continuously follow and access problems for the bank's fund requirements are analyzed and the impact of sudden changes in fund sources is evaluated. Liquidity adequacy is measured by applying stress test to the factors affecting liquidity. Liquidity Risk Stress Test analyzes the compliance of the Bank's cash flow capacity to the cash flow capacity within the framework of the specified scenarios. The scenarios needed for stress tests are based on the changing balance sheet structure. The results are taken into consideration in determining the policies related to liquidity risk and in the preparation of an emergency action plan.

For the purpose of reducing the liquidity risk that the Bank may be exposed to compliance with the strategies implemented (monitoring of concentration, diversification of funding sources, high quality liquid assets, etc.) is monitored effectively by the senior management of the Bank taking into account legal and prudential limits. For non-mitigation risks, acceptance of the current risk level, reducing or terminating the risk-causing activity are evaluated.

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

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**IV. Explanations on liquidity risk (continued):**

**Liquidity Coverage Ratio:**

Current Period	Rate of "Percentage to be taken into account " not Implemented Total value <sup>(1)</sup>		Rate of "Percentage to be taken into account " Implemented Total value <sup>(1)</sup>	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1 HIGH QUALITY LIQUID ASSETS			6.455.700	4.639.389
<b>CASH OUTFLOWS</b>				
2 Retail and Small Business Funds Collected	2.620.863	1.933.646	253.117	193.365
3 Stable Funds Collected	179.368	-	8.968	-
4 Less stable Funds Collected	2.441.495	1.933.646	244.149	193.365
5 Unsecured Funding other than Retail and Small Business	2.903.919	2.378.079	1.667.632	1.337.509
6 Customers Deposits			-	-
7 Operational Funds Collected	2.742.429	2.359.131	1.506.142	1.318.561
8 Non-Operational Funds Collected	161.490	18.948	161.490	18.948
9 Other Unsecured Funding	-	-	-	-
10 Secured funding	2.164.529	969.903	2.164.529	969.903
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	1.111.882	969.903	1.111.882	969.903
12 Debts related to the structured financial products	1.052.647	-	1.052.647	-
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	4.994.203	2.597.873	813.684	209.401
<b>16 TOTAL CASH OUTFLOWS</b>			<b>4.898.962</b>	<b>2.710.178</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	3.043.540	1.311.764	2.462.144	1.220.471
19 Other contractual cash inflows	883.615	835.237	883.615	835.237
<b>20 TOTAL CASH INFLOWS</b>	<b>3.927.155</b>	<b>2.147.001</b>	<b>3.345.759</b>	<b>2.055.708</b>
			<b>Upper limit applied amounts</b>	
<b>21 TOTAL HQLA</b>			<b>6.455.700</b>	<b>4.639.389</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>1.553.203</b>	<b>654.470</b>
<b>23 Liquidity Coverage Ratio (%)</b>			<b>415,64</b>	<b>708,88</b>

<sup>(1)</sup> It is the average of the liquidity coverage ratio calculated by taking the simple weekly 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	
	TL+FC	FC
Lowest (%)	61,79	47,76
Date	June 14, 2021	June 14, 2021
Highest (%)	1.044,37	801,97
Date	April 8, 2021	April 8, 2021
Average	553,08	424,87

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021

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

IV. Explanations on liquidity risk (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		5.698.616	3.805.588
<b>CASH OUTFLOWS</b>				
2	Retail and Small Business Funds Collected		132.112	90.402
3	Stable Funds Collected		4.518	-
4	Less stable Funds Collected		127.594	90.402
5	Unsecured Funding other than Retail and Small Business		1.351.198	909.965
6	Customers Deposits		-	-
7	Operational Funds Collected		1.188.419	908.892
8	Non-Operational Funds Collected		162.779	1.073
9	Other Unsecured Funding		-	-
10	Secured funding		1.261.575	341.664
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions		621.749	341.664
12	Debts related to the structured financial products		639.826	-
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		417.760	147.576
16	<b>TOTAL CASH OUTFLOWS</b>		<b>3.162.645</b>	<b>1.489.607</b>
<b>CASH INFLOWS</b>				
17	Secured Lending Transactions		-	-
18	Unsecured Lending Transactions		1.570.011	670.797
19	Other contractual cash inflows		525.906	472.183
20	<b>TOTAL CASH INFLOWS</b>		<b>2.095.917</b>	<b>1.142.980</b>
			<b>Upper limit applied amounts</b>	
21	<b>TOTAL HQLA</b>		<b>5.698.616</b>	<b>3.805.588</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>		<b>1.066.728</b>	<b>346.627</b>
23	<b>Liquidity Coverage Ratio (%)</b>		<b>534,21</b>	<b>1097,89</b>

<sup>(\*)</sup> It is the average of the liquidity coverage ratio calculated by taking the simple weekly arithmetic average for the last three months.

Liquidity Coverage Ratio (%)	Prior Period	
	TL+FC	FC
Lowest (%)	87,15	54,75
Date	November 9, 2020	November 9, 2020
Highest (%)	1.560,35	1.116,98
Date	October 30, 2020	October 13, 2020
Average	823,75	585,87



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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**IV. Explanations on liquidity risk (continued):**

**Liquidity coverage ratio (continued)**

Liquidity coverage ratio is calculated by comparing the high quality liquid assets owned by the Bank to net cash outflow in 30 days maturity. Balance sheet accounts that are significant on the ratio can be listed as reserve requirements maintained at CBRT, marketable securities that are not subject to repurchase agreements or not given as collateral, banks receivables, funds collected, funds borrowed. The effect of these accounts on the liquidity coverage ratio is higher than other accounts, since these accounts have a higher share in liquid assets and net cash outflows.

High quality liquid assets consist of cash, deposits in central banks and securities considered as high quality liquid assets. Reserve deposits are included in high quality liquid assets, limited by the amount that is allowed by central bank to use in liquidity shortages. The Bank's high quality liquid assets are composed of 6,36% cash, 34,16% deposits in central banks and 59,48% securities considered as high quality liquid assets.

The Bank's main funding sources are funds collected, funds borrowed, borrowings from money market and subordinated loans. Funding source composition in report date is 68,19% funds collected, 8,10% subordinated debt instruments and 23,71% funds borrowed.

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021

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

IV. Explanations on liquidity risk (continued):

Presentation of assets and liabilities according to their remaining maturities:

	Demand	(i) Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated	Total
<b>Current Period</b>								
<b>Assets</b>								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	618.061	2.359.229	-	-	-	-	-	2.977.290
Banks	1.109.804	-	-	-	-	-	-	1.109.804
Financial Assets at Fair Value Through Profit and Loss	-	95.616	75.300	285.244	274.784	-	-	730.944
Money Market Placements	-	-	-	-	-	-	-	-
Financial assets valued at fair value through other comprehensive income	-	1.362.833	-	204.354	554.171	8.097	-	2.129.455
Loans	-	2.231.286	457.652	4.487.175	7.149.037	549.917	-	14.875.067
Financial assets valued at amortised cost	-	-	-	-	1.819.664	-	-	1.819.664
Other Assets (*)	-	-	-	-	-	-	656.184	656.184
<b>Total Assets</b>	<b>1.727.865</b>	<b>6.048.964</b>	<b>532.952</b>	<b>4.976.773</b>	<b>9.797.656</b>	<b>558.014</b>	<b>656.184</b>	<b>24.298.408</b>
<b>Liabilities</b>								
Current account and funds collected from banks via participation accounts	-	186.829	15.021	-	-	-	-	201.850
Other current and profit sharing accounts	2.912.634	8.062.714	3.673.875	270.755	-	-	-	14.919.978
Funds provided from other financial institutions and subordinated loans	-	454.319	1.792.777	1.502.647	1.900.185	-	-	5.649.928
Money market borrowings	-	1.402.657	-	-	-	-	-	1.402.657
Marketable securities issued	-	-	-	-	-	-	-	-
Other liabilities (**)	-	51.240	-	-	-	-	2.072.755	2.123.995
<b>Total Liabilities</b>	<b>2.912.634</b>	<b>10.157.759</b>	<b>5.481.673</b>	<b>1.773.402</b>	<b>1.900.185</b>	<b>-</b>	<b>2.072.755</b>	<b>24.298.408</b>
<b>Liquidity Gap</b>	<b>(1.184.769)</b>	<b>(4.108.795)</b>	<b>(4.948.721)</b>	<b>3.203.371</b>	<b>7.897.471</b>	<b>558.014</b>	<b>(1.416.571)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>12.344</b>	<b>(2.993)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.351</b>
Financial Derivative Assets	-	1.090.273	279.247	-	-	-	-	1.369.520
Financial Derivative Liabilities	-	1.077.929	282.240	-	-	-	-	1.360.169
<b>Non-cash Loans</b>	<b>932.244</b>	<b>630.898</b>	<b>252.819</b>	<b>994.475</b>	<b>334.318</b>	<b>-</b>	<b>-</b>	<b>3.144.754</b>
<b>Prior Period</b>								
Total Assets	1.494.797	4.316.901	815.994	3.233.889	9.505.874	494.943	527.779	20.390.177
Total Liabilities	2.548.448	10.200.270	3.476.744	621.954	1.598.122	-	1.944.639	20.390.177
<b>Liquidity Gap</b>	<b>(1.053.651)</b>	<b>(5.883.369)</b>	<b>(2.660.750)</b>	<b>2.611.935</b>	<b>7.907.752</b>	<b>494.943</b>	<b>(1.416.860)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>(158)</b>	<b>(52.174)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(52.332)</b>
Financial Derivative Assets	-	145.589	565.389	-	-	-	-	710.978
Financial Derivative Liabilities	-	145.747	617.563	-	-	-	-	763.310
<b>Non-cash Loans</b>	<b>779.036</b>	<b>356.020</b>	<b>54.857</b>	<b>730.917</b>	<b>267.089</b>	<b>-</b>	<b>-</b>	<b>2.187.919</b>

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

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

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**V. Explanations on leverage ratio:**

As of June 30, 2021, leverage ratio of the Bank calculated from the arithmetic average of the last 6 months is 10,36%. (December 31, 2020: 11,68%) Leverage ratio is required to remain minimum 3% as per "Communiqué on Measurement and Evaluation for Leverage Ratios of Banks".

	<b>Current Period June 30, 2021(*)</b>	<b>Prior Period December 31, 2020(*)</b>
<b>Balance sheet assets</b>		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	22.874.737	19.109.372
2 (Assets deducted from Core capital)	108.381	97.904
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	22.766.356	19.011.468
<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	38.910	8.808
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	38.910	8.808
<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)	877.247	697.047
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)	877.247	697.047
<b>Off-balance sheet transactions</b>		
10 Gross notional amount of off-balance sheet transactions	5.677.386	3.449.490
11 (Correction amount due to multiplication with credit conversion rates)	-	-
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	5.677.386	3.449.490
<b>Capital and total risk</b>		
13 Core Capital	3.040.921	2.706.088
14 Total risk amount (sum of lines 3, 6, 9 and 12)	29.359.899	23.166.813
<b>Leverage ratio</b>		
15 Leverage ratio (%)	10,36	11,68

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

**VI. Information 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".

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**VIII. Explanations on risk management**

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

**a. General explanations on risk management and risk-weighted amounts**

**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)	10.881.117	9.415.452	870.489
2 Of which standardised approach (SA)	10.881.117	9.415.452	870.489
3 Of which internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	35.248	2.747	2.820
5 Of which standardised approach for counterparty credit risk (SA-CCR)	35.248	2.747	2.820
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	455.258	357.285	36.421
17 Of which standardised approach (SA)	455.258	357.285	36.421
18 Of which internal model approaches (IMM)	-	-	-
19 Operational risk	724.962	511.718	57.997
20 Of which Basic Indicator Approach	724.962	511.718	57.997
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>12.096.585</b>	<b>10.287.202</b>	<b>967.727</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**c. Credit risk:**

**c.1. General information on credit risk:**

**c.1.1. General qualitative information on credit risk:**

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

**c.1.2. Credit Quality of Assets**

Current Period	Gross carrying values of (according to TAS)		Allowances/ impairments	Net values
	Defaulted exposures	Non-defaulted exposures		
1 Loans	174.931	14.968.596	270.306	14.873.221
2 Debt Securities	-	2.860.399	10.095	2.850.304
3 Off-balance sheet exposures	-	4.525.132	27.016	4.498.116
<b>4 Total</b>	<b>174.931</b>	<b>22.354.127</b>	<b>307.417</b>	<b>22.221.641</b>

Current Period	Gross carrying values of (according to TAS)		Allowances/ impairments	Net values
	Defaulted exposures	Non-defaulted exposures		
1 Loans	172.697	13.426.336	267.236	13.331.797
2 Debt Securities	-	1.783.070	5.502	1.777.568
3 Off-balance sheet exposures	-	3.161.362	23.382	3.137.980
<b>4 Total</b>	<b>172.697</b>	<b>18.370.768</b>	<b>296.120</b>	<b>18.247.345</b>

**c.1.3. Changes in Stock of Defaulted Loans and Debt Securities**

	Current Period	Prior Period
<b>1 Defaulted loans and debt securities at end of the previous reporting period</b>	<b>172.697</b>	<b>188.322</b>
2 Loans and debt securities that have defaulted since the last reporting period	3.763	111
3 Returned to non-defaulted status	-	-
4 Amounts written off	-	(15.707)
5 Other changes	(1.529)	(29)
<b>6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)</b>	<b>174.931</b>	<b>172.697</b>

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

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

**c.2. Credit risk mitigation**

**c.2.1. Qualitative disclosure on credit risk mitigation techniques:**

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**c.2.2. Credit Risk Mitigation Techniques**

**Overview**

Current Period	Exposures unsecured: carrying amount (According to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1 Loans	13.080.205	275.958	238.165	1.323.756	173.015	-	-
2 Debt Securities	2.860.399	-	-	-	-	-	-
<b>3 Total</b>	<b>15.940.604</b>	<b>275.958</b>	<b>238.165</b>	<b>1.323.756</b>	<b>173.015</b>	-	-
4 Of which defaulted	174.931	-	-	-	-	-	-

Prior Period	Exposures unsecured: carrying amount (According to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1 Loans	13.426.336	1.036.994	138.049	349.201	176.561	-	-
2 Debt Securities	1.783.070	-	-	-	-	-	-
<b>3 Total</b>	<b>15.209.406</b>	<b>1.036.994</b>	<b>138.049</b>	<b>349.201</b>	<b>176.561</b>	-	-
4 Of which defaulted	172.697	-	-	-	-	-	-

**c.3. Credit risk under standardised approach:**

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

Not prepared in compliance with the "Regulation on Calculation of Risk Management Disclosures".

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**c.3.2. Standardised Approach - Exposures by Asset Classes and Risk Weights**

Current Period	Risk Classes	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	5.826.703	-	5.841.813	175	-	%0,00
2	Exposures to regional governments or local authorities	57.419	10.000	21.010	5.472	13.241	%50,00
3	Exposures to public sector entities	51.268	273	53.721	4.252	57.948	%99,96
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to institutions	2.857.244	6.611	2.961.540	3.316	642.965	%21,69
7	Exposures to corporates	6.061.161	4.030.877	5.983.144	2.845.268	8.636.199	%97,82
8	Retail exposures	794.107	879.093	786.851	337.961	822.985	%73,17
9	Exposures secured by residential property	119.856	26.374	119.679	18.139	48.222	%34,99
10	Exposures secured by commercial real estate	278.126	90.515	278.126	49.455	222.587	%67,95
11	Past-due loans	537	-	537	-	268	%49,91
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings	-	-	-	-	-	-
16	Other assets	1.142.461	-	1.142.461	-	467.356	%40,91
17	Investments in equities	-	-	-	-	-	-
<b>18</b>	<b>Total</b>	<b>17.188.882</b>	<b>5.043.743</b>	<b>17.188.882</b>	<b>3.264.038</b>	<b>10.911.771</b>	<b>%53,35</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**c.3.2. Standardised Approach - Exposures by Asset Classes and Risk Weights**

Prior Period	On-balance sheet amount	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
		Off-balance sheet amount	On-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	4.078.126	5.413	4.198.798	5.989	-	%0,00
2	Exposures to regional governments or local authorities	57.742	-	24.823	125	12.474	%50,00
3	Exposures to public sector entities	61.467	81	63.295	49	63.318	%99,96
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to institutions	1.926.699	2.146	1.978.894	2.146	396.208	%20,00
7	Exposures to corporates	6.905.293	3.313.706	6.766.915	1.912.473	8.319.214	%95,85
8	Retail exposures	-	-	-	-	-	-
9	Exposures secured by residential property	69.855	17.809	66.457	7.635	25.687	%34,67
10	Exposures secured by commercial real estate	291.121	36.303	291.121	18.037	218.295	%70,61
11	Past-due loans	7	-	7	-	7	%100,00
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings	-	-	-	-	-	-
16	Other assets	1.014.233	-	1.014.233	-	382.833	%37,75
17	Investments in equities	-	-	-	-	-	-
<b>18</b>	<b>Total</b>	<b>14.404.543</b>	<b>3.375.458</b>	<b>14.404.543</b>	<b>1.946.454</b>	<b>9.418.036</b>	<b>%57,60</b>



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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021

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

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

**c.3.3. Exposures by Asset Classes and Risk Weights**

	Current Period											Total credit risk exposure amount (after CCF and CRM)	
		Asset classes/ Risk weight	0%	10%	20%	35% Secured by Real Estate Mortgage	50%	75%	100%	150%	200%		Others
1	Exposures to central governments or central banks	5.841.988	-	-	-	-	-	-	-	-	-	-	5.841.988
2	Exposures to regional governments or local authorities	-	-	-	-	-	26.482	-	-	-	-	-	26.482
3	Exposures to public sector entities	25	-	-	-	-	-	-	57.948	-	-	-	57.973
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	-	-	2.839.342	-	93.913	-	31.601	-	-	-	-	2.964.856
7	Exposures to corporates	57.497	-	55.359	-	179.063	-	8.536.493	-	-	-	-	8.828.412
8	Retail exposures	17.220	-	14.018	-	-	1.093.574	-	-	-	-	-	1.124.812
9	Exposures secured by residential property	20	-	48	137.750	-	-	-	-	-	-	-	137.818
10	Exposures secured by commercial real estate	-	-	-	-	209.988	-	117.593	-	-	-	-	327.581
11	Past-due loans	-	-	-	-	537	-	-	-	-	-	-	537
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-
16	Other assets	403.142	-	339.954	-	-	-	399.365	-	-	-	-	1.142.461
17	Investments in equities	-	-	-	-	-	-	-	-	-	-	-	-
18	<b>Total</b>	<b>6.319.892</b>	<b>-</b>	<b>3.248.721</b>	<b>137.750</b>	<b>509.983</b>	<b>1.093.574</b>	<b>9.143.000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.452.920</b>

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021

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

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

**c.3.3. Exposures by Asset Classes and Risk Weights**

	Prior Period											Total credit risk exposure amount (after CCF and CRM)	
		Asset classes/ Risk weight	0%	10%	20%	35% Secured by Real Estate Mortgage	50%	75%	100%	150%	200%		Others
1	Exposures to central governments or central banks	4.204.787	-	-	-	-	-	-	-	-	-	-	4.204.787
2	Exposures to regional governments or local authorities	-	-	-	-	-	24.948	-	-	-	-	-	24.948
3	Exposures to public sector entities	25	-	-	-	-	-	-	63.319	-	-	-	63.344
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	-	-	1.981.040	-	-	-	-	-	-	-	-	1.981.040
7	Exposures to corporates	33.158	-	408.769	-	-	-	8.237.461	-	-	-	-	8.679.388
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by residential property	-	-	1.636	72.456	-	-	-	-	-	-	-	74.092
10	Exposures secured by commercial real estate	-	-	-	-	181.725	-	127.433	-	-	-	-	309.158
11	Past-due loans	-	-	-	-	-	-	7	-	-	-	-	7
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-
16	Other assets	-	-	-	-	-	-	-	-	-	-	-	-
17	Investments in equities	300.583	-	413.521	-	-	-	300.129	-	-	-	-	1.014.233
<b>18</b>	<b>Total</b>	<b>4.538.553</b>	<b>-</b>	<b>2.804.966</b>	<b>72.456</b>	<b>206.673</b>	<b>-</b>	<b>8.728.349</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.350.997</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**d. Counterparty credit risk:**

**d.1. Qualitative disclosure on counterparty credit risk:**

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

**d.2. Counterparty Credit Risk (CCR) Approach Analysis**

	Current Period	Revaluation cost	Potential credit risk exposure	EEPE (*)	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
1	Standardised Approach (for derivatives)	17.465	14.691		-	35.012	4.358
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					-	-
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					-	-
5	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
<b>6</b>	<b>Total</b>						<b>4.358</b>

(\*) Efektif beklenen pozitif risk tutarı

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

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

Prior Period	Revaluation cost	Potential credit risk exposure	EEPE	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
1 Standardised Approach (for derivatives)	(41.790)	7.983		-	9.715	2.585
2 Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3 Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					-	-
4 Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					-	-
5 VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
<b>6 Total</b>						<b>2.585</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

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

	Current Period		Prior Period	
	Exposure (After credit risk mitigation methods)	Risk Weighted Amounts	Exposure (After credit risk mitigation methods)	Risk Weighted Amounts
Total portfolio value with comprehensive approach CVA capital adequacy	-	-	-	-
1 (i) Value at risk component (3*multiplier included)		-		-
2 (ii) Stressed Value at Risk (3*multiplier included)		-		-
3 Total portfolio value with simplified approach CVA capital adequacy	35.012	4.358	9.715	2.585
<b>4 Total amount of CVA capital adequacy</b>	<b>35.012</b>	<b>4.358</b>	<b>9.715</b>	<b>2.585</b>

**d.4. Standardised Approach of CCR Exposures by Regulatory Portfolio and Risk Weights**

Risk Weights/Risk Classes	Current Period									Total Credit Risk (*)
	%0	%10	%20	%50	%75	%100	%150	Other		
Central governments and central banks receivables	16.809	-	-	-	-	-	-	-	-	16.809
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	17.306	-	-	-	-	-	-	17.306
Corporate receivables	-	-	-	-	-	897	-	-	-	897
Retail receivables	-	-	-	-	-	-	-	-	-	-
Non performing receivables	-	-	-	-	-	-	-	-	-	-
High risk defined receivables	-	-	-	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-	-	-	-
Securitisation Positions	-	-	-	-	-	-	-	-	-	-
Short term credit rated banks and Intermediary Institutions receivables	-	-	-	-	-	-	-	-	-	-
Collective investment undertaking investments	-	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>16.809</b>	<b>-</b>	<b>17.306</b>	<b>-</b>	<b>-</b>	<b>897</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.012</b>

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

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

Prior Period									Total Credit Risk
Risk Weights/Risk Classes	%0	%10	%20	%50	%75	%100	%150	Other	
Central governments and central banks receivables	5.413	-	-	-	-	-	-	-	5.413
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	2.146	-	-	-	-	-	2.146
Corporate receivables	-	-	-	-	-	2.156	-	-	2.156
Retail receivables	-	-	-	-	-	-	-	-	-
Non performing receivables	-	-	-	-	-	-	-	-	-
High risk defined receivables	-	-	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-	-	-
Securitisation Positions	-	-	-	-	-	-	-	-	-
Short term credit rated banks and Intermediary Institutions receivables	-	-	-	-	-	-	-	-	-
Collective investment undertaking investments	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5.413</b>	<b>-</b>	<b>2.146</b>	<b>-</b>	<b>-</b>	<b>2.156</b>	<b>-</b>	<b>-</b>	<b>9.715</b>

**d.5. Collaterals for CCR:**

The Bank does not have any collaterals used for CCR (December 31, 2020: None).

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

The Bank does not have any risks arising from purchased or sold credit derivatives (December 31, 2020: None).

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

The Bank does not have any risks arising from central counterparty (December 31, 2020: None).

**e. Securitization explanations:**

There is not any information to be announced to public on securitization (December 31, 2020: None).

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**f. Market Risk**

**f.1. Qualitative disclosure on market risk:**

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

**f.2. Market Risk Explanations-Standardised Approach**

		<b>Current Period</b>	<b>Prior Period</b>
		<b>RWA</b>	<b>RWA</b>
<b>Outright products</b>			
1	Interest rate risk (general and specific)	249.933	207.103
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	102.696	85.292
4	Commodity risk	102.629	64.890
<b>Options</b>			
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
<b>Total</b>		<b>455.258</b>	<b>357.285</b>

**g. Operational risk:**

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

**XI. Links between financial statements and risk amounts**

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**X. Explanations on business segments:**

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

<b>Current Period</b>	<b>Retail</b>	<b>Commercial and Corporate</b>	<b>Treasury</b>	<b>Undistributed</b>	<b>Total</b>
<b>Total Assets</b>	<b>2.024.084</b>	<b>10.849.538</b>	<b>10.648.067</b>	<b>776.719</b>	<b>24.298.408</b>
<b>Total Liabilities</b>	<b>3.823.038</b>	<b>11.326.518</b>	<b>7.061.613</b>	<b>514.773</b>	<b>22.725.942</b>
<b>Total Equity</b>	-	-	-	<b>1.572.476</b>	<b>1.572.476</b>
Net profit share income/(expense) (*)	56.499	196.145	(164.153)	68.310	156.801
Net fees and commissions income/(expense)	13.877	20.120	(6.965)	1.559	28.591
Other operating income/(expense)	9.959	33.018	(31.987)	(134.495)	(123.505)
Provision expenses	(1.918)	(15.525)	(5.579)	(14.690)	(37.712)
Profit/(loss) before tax	78.417	233.758	(208.684)	(79.316)	24.175
Provision for tax	-	-	-	(4.497)	(4.497)
<b>Net profit / (loss) for the period</b>	<b>78.417</b>	<b>233.758</b>	<b>(208.684)</b>	<b>(83.813)</b>	<b>19.678</b>

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

<b>Prior Period</b>	<b>Retail</b>	<b>Commercial and Corporate</b>	<b>Treasury</b>	<b>Undistributed</b>	<b>Total</b>
<b>Total Assets</b>	<b>1.278.373</b>	<b>10.700.997</b>	<b>6.330.743</b>	<b>2.080.064</b>	<b>20.390.177</b>
<b>Total Liabilities</b>	<b>3.538.235</b>	<b>8.168.769</b>	<b>6.732.635</b>	<b>411.272</b>	<b>18.850.911</b>
<b>Total Equity</b>	-	-	-	<b>1.539.266</b>	<b>1.539.266</b>
Net profit share income/(expense) (*)	(4.191)	69.152	104.524	1.470	170.955
Net fees and commissions income/(expense)	1.999	5.170	4	(653)	6.520
Other operating income/(expense)	268	54	4.440	(73.171)	(68.409)
Provision expenses	-	-	(4.549)	(84.199)	(88.748)
Profit/(loss) before tax	(1.924)	74.376	104.419	(156.553)	20.318
Provision for tax	-	-	-	(10.648)	(10.648)
<b>Net profit / (loss) for the period</b>	<b>(1.924)</b>	<b>74.376</b>	<b>104.419</b>	<b>(167.201)</b>	<b>9.670</b>

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



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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**SECTION FIVE**

**Explanations and notes on the unconsolidated financial statements**

**I. Explanations and notes related to assets:**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash / Foreign currency	28.199	69.534	15.214	83.101
CBRT	401.223	1.958.006	231.489	1.450.436
Other (*)	5.630	514.698	8.666	478.191
<b>Total</b>	<b>435.052</b>	<b>2.542.238</b>	<b>255.369</b>	<b>2.011.728</b>

(\*) Includes precious metal deposit account amounting to TL 137.926 (31 December 2020: TL 36.982) as of 30 June 2021 and money in transit account amounting to TL 382.402 (31 December 2020: TL 449.875).

**b. Information related to CBRT:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	387.996	104	226.905	89
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Reserve requirements	13.227	1.957.902	4.584	1.450.347
<b>Total</b>	<b>401.223</b>	<b>1.958.006</b>	<b>231.489</b>	<b>1.450.436</b>

In accordance with the "Communiqué Regarding the Reserve Requirements numbered 2013/15", banks operating in Turkey are required to maintain reserves in CBRT for TL and foreign currency liabilities. According to the Communiqué Regarding the Reserve Requirements, reserve requirements can be maintained in TL, USD and/or EURO and standard gold.

As of June 30, 2021, the valid rates for Turkish lira required reserves are between 3% and 8% depending on the maturity structure (December 31, 2020: between 1% and 6%); The rates for foreign currency required reserves are between 5% and 22% depending on the maturity structure (December 31, 2020: between 5% and 22%).

**2. a. Information on banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	2.207	301.555	4.130	726.458
Abroad	-	807.210	-	180.254
<b>Total</b>	<b>2.207</b>	<b>1.108.765</b>	<b>4.130</b>	<b>906.712</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".

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**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 June 30, 2021, amount subject to repurchase agreements in financial assets at fair value through profit and loss is TL 92.453 (December 31, 2020: TL 193.303). As of June 30, 2021, amount subject to guaranteed/blocked is TL 317.319 (December 31, 2020: TL 167.722).

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

	<b>Current Period</b>	<b>Prior Period</b>
Debt securities	733.779	619.974
Quoted on a stock exchange	455.841	366.754
Unquoted on a stock exchange (*)	277.938	253.220
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted on a stock exchange	-	-
Impairment provision (-)	(2.835)	(1.294)
<b>Total</b>	<b>730.944</b>	<b>618.680</b>

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

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

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

As of June 30, 2021, the amount subject to sales transactions with the promise of repurchase within the financial assets whose fair value difference is reflected in other comprehensive income is TL 1.343.418 (December 31, 2020: 903.249). The amount of those blocked given as collateral is TL 92.688 (December 31, 2020: TL 220.521).

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

	<b>Current Period</b>	<b>Prior Period</b>
Debt securities	2.135.538	1.172.974
Quoted on a stock exchange (*)	1.495.591	794.112
Unquoted on a stock exchange	639.947	378.862
Share certificates	7.659	7.659
Quoted on a stock exchange (*)	-	-
Unquoted on a stock exchange	7.659	7.659
Impairment provision (-)	(13.742)	(16.243)
<b>Total</b>	<b>2.129.455</b>	<b>1.164.390</b>

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

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**5. Information on derivative financial assets**

**a. Positive differences related to the derivative financial assets**

	Current Period		Prior Period	
	TL	FC	TL	FC
Swap Transactions	686	13	1.412	14
Forward Transactions	10.915	8.709	-	305
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>11.601</b>	<b>8.722</b>	<b>1.412</b>	<b>319</b>

**6. Information on loans**

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

**Bank:**

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans to Bank Partners	76.858	-	95.629	-
Loans to Legal Person Partners	76.858	-	95.629	-
Loans to Real Person Partners	-	-	-	-
Indirect Loans to Bank Partners	157	-	-	-
Loans to Bank Members	157	-	-	-
<b>Total</b>	<b>77.015</b>	<b>-</b>	<b>95.629</b>	<b>-</b>

**b. Information on the first and second group loans including restructured loans**

Cash Loans Current Period Loans	Standard Loans	Loans Not subject to restructured loans	Loans Under Close Monitoring Restructured Loans	
			Loans with Revised Contract Terms	Refinance
Export loans	-	-	-	-
Import loans	717.672	-	-	-
Business loans	9.399.668	22.734	-	-
Consumer loans	697.735	-	-	-
Credit cards	-	-	-	-
Loans given to financial sector	2.245.172	-	-	-
Other (*)	1.808.113	-	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>14.868.360</b>	<b>22.734</b>	<b>-</b>	<b>-</b>

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

Installment Commercial Loans	1.749.647
Loans Extended Abroad	52.696
Other Investment Loans	1.206
Other	4.564
<b>Total</b>	<b>1.808.113</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

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

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

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>13.397.505</b>	<b>422</b>	-	-
Export loans	-	-	-	-
Import loans	436.155	-	-	-
Business loans	9.358.930	422	-	-
Consumer loans	575.941	-	-	-
Credit cards	-	-	-	-
Loans given to financial sector	1.814.247	-	-	-
Other (*)	1.212.232	-	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>13.397.505</b>	<b>422</b>	-	-

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

Installment Commercial Loans	1.148.156
Loans Extended Abroad	38.318
Other	25.758
<b>Total</b>	<b>1.212.232</b>

Current Period	Standard Loans	Loans Under Close Monitoring
Expected loss of provision for 12 Months	92.037	-
Substantial increase in credit risk	-	2.476
Prior Period	Standard Loans	Loans Under Close Monitoring
Expected loss of provision for 12 Months	92.476	-
Substantial increase in credit risk	-	190

**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".

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

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

<b>Current Period</b>	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
<b>Consumer loans-TL</b>	<b>4.519</b>	<b>693.059</b>	<b>697.578</b>
Housing loans	2.674	641.114	643.788
Vehicle loans	1.494	31.647	33.141
Consumer loans	351	20.298	20.649
Other	-	-	-
<b>Consumer loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Retail credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Retail credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>74</b>	<b>83</b>	<b>157</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	74	83	157
Other	-	-	-
<b>Personnel loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without-installment	-	-	-
<b>Overdraft account-TL(Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft account-FC(Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4.593</b>	<b>693.142</b>	<b>697.735</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**d. Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards (continued)**

<b>Prior Period</b>	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
<b>Consumer loans-TL</b>	<b>867</b>	<b>575.074</b>	<b>575.941</b>
Housing loans	481	536.429	536.910
Vehicle loans	386	17.761	18.147
Consumer loans	-	20.884	20.884
Other	-	-	-
<b>Consumer loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Retail credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Retail credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without-installment	-	-	-
<b>Overdraft account-TL(Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft account-FC(Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>867</b>	<b>575.074</b>	<b>575.941</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**I. Explanations and notes related to assets (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>203.357</b>	<b>1.447.279</b>	<b>1.650.636</b>
Business loans	1.386	217.221	218.607
Vehicle loans	199.043	705.649	904.692
Consumer loans	2.928	524.409	527.337
Other	-	-	-
<b>Commercial installment loans-FC indexed</b>	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment Loans-FC</b>	-	<b>77.349</b>	<b>77.349</b>
Business loans	-	6.073	6.073
Vehicle loans	-	37.309	37.309
Consumer loans	-	33.967	33.967
Other	-	-	-
<b>Corporate credit cards-TL</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Corporate credit cards-FC</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Overdraft account-TL (Legal Entity)</b>	<b>1.000</b>	-	<b>1.000</b>
<b>Overdraft account-FC(Legal Entity)</b>	<b>20.662</b>	-	<b>20.662</b>
<b>Total</b>	<b>225.019</b>	<b>1.524.628</b>	<b>1.749.647</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>73.049</b>	<b>1.030.075</b>	<b>1.103.124</b>
Business loans	-	67.460	67.460
Vehicle loans	70.123	492.855	562.978
Consumer loans	2.926	469.760	472.686
Other	-	-	-
<b>Commercial installment loans-FC indexed</b>	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment Loans-FC</b>	-	<b>45.032</b>	<b>45.032</b>
Business loans	-	-	-
Vehicle loans	-	20.062	20.062
Consumer loans	-	24.970	24.970
Other	-	-	-
<b>Corporate credit cards-TL</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Corporate credit cards-FC</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Overdraft account-TL (Legal Entity)</b>	-	-	-
<b>Overdraft account-FC(Legal Entity)</b>	<b>9.109</b>	-	<b>9.109</b>
<b>Total</b>	<b>82.158</b>	<b>1.075.107</b>	<b>1.157.265</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**I. Explanations and notes related to assets (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:**

	<b>Current Period</b>	<b>Prior Period</b>
Domestic loans	14.838.398	13.359.609
Foreign loans	52.696	38.318
<b>Total</b>	<b>14.891.094</b>	<b>13.397.927</b>

**h. Loans granted to subsidiaries and associates:**

None (December 31, 2020: None).

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

	<b>Current Period</b>	<b>Prior Period</b>
Loans and Receivables with Limited Collectability	-	-
Doubtful Loans and Other Receivables	1.216	5
Uncollectible Loans and Receivables	172.731	172.685
<b>Total</b>	<b>173.947</b>	<b>172.690</b>

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

**j.1. Non-performing loans and receivables which are restructured or rescheduled:**

None (December 31, 2020: None).



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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021

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

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

j.2. Movements of non-performing loans:

	III. Group Loans and receivables with limited collectibility	IV. Group Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables
<b>Current Period</b>			
Closing balance of prior period	-	12	172.685
Additions in the current period (+)	2.335	-	44
Transfers from other categories of non-performing loans (+)	-	2.335	
Transfers to other categories of non-performing loans (-)	2.335	13	13
Collections in the current period (-)	-	141	4
Write offs (-)	-	-	-
Sale (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
<b>Closing balance of the current period</b>	-	<b>2.193</b>	<b>172.738</b>
Provision (-)	-	1.216	172.731
<b>Net balance at the balance sheet</b>	-	<b>977</b>	<b>7</b>

\* There is no amount written off from the assets. Non-performing loan accounts I. and II. customer balances transferred to group loan accounts.

	III. Group Loans and receivables with limited collectibility	IV. Group Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables
<b>Prior Period</b>			
Closing balance of prior period	-	-	188.322
Additions in the current period (+)	-	12	99
Transfers from other categories of non-performing loans (+)	-	-	-
Transfers to other categories of non-performing loans (-)	-	-	-
Collections in the current period (-)	-	-	29
Write offs (-)	-	-	15.707
Sale (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
<b>Closing balance of the current period</b>	-	<b>12</b>	<b>172.685</b>
Provisions (-)	-	5	172.685
<b>Net balance at the balance sheet</b>	-	<b>7</b>	-

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

None (December 31, 2020: None).

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

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

	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
<b>Current Period (net)</b>	-	977	7
Loans to individuals and corporates (gross)	-	2.193	172.738
Provision (-)	-	1.216	172.731
<b>Loans to individuals and corporates (net)</b>	-	977	7
Banks (gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	-	-	-
Other Loans (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other Loans (Net)</b>	-	-	-
<b>Prior Period (Net)</b>	-	7	-
Loans to Real Persons and Legal Entities (Gross)	-	12	172.685
Specific provision (-)	-	5	172.685
<b>Loans to Real Persons and Legal Entities (Net)</b>	-	7	-
Banks (Gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other loans and receivables (Net)</b>	-	-	-

**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. Grup Limited Collection Loans	IV. Grup Doubtful Loans	V. Grup Loss Loans
<b>Current Period (Net)</b>	-	-	-
Dividend Accruals and Rediscounts and Valuation Differences	-	-	-
Provisions (-)	-	-	-
<b>Prior Period (Net)</b>	-	-	-
Dividend Accruals and Rediscounts and Valuation Differences	-	-	-
Provisions (-)	-	-	-

**k. Liquidation policy for uncollectible loans and receivables:**

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".

**l. Information on "Write-off" policies:**

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".

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities (*)	1.819.664	1.568.929
<b>Total</b>	<b>1.819.664</b>	<b>1.568.929</b>

(\*) Consists of non-profit special category state domestic borrowing notes issued by Ministry of Treasury and Finance and purchased from the Türkiye Varlık Fonu A.Ş. and Piyasa ve İstikrar Denge Alt Fonu A.Ş.

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

	<b>Current Period</b>	<b>Prior Period</b>
Debt Securities	1.819.664	1.568.929
Quoted on a stock Exchange	-	-
Unquoted (*)	1.819.664	1.568.929
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Impairment Provision (-)	-	-
<b>Total</b>	<b>1.819.664</b>	<b>1.568.929</b>

(\*) Consists of non-profit special category state domestic borrowing notes issued by Ministry of Treasury and Finance and purchased from the Türkiye Varlık Fonu A.Ş. and Piyasa ve İstikrar Denge Alt Fonu A.Ş.

**c. Information on movements of financial assets measured at amortized cost**

	<b>Current Period</b>	<b>Prior Period</b>
Balance at beginning of period	1.568.929	1.097.529
Foreign currency differences on monetary assets (**)	250.735	347.271
Purchases during period	-	124.129
Disposals through sales and redemptions	-	-
Impairment provision (-)	-	-
<b>Closing Balance (*)</b>	<b>1.819.664</b>	<b>1.568.929</b>

(\*) Consists of non-profit special category state domestic borrowing notes issued by Ministry of Treasury and Finance and purchased from the Türkiye Varlık Fonu A.Ş. and Piyasa ve İstikrar Denge Alt Fonu A.Ş.

(\*\*) This amount includes TL 40.217 income accrual.

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021

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

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

8. Information on lease receivables (net):

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	4.068	3.998	-	-
1 to 4 years	58.777	47.714	34.295	28.409
More than 4 years	30.917	25.790	-	-
<b>Total</b>	<b>93.762</b>	<b>77.502</b>	<b>34.295</b>	<b>28.409</b>

b. Information on net investments through finance lease:

	Current Period	Prior Period
Finance lease receivables (gross)	93.762	34.295
Unearned finance lease receivable (-)	16.260	5.886
<b>Receivable from finance leases (net)</b>	<b>77.502</b>	<b>28.409</b>

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 not subject to restructured loans	Leasing Receivables Under Close Monitoring	
			Restructured or rescheduled Leasing Receivables with Revised Contract Terms	Refinance
<b>Current Period</b>				
Finance lease receivables (Net)	77.502	-	-	-
<b>Prior Period</b>				
Finance lease receivables (Net)	28.409	-	-	-

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	23.797	35.200
Additions	-	5
Disposals	(11.435)	(11.408)
Transfers	-	-
Impairment Provision(-)	-	-
<b>Closing balance</b>	<b>12.362</b>	<b>23.797</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**10. Information on associates**

**a. Associates (net):**

**a.1 Information on unconsolidated associates:**

None (December 31, 2020: None).

**a.2 Information on consolidated associates:**

None (December 31, 2020: None).

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

**b.1 Information on unconsolidated subsidiaries**

Emlak Menkul Değerler A.Ş., which is owned by the Bank by 50%, has been reported to be bankrupt in the Audit Report prepared by Court of Account dated 31 October 2018. Emlak Menkul Değerler A.Ş. has not been consolidated as of 30 June 2021 and 31 December 2020.

**b.2 Information on consolidated subsidiaries**

Emlak Varlık Kiralama A.Ş. was established and registered to the trade registry in 5 August 2019 with the permission taken from "Banking Regulation and Supervision Agency" and "Capital Markets Board of Turkey". Emlak Varlık Kiralama A.Ş. has been founded to operate lease certificate according to rulings of Capital Markets Board of Turkey which was dated 7 June 2013 and numbered 28760 serial: 3 no: 61.1 published in Official Gazette. Emlak Varlık Kiralama A.Ş. was established and began to operate on 5 August 2019 with TL 50 capital amount paid by the Main Shareholder Bank.

Emlak Katılım Varlık Kiralama A.Ş., 100% subsidiaries of the Bank was established and registered to the trade registry in 20 January 2020 with the permission taken from "Banking Regulation and Supervision Agency" and "Capital Markets Board of Turkey". Within the framework of the CMB's Communiqué on Lease Certificates (III-61.1) published in the Official Gazette dated June 7, 2013 and numbered 28760, Emlak Katılım Varlık Kiralama A.Ş. was established on December 16, 2019, with a capital of TL 50 and started its activity.

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

The values stated in the table below are taken from financial statements in limited review report of Emlak Varlık Kiralama A.Ş. and Emlak Katılım Varlık Kiralama A.Ş.'s dated June 30, 2021.

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.	354.008	182	-	3.934	-	132	-	-
Emlak Katılım Varlık Kiralama A.Ş.	3.147.821	50	-	260.610	-	-	-	-

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**10. Information on associates (continued)**

**b.2.1 Movement information on subsidiaries**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Amount at the beginning of the period</b>	<b>100</b>	<b>50</b>
Movements inside the term	-	50
Purchases / new incorporations / capital increases	-	50
Bonus shares	-	-
Profit received from current year share	-	-
Sales	-	-
Revaluation increases	-	-
Impairments	-	-
Amount at the end of the period	100	100
Capital commitments	-	-
<b>Share of the capital at the end of the period (%)</b>	<b>100</b>	<b>100</b>

**c. Information on investments in joint-ventures**

None (31 December 2020: None).

**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, 2020: None).

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**14. Information related to deferred tax asset:**

**Information related to deferred tax asset of the Bank:**

	<b>Current Period</b>	<b>Prior Period</b>
Deferred tax provision for transferred financial loss (*)	39.248	29.521
Prepaid wages and commissions and unearned income	22.465	28.709
Expected Loss Provisions	9.557	8.953
Securities valuation differences	4.614	4.056
Provisions for retirement premium and vacation pay liabilities	4.736	2.476
Derivative financial instruments	8.655	8.649
IFRS 16 allowance	1.921	920
Other	3.527	5.180
<b>Deferred tax asset</b>	<b>94.723</b>	<b>88.464</b>
Securities valuation differences	884	7.786
Difference between carrying value and tax base of fixed assets	3.842	4.938
Derivative financial instruments	13.249	1.398
Other	489	489
<b>Deferred tax liability</b>	<b>18.464</b>	<b>14.611</b>
<b>Deferred tax asset (Net)</b>	<b>76.259</b>	<b>73.853</b>

(\*) All of the deferred tax assets calculated from movable losses are calculated from 2018 and 2021 financial losses. Since the Bank plans to obtain sufficient taxable income to offset these amounts in the future, it reflected TL 39.248 of deferred tax assets in its records.

The time limits for deferred tax losses are as follows:

	<b>Current Period</b>	<b>Prior Period</b>
2023	147.777	147.606
2026	48.461	-
<b>Financial loss carried over to the following years</b>	<b>196.238</b>	<b>147.606</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**

	<b>Current Period</b>	<b>Prior Period</b>
Receivables from Public Institutions and Cooperations <sup>(1)</sup>	52.549	52.549
Exchange Account	79.619	34.708
Other <sup>(2)</sup>	61.171	55.253
<b>Total</b>	<b>193.339</b>	<b>142.510</b>

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

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

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**II. Explanations and notes related to liabilities:**

**1. Information on funds collected:**

**a. Information on maturity structure of funds collected:**

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
<b>I. Real Persons Current Accounts Non-Trade TL</b>	116.801	-	-	-	-	-	-	-	116.801
<b>II. Real Persons Participation Accounts Non-Trade TL</b>	-	446.580	68.357	36.527	275	1.434	-	-	553.173
<b>III. Current Account other-TL</b>	437.492	-	-	-	-	-	-	-	437.492
Public Sector	24.828	-	-	-	-	-	-	-	24.828
Commercial Institutions	406.905	-	-	-	-	-	-	-	406.905
Other Institutions	-	-	-	-	-	-	-	-	-
Commercial and Other Institutions	5.759	-	-	-	-	-	-	-	5.759
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	-	-	-	-	-	-	-	-
Public Sector	-	3.313.268	1.732.353	14.343	11.455	49.748	-	-	5.121.167
Commercial Institutions	-	879.773	312.712	3.966	-	-	-	-	1.196.451
Other Institutions	-	1.894.234	1.259.199	10.377	11.455	49.748	-	-	3.225.013
Commercial and Other Institutions	-	352.432	145.422	-	-	-	-	-	497.854
Banks and Participation Banks	-	186.829	15.020	-	-	-	-	-	201.849
<b>V. Real Persons Current Accounts Non- Trade FC</b>	316.585	-	-	-	-	-	-	-	316.585
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	1.278.140	154.654	16.535	19	4.066	-	-	1.453.414
<b>VII. Other Current Accounts FC</b>	1.664.944	-	-	-	-	-	-	-	1.664.944
Residents in Turkey-Corporate	1.491.062	-	-	-	-	-	-	-	1.491.062
Residents Abroad-Corporate	173.882	-	-	-	-	-	-	-	173.882
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other-FC</b>	-	-	-	-	-	-	-	-	-
Public sector	-	2.978.953	1.576.487	75.195	6.013	197	-	-	4.636.845
Commercial institutions	-	278	-	-	-	-	-	-	278
Other institutions	-	2.909.300	1.576.487	75.195	6.013	197	-	-	4.567.192
Commercial and Other Institutions	-	5.161	-	-	-	-	-	-	5.161
Banks and Participation Banks	-	64.214	-	-	-	-	-	-	64.214
<b>IX. Precious Metals Deposits</b>	376.812	232.602	157.045	6.095	1.471	171	-	-	774.196
<b>X. Participation Accounts Special Fund Pools TL</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	47.211	47.211
Residents Abroad	-	-	-	-	-	-	-	47.211	47.211
<b>XI. Participation Accounts Special Fund Pools – FC</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	2.912.634	8.249.543	3.688.896	148.695	19.233	55.616	-	47.211	15.121.828



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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
<b>I. Real Persons Current Accounts Non-Trade TL</b>	59.133	-	-	-	-	-	-	-	59.133
<b>II. Real Persons Participation Accounts Non-Trade TL</b>	-	268.498	164.897	10.172	361	33.666	62	-	477.656
<b>III. Current Account other-TL</b>	430.250	-	-	-	-	-	-	-	430.250
Public Sector	19.783	-	-	-	-	-	-	-	19.783
Commercial Institutions	407.554	-	-	-	-	-	-	-	407.554
Other Institutions	-	-	-	-	-	-	-	-	-
Commercial and Other Institutions	2.913	-	-	-	-	-	-	-	2.913
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	3.788.582	573.049	2.164	1.310	594	-	-	4.365.699
Public Sector	-	1.137.437	224.999	-	-	-	-	-	1.362.436
Commercial Institutions	-	2.464.499	218.831	2.164	1.310	594	-	-	2.687.398
Other Institutions	-	186.646	129.219	-	-	-	-	-	315.865
Commercial and Other Institutions	-	-	-	-	-	-	-	-	-
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
<b>V. Real Persons Current Accounts Non- Trade FC</b>	204.192	-	-	-	-	-	-	-	204.192
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	463.136	92.005	2.025	4.046	5.928	-	-	567.140
<b>VII. Other Current Accounts FC</b>	1.632.745	-	-	-	-	-	-	-	1.632.745
Residents in Turkey-Corporate	1.580.076	-	-	-	-	-	-	-	1.580.076
Residents Abroad-Corporate	52.669	-	-	-	-	-	-	-	52.669
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other-FC</b>	-	2.725.426	699.720	-	-	1.016	-	-	3.426.162
Public sector	-	37	200	-	-	-	-	-	237
Commercial institutions	-	2.698.247	691.232	-	-	1.016	-	-	3.390.495
Other institutions	-	4.854	3.729	-	-	-	-	-	8.583
Commercial and Other Institutions	-	22.288	4.559	-	-	-	-	-	26.847
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
<b>IX. Precious Metals Deposits</b>	222.128	118.261	151.151	19.513	501	2.869	-	-	514.423
<b>X. Participation Accounts Special Fund Pools TL</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation Accounts Special Fund Pools – FC</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	<b>2.548.448</b>	<b>7.363.903</b>	<b>1.680.822</b>	<b>33.874</b>	<b>6.218</b>	<b>44.073</b>	<b>62</b>	<b>-</b>	<b>11.677.400</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**1. Information on funds collected:**

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

**b.1 Exceeding the limit of Insurance Fund:**

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

	Under the guarantee of Insurance		Exceeding the guarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Real persons' current and participation accounts not subject to trading transactions	499.848	301.009	2.532.920	1.325.300
Turkish Lira accounts	229.545	119.247	440.429	417.542
Foreign currency accounts	270.303	181.762	2.092.491	907.758
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 150 (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.

**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	3.774	2.616
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 09.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Turkey in order to engage solely in Off-Shore Banking Activities	-	-

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021

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

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

2. Information on borrowings:

a.1. Information on the type of borrowed loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Syndication loans	-	-	-	-
Wakale loans	37.648	715.081	21.888	926.868
Loans obtained from Issued Lease certificates (Sukuk)	3.100.194	-	3.124.311	-
Other	-	-	-	-
<b>Total</b>	<b>3.137.842</b>	<b>715.081</b>	<b>3.146.199</b>	<b>926.868</b>

a.2 Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	3.137.842	561.706	3.146.199	881.319
Loans from foreign banks, institutions and funds	-	153.375	-	45.549
<b>Total</b>	<b>3.137.842</b>	<b>715.081</b>	<b>3.146.199</b>	<b>926.868</b>

a.3 Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	3.042.411	707.634	3.096.199	926.868
Medium and Long-Term	95.431	7.447	50.000	-
<b>Total</b>	<b>3.137.842</b>	<b>715.081</b>	<b>3.146.199</b>	<b>926.868</b>

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

The Bank does not have concentration on customer or sector group providing funds (December 31, 2020: None).

3. Information on derivative financial liabilities held for trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	642	-	1.710	7
Swap Transactions	2.109	37	41.569	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>2.751</b>	<b>37</b>	<b>43.279</b>	<b>7</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**4. Lease payables:**

	Current Period		Prior Period	
	FC	TL	FC	FC
Less than 1 year	24.538	-	17.179	-
Between 1-5 years	96.083	-	67.791	-
Over 5 years	48.872	-	34.368	-
<b>Total</b>	<b>169.493</b>	<b>-</b>	<b>119.338</b>	<b>-</b>

**5. Information on hedging derivative financial liabilities:**

None (December 31, 2020: None).

**6. Information on provisions:**

**a. Information on provisions for employee rights:**

Provisions for Bank's employee benefits consist of reserve for employee termination benefits amounting to TL 6.271 (December 31, 2020: TL 4.265), TL 3.880 (December 31, 2020: TL 2.400), vacation pay liability amounting to TL - (December 31, 2020: TL 7.817) performance premium provision, the Bank's total amount of provisions for employee rights is TL 10.151 (December 31, 2020: TL 14.482).

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

	Current Period	Prior Period
Discount rate (%)	2,10	2,10
Estimated increase rate of salary ceiling (%)	9,50	9,50

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

	Current Period	Prior Period
Prior period ending balance	4.265	2.282
Change in the period	2.006	1.217
Actuarial (gain) / loss	-	766
<b>Balance at the end of the period</b>	<b>6.271</b>	<b>4.265</b>

**b. Other Provisions:**

	Current Period	Prior Period
Provisions allocated from profit shares to be distributed to profit sharing accounts	18.119	50.792
Provisions for cases on trial	6.034	5.331
Impairment provision	71	236
Expected expected credit loss for Stage 1 and Stage 2 for non-cash loans	27.016	23.382
<b>Total</b>	<b>51.240</b>	<b>79.741</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

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

None (December 31, 2020: None).

**7. Information on taxes payable:**

**a.1. Explanations on current tax liability:**

As of June 30, 2021, the Bank does not have any tax debt remaining after deducting the corporate taxes paid. (December 31, 2020: None).

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

	<b>Current Period</b>	<b>Prior Period</b>
Taxation on securities income	4.470	4.420
Banking insurance transaction tax	8.815	5.134
Income tax deducted from wages	4.871	4.443
Value added tax payable	719	1.173
Taxation on real estate income	178	129
Foreign exchange transaction tax	424	425
Other	294	345
<b>Total</b>	<b>19.771</b>	<b>16.069</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**a.3. Information on premiums:**

	Current Period	Prior Period
Social security premiums-employee	3.693	2.580
Social security premiums-employer	2.522	1.762
Unemployment insurance-employee	-	-
Unemployment insurance-employer	-	-
Bank pension fund premium- employees	-	-
Bank pension fund premium- employer	-	-
Pension fund membership fees and provisions-employees	366	258
Pension fund membership fees and provisions- employer	183	129
Other	106	102
<b>Total</b>	<b>6.870</b>	<b>4.831</b>

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

None (December 31, 2020: None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Borrowing Instruments to be Included in Additional Capital Calculation</b>	-	1.797.005	-	1.545.981
Subordinated Loans	-	1.797.005	-	1.545.981
Subordinated Debt Instruments	-	-	-	-
<b>Debt Instruments to be Included in the Contribution Capital Calculation</b>	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
<b>Total</b>	-	<b>1.797.005</b>	-	<b>1.545.981</b>

As of June 30, 2021 the Bank has an subordinated debt that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR). The related borrowing instrument has no option to pay dividends and convert to share certificates.

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

None. (December 31, 2020: None).

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**11. Information on shareholders' equity:**

**a. Presentation of paid-in capital:**

	<b>Current Period</b>	<b>Prior Period</b>
Common stock	1.026.915	1.026.915
Preferred stock	-	-

**b. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at the Bank and if so, amount of the registered share capital ceiling:**

<b>Share Capital System</b>	<b>Paid-in Capital</b>	<b>Ceiling</b>
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 2020: None).

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

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

**g. Information on privileges given to stocks representing the capital:**

There is no privilege given to stocks representing the capital.

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**h. Information on marketable securities valuation reserve:**

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference (*)	8.026	4.620	(3.408)	1.109
Foreign exchange difference	-	-	-	-
<b>Total</b>	<b>8.026</b>	<b>4.620</b>	<b>(3.408)</b>	<b>1.109</b>

(\*) The amount represents the net balance after deferred tax liability.

**i. Information on other capital reserves:**

The Bank 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), the financial liability is recorded at fair value and the difference between cost value and fair value is accounted under "Other Capital Reserves" in shareholders' equity at the date of initial acquisition.

In addition, government securities with no fixed term and with 0% return are classified as 'financial assets carried at amortized cost' and recorded to the balance sheet with the reduced amount of government securities' rate of return, in accordance with the decision taken by the Bank's Management. The difference between the initial acquisition date cost value and the reduced amount is recorded under 'Other Capital Reserves' account in shareholders' equity.

**III. Explanations and notes related to off-balance sheet:**

**1. Explanations on off balance sheet:**

**a. Type and amount of irrevocable loan commitments:**

	Current Period	Prior Period
Forward Asset Purchase Commitments	725.009	323.542
Forward Asset Sale Commitments	199.176	175.454
Payment Commitments for Cheques	74.245	31.642
Tax and Fund Liabilities Arising from Export Commitments	-	-
Credit Cards Limit Commitments	-	-
Other Irrevocable Commitments	154.355	131.859
<b>Total</b>	<b>1.152.785</b>	<b>662.497</b>

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

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

	Current Period	Prior Period
Guarantees	3.144.754	2.187.919
Letters of credit	212.802	850.386
Bank loans	1.175.010	123.057
Other guaranties and sureties	-	-
<b>Total</b>	<b>4.532.566</b>	<b>3.161.362</b>



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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Temporary letters of guarantees	215.439	152.583
Advance letters of guarantees	183.465	93.831
Letters of guarantees given to customs	49.133	18.563
Definitive Letters of Guarantee	1.509.136	1.922.942
Letters of Guarantee Given for the Guarantee of Cash Loans	1.155.187	-
Other	32.394	-
<b>Total</b>	<b>3.144.754</b>	<b>2.187.919</b>

**c. Within the Non-cash Loans:**

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

	<b>Current Period</b>	<b>Prior Period</b>
Non-cash loans given against cash loans	-	-
With original maturity of 1 year or less	-	-
With original maturity of more than 1 year	-	-
Other non-cash loans	1.152.785	662.497
<b>Total</b>	<b>1.152.785</b>	<b>662.497</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".

**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 credit derivatives and risk beared due to these:**

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 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".

**5. Explanations on services rendered on behalf of third parties:**

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".

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**1. Information on profit share income:**

**a. Information on profit share income received from loans:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share received from loans				
Short Term Loans	268.742	7.396	135.581	3.268
Medium and Long Term Loans	452.768	60.455	102.347	57.710
Profit Share on Non-Performing Loans	-	-	-	-
<b>Total</b>	<b>721.510</b>	<b>67.851</b>	<b>237.928</b>	<b>60.978</b>

**b. Information on profit share income received from banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	20.865	-	3.929	-
Domestic Banks	91	-	-	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
<b>Total</b>	<b>20.956</b>	<b>-</b>	<b>3.929</b>	<b>-</b>

**c. Information on profit share income received from marketable securities:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	25.619	8.543	17.222	13.108
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	83.240	5.119	19.583	1.978
Financial Assets Measured at Amortized Cost	-	37.848	-	27.153
<b>Total</b>	<b>108.859</b>	<b>51.510</b>	<b>36.805</b>	<b>42.239</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Income received from associates and subsidiaries	1.375	-	47	-
<b>Total</b>	<b>1.375</b>	<b>-</b>	<b>47</b>	<b>-</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**2. Explanations on profit share expenses:**

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

Current Period	Profit Sharing Accounts							Accumulated participation accounts	Total
	Account Name	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 years	More than 1 years		
<b>TL</b>									
Funds collected from banks through current and profit sharing accounts	337	1.844	-	-	-	-	-	-	2.181
Real persons' non-trading profit sharing accounts	5.679	24.065	885	-	91	2.897	-	-	33.617
Public sector profit sharing accounts	40.278	38.030	4.460	-	539	-	-	-	83.307
Commercial sector profit sharing accounts	45.562	215.677	11.213	-	2.164	2.608	-	-	277.224
Other institutions profit sharing accounts	1.393	28.719	8.000	-	-	-	-	-	38.112
<b>Total</b>	<b>93.249</b>	<b>308.335</b>	<b>24.558</b>	<b>-</b>	<b>2.794</b>	<b>5.505</b>	<b>-</b>	<b>-</b>	<b>434.441</b>
<b>FC</b>									
Banks	-	539	725	-	-	-	-	-	1.264
Real persons' non-trading profit sharing accounts	695	6.874	357	-	54	35	-	-	8.015
Public sector profit sharing accounts	-	2	-	-	-	-	-	-	2
Public sector profit sharing accounts	1.269	30.606	1.724	-	157	-	-	-	33.756
Other institutions profit sharing accounts	19	473	-	-	-	-	-	-	492
Precious metals deposits	1.239	-	-	-	-	-	-	-	1.239
<b>Total</b>	<b>3.222</b>	<b>38.494</b>	<b>2.806</b>	<b>-</b>	<b>211</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>44.768</b>
<b>Grand Total</b>	<b>96.471</b>	<b>346.829</b>	<b>27.364</b>	<b>-</b>	<b>3.005</b>	<b>5.540</b>	<b>-</b>	<b>-</b>	<b>479.209</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**2. Explanations on profit share expenses (continued):**

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

Account Name	Profit Sharing Accounts						Accumulated participation accounts	Total
	Prior Period	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 years		
<b>TL</b>								
Funds collected from banks through current and profit sharing accounts	-	-	-	-	-	-	-	-
Real persons' non-trading profit sharing accounts	559	9.450	1.755	-	363	202	-	12.329
Public sector profit sharing accounts	5.283	7.935	4.982	-	370	-	-	18.570
Commercial sector profit sharing accounts	5.837	98.524	2.893	-	954	49	-	108.257
Other institutions profit sharing accounts	54	3.703	2.902	-	-	-	-	6.659
<b>Total</b>	<b>11.733</b>	<b>119.612</b>	<b>12.532</b>	<b>-</b>	<b>1.687</b>	<b>251</b>	<b>-</b>	<b>145.815</b>
<b>FC</b>								
Banks	-	985	-	-	-	-	-	985
Real persons' non-trading profit sharing accounts	182	1.062	7	-	1	-	-	1.252
Public sector profit sharing accounts	-	310	-	-	-	-	-	310
Public sector profit sharing accounts	492	9.437	1.353	-	413	272	-	11.967
Other institutions profit sharing accounts	9	2.760	-	-	-	-	-	2.769
Precious metals deposits	336	-	-	-	-	-	-	336
<b>Total</b>	<b>1.019</b>	<b>14.554</b>	<b>1.360</b>	<b>-</b>	<b>414</b>	<b>272</b>	<b>-</b>	<b>17.619</b>
<b>Grand Total</b>	<b>12.752</b>	<b>134.166</b>	<b>13.892</b>	<b>-</b>	<b>2.101</b>	<b>523</b>	<b>-</b>	<b>163.434</b>

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**2. Explanations on profit share expenses (continued):**

**b. Information on profit share expense paid to funds borrowed:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	2.760	4.845	424	1.839
CBRT	-	-	-	-
Domestic banks	2.760	3.627	424	1.318
Foreign banks	-	1.218	-	521
Head offices and branches abroad	-	-	-	-
Other institutions	259.976	41.019	3.280	29.297
<b>Total</b>	<b>262.736</b>	<b>45.864</b>	<b>3.704</b>	<b>31.136</b>

**c. Profit share expense paid to associates and subsidiaries:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share expense given to associates and subsidiaries	264.544	-	3.280	-
<b>Total</b>	<b>264.544</b>	<b>-</b>	<b>3.280</b>	<b>-</b>

**d. Profit share expenses paid to marketable securities issued:**

None (June 30, 2020: None).

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

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

<b>Other Fees and Commissions Received</b>	<b>Current Period</b>	<b>Prior Period</b>
Banking package commissions	5.738	160
Foreign trade package commissions	4.471	118
Remittance commissions	4.064	1502
Import commissions against documents	1.640	2273
Advance import transfer commissions	1.543	41
Appraisal fees	1.530	476
Fees and commissions from correspondents	876	87
Insurance and brokerage commissions	718	298
Collection and payment commissions	623	-
Import letter of credit commissions	460	229
Early closing commission income	364	2524
Bill of collection/check commissions	312	58
Safe deposit box revenues	90	7
Fees and commissions from member merchant pos	76	-
Credit card fees and commissions	65	10
Export letter of credit commissions	63	4
Gram gold delivery and purchase commissions	18	2
Import commissions against goods	6	3
Commissions from special package services	2	136
Other commissions	2.321	476
<b>Total</b>	<b>24.980</b>	<b>8.404</b>

<b>Other Fees and Commissions Given</b>	<b>Current Period</b>	<b>Prior Period</b>
Expenses and commissions given to correspondents abroad	6.708	300
Required reserve commissions given for CBRT FX	483	2.959
Commissions and fees given for EFT	418	-
Commissions and fees given for Swift	218	74
Commissions and fees given to the clearing house	190	63
Commissions and fees given for credit cards	96	151
Commissions given to credits used	69	69
Commissions of collection note / check commissions	5	1
Other commissions and fees	714	1.197
<b>Total</b>	<b>8.901</b>	<b>4.814</b>

**4. Information on dividend income:**

None (June 30, 2020: None).

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

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

	Current Period	Prior Period
<b>Income</b>	<b>1.143.857</b>	<b>543.516</b>
Income from capital market transactions	3.837	8.448
Income from derivative financial instruments	180.113	55.219
Foreign exchange income	959.907	479.849
<b>Loss (-)</b>	<b>1.154.135</b>	<b>519.039</b>
Loss on capital market transactions	1.072	108
Loss on derivative financial instruments	321.032	144.105
Foreign exchange losses	832.031	374.826
<b>Trading income/loss (net)</b>	<b>(10.278)</b>	<b>24.477</b>

**6. Explanations related to other operating income:**

	Current Period	Prior Period
Income from provisions made in previous years	71.471	41.316
Income from sales of assets <sup>(*)</sup>	35.794	5.688
Revenues from provisions allocated in previous years	175	34
Lease income	4	4
Other income	3.077	6.664
<b>Total</b>	<b>110.521</b>	<b>53.706</b>

(\*) TL 30.517 consists of the sales of Vakif Leasing shares within the body of the Bank

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

	Current Period	Prior Period
<b>Expected Credit Loss</b>	<b>37.712</b>	<b>88.748</b>
12 month expected credit loss (stage 1)	33.769	88.721
Significant increase in credit risk (stage 2)	2.540	-
Non-performing loans (stage 3)	1.403	27
<b>Marketable Securities Impairment Expense</b>	<b>3.901</b>	<b>13.415</b>
Financial Assets at Fair Value through Profit or Loss	3.901	13.415
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>1.199</b>	<b>23.999</b>
<b>Total</b>	<b>42.812</b>	<b>126.162</b>

(\*) It consists of the amounts allocated from the profits to be distributed to the participation account of 107 TL and the lawsuit provisions of 1.092 TL.

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**8. Information on other operating expenses:**

	<b>Current Period</b>	<b>Prior Period</b>
Provision for retirement pay liability	2.006	608
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	29.802	11.346
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	8.399	7.684
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	34.244	21.918
Lease expenses related to TFRS 16 exemptions	-	32
Operating Maintenance expenses	2.673	2.018
Advertisement expenses	6.117	7.942
Other expenses <sup>(1)</sup>	25.454	11.926
Loss on sale of assets	-	-
Other <sup>(2)</sup>	21.408	10.074
<b>Total</b>	<b>95.859</b>	<b>51.630</b>



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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**IV. Explanations and notes related to 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:

	<b>Current Period</b>	<b>Prior Period</b>
Communication Expenses	7.667	3.147
Cleaning Expenses	4.981	1.285
Heating, Lighting and Water Expenses	2.483	1.895
Insurance Expenses	1.251	572
Vehicle Expenses	1.113	448
Representation and Hospitality expenses	969	639
Stationery expenses	458	181
Participation on common expenses	377	104
Litigation and court expenses	504	115
Other Expenses	5.651	3.540
<b>Total</b>	<b>25.454</b>	<b>11.926</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Taxes, Duties, Charges and Funds	12.412	6.883
Audit and Consultancy Fees	3.157	1.334
Saving Deposit Insurance Fund	1.551	1.140
Participation Share Expenses	1.157	290
Banking regulation and supervision agency contribution	921	-
Other	2.210	427
<b>Total</b>	<b>21.408</b>	<b>10.074</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 June 30, 2021, the Bank has deferred tax expense amounting to TL 32.209 (June 30, 2020: TL 20.324), deferred tax income amounting to TL 36.706 (June 30, 2020: TL 30.972). As of 31 March 2021, the Bank has no current tax provision.

Since the Bank does not have any discontinued operations, there is no tax provision for discontinued operations (June 30, 2020: None).

**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".

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

**12. Explanations on net income/ loss:**

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

None.

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

None.

c. Profit / loss attributable to minority rights:

None.

**V. Explanations and notes related to 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 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 Bank**

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

**a. Current Period**

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	<b>Loans and Other Receivables</b>					
Balance at the beginning of period	95.629	-	-	-	-	-
Balance at the end of period	76.858	-	-	-	-	-
<b>Dividend and Commission Income Received</b>	<b>1.375</b>	-	-	-	-	-

**b. Prior Period**

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	<b>Loans and Other Receivables</b>					
Balance at the beginning of period	100	-	-	-	-	-
Balance at the end of period	95.629	-	-	-	-	-
<b>Dividend and Commission Income Received</b>	<b>47</b>	-	-	-	-	-

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**VII. Explanations related to the risk group of the Bank (continued):**

**a.1. Information on current and profit sharing accounts of the Bank's risk group**

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Current and profit sharing accounts</b>						
Balance at the beginning of period	94	47	-	-	-	-
Balance at the end of period	47.503	94	-	-	-	-
<b>Profit share expense</b>	<b>320</b>	-	-	-	-	-

**a.2. Information on forward and option agreements and other similar agreements with the risk group of the Bank**

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

**a.3. Information on the benefits provided to the top management of the bank**

The total amount of the remuneration and benefits provided to the top management of the Bank for the accounting period ended June 30, 2021 is TL 2.993 ( June 30, 2020: TL 2.597).

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

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

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".

**IX. Explanations and notes on matters after balance sheet:**

The Bank will be a resource institution / fund user, and by Emlak Katılım Varlık Kiralama A.Ş., domestically, limited to TL 15.000.000 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 11, 2021 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 15.000.000 received from the CMB on February 11, 2021, to be sold to private and / or qualified investors,

- On July 2, 2021, 90-day maturity, TL 60,568 for qualified investors in the country
- On July 2, 2021, 180-day maturity, TL 100,000 for qualified domestic investors
- On July 8, 2021, TL 234,729 with a maturity of 172 days for qualified investors in Turkey on July 8, 2021.
- On July 14, 2021, TL 40.000 with a maturity of 358 days for qualified investors in Turkey
- On July 14, 2021, TL 90.000 with a maturity of 90 days for qualified investors in Turkey
- On July 29, 2021, TL 82,774 with a maturity of 389 days as allocated in the country
- On August 3, 2021, TL 75.000 with a maturity of 178 days for qualified investors in Turkey
- On August 3, 2021, lease certificate issuance transactions were carried out for qualified investors, with a maturity of 91 days and amounting to TL 70,000.

In the issuance of the lease certificates the Bank was involved as the authorized investment institution. In accordance with the law on the collection procedure of public receivables and amendments to some laws, published in the Official Gazette dated April 22, 2021 and numbered 31462, it has been decided to apply the corporate tax rate 25% for the 2021 taxation period, and 23% for the 2022 taxation period arising from corporate income.

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

## **SECTION SIX**

### **Independent Auditor's Review Report**

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

The unconsolidated financial statements of the Participation Bank for the six months period ended June 30, 2021 were reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member firm of Ernst & Young Global Limited) and Auditors' Review Report dated August 20, 2021 is presented in the introduction of this report

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

None.

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

## **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**

Already feeling the effects of the Covid-19 pandemic as it entered 2021, the Turkish economy performed strongly in the second quarter of the year after it rebounded from the severe restrictions imposed during the first as a result both of measures that were taken and of the progress achieved in the country's vaccination program. Despite the first-quarter impact of the pandemic, Turkey's economy outperformed that of every other OECD country by registering a 7% rate of growth. Leading indicators also made it possible to make upward revisions both in the Turkish economy's Q2 performance and in its year-end growth projections. Surveys conducted among market actors suggest that Turkey's Q1/Q2 2021 growth will be on the order of 20% (admittedly owing to low base effects) while overall GDP growth for the year should be in the 5-7% range. Both a strong Q1 performance and robust Q2 leading indicators have further improved projections for 12-month growth in 2021. A 66% rise in the calendar-adjusted industrial production index for April, the first month of the second quarter, as compared with April 2020, was a new historical high. Purchasing managers index data also indicate that manufacturers are registering increases both in output and in new orders, which in turn implies that the expansion in the economy is continuing. Weighing in at USD 19.8 billion (19,800 million) in value, Turkey's 2021 June exports were 47% greater than those of 2020 June. Twelve-month imports as of the same date amounted to USD 199,567 million. These numbers set new one-month, three-month, and six-month records in the history of the country's foreign trade performance.

Turkey's participation finance sector made a good start as they embarked upon 2021. In 2020 they had increased their total assets by 53.75% and brought them to USD 437,920 million, which corresponds to a 7.16% share of the Turkish finance sector's total assets of TL 6,107,000 million. By midyear 2021, our sector's total assets reached TL 467,698 million and a 7.21% share, thereby setting two more new records in its performance. Similarly an 11.08% Q1 increase indicates that the growth in our sector's equity is continuing with no loss of momentum.

At Emlak Katılım we continue to build upon the support that we provide for the national economy by diversifying the services we supply to our customers with a steady stream of new products. Although our primary focus is on real estate, we also engage in an ongoing effort to develop and provide sustainable and accessible financing models for every strategic sector capable of contributing to economic growth and to employment. We are constantly increasing the diversity of our products and services in our efforts to address the needs of urban-renewal, energy efficiency, environmental-wellbeing, structural-improvement, social-housing, and customer-bespoke projects. With progress in digital technologies being given an additional boost by pandemic-driven needs, we are keeping an even closer watch on it and undertaking investments aimed at providing our customers with digital technology-focused innovative solutions.

Just as we have been doing ever since our bank resumed operations, we will continue to advance surefootedly towards the fulfillment of the goals that we have set for ourselves in 2021 while simultaneously increasing our contributions to Turkey's economy.

Respectfully Yours,

**Mehmet Emin BİRPINAR**

Chairman of the Board of Directors

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**b. Message from the CEO**

A resurgence in new Covid-19 cases resulted in the introduction of new preventive measures in Q1 2021. With the imposition of a monthlong nearly complete lockdown in April, there was a remarkable decrease in new infections with the result that recourse was had to a phased lifting of restrictions as of 1 June. At a time when the epidemic was having a decisive impact on national economies everywhere, Turkey distinguished itself by virtue of the proactive steps that its government took and by the support that was given to the real economy.

As this process unfolded, Türkiye Emlak Katılım Bankası continued to maintain the consistent growth momentum which it had achieved in the year's second quarter as well. We increased the number of branches in our network to 65 while also continuing to work on the construction of another six. Our total assets in Q2 2021 amounted to TL 24.2 billion while our total lendings to the real sector and our total collected funds reached TL 14.7 billion and TL 18.2 billion respectively.

We continue to make new additions to the portfolio of products which we have developed in line with our standing as a real estate industry market-maker, to supply urban-renewal financing solutions, and to support the sector's overall growth and development. One of these products, which we developed in collaboration with Türkiye Sigorta, an insurer, is a "Building Completion Insurance" policy which we have devised to be compliant with the principles of participation banking and which is being provided under an exclusive five-year agreement with that company. This product protects both construction firms and would-be home owners against project non-completion risks, provides guarantees for the payments that buyers are supposed to make, and contributes to the security and sustainability of the construction industry's growth and development.

Another of our recently-introduced products is a home-financing account which we have designed for customers who wish to buy a dwelling for investment purposes or who individually lack the wherewithal to purchase a home on their own. This product is a joint account that provides financing for the purchase of a property that two or more people want to buy and to which each participant acquires a share in the property in proportion to their contribution.

Continuing to respond to our customers' changing needs with new products and services, we introduced a Forward Export Finance product that allows customers to collect their receivables without waiting for maturity as well as an Acceptance Aval Finance product that makes it possible for customers to collect their receivables without having to wait for maturity, without the need for company limits or guarantees, and for which no commission fees are charged.

We continue to come up with innovative solutions by focusing on digitalization in order to make the lives of our retail and corporate customers easier. One of these is a video call-based customer-acquisition project that we recently put in to service. Would-be Emlak Katılım customers availing themselves of this service can complete all account-opening formalities through the bank's mobile app without the need for them to be physically present in a conventional branch or for a courier being dispatched to collect their signature. While continuing to add to our market share through branch network expansion, Emlak Katılım's digital-channel e-banking branch makes it possible for people living in places where we have no branches or who are unable or don't want to go to one to benefit from our bank's products and services.

Keeping pace with changing shopping and consumption habits, Emlak Katılım has joined forces with T-Soft, Turkey's premier provider of e-commerce infrastructure, and offers advantageous prices and rates in support of bank customers who want to expand their business by venturing into the world of online merchandising.

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**b. Message from the CEO (continued):**

Because helping to deal with environmental issues is one of our bank’s strategic priorities, we support green-investment projects by providing financing solutions for undertakings in renewable energy. The “green” lease certificates which Emlak Katılım has issued contribute to environmental sustainability by giving renewable-energy companies access to sources of funding. In a similar vein, we have entered into an agreement with Smart Energy, one of Europe’s leading integrated solar energy companies, under which we can provide 100% lease-financing for customers who are interested in investing in solar-energy projects. We also provide financing to support the installation of rooftop photovoltaic power stations (rooftop solar power plants) on private dwellings. We will continue to develop new products and services in our never-ending efforts to create value for everyone by contributing both to economic development and to domestic production that are consistent with green-future goals.

Bringing these brief remarks to a close, I thank every member of the Emlak Katılım family for their dedicated and diligent efforts in the conduct of their work. I sincerely believe that it is through their efforts that we will achieve even greater successes in the future.

Very truly yours,

**Nevzat BAYRAKTAR**

Board Member and CEO

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**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, 2021 – June 30, 2021**

None.

**e. Branch and Personal Information**

The Bank's total number of branches is 65 and the total number of personnel is 1.022 at 30 June 2021.

**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	-
Abdullah Erdem CANTİMUR	Vice Chairman of the Board of Directors and Chairman of the Audit Committee	Master	-
Mehmet Ali KAHRAMAN	Member of BOD	Master	-
Mustafa GÜLEN	Member of BOD	Bachelor	-
Mehmet Nuri YAZICI	Member of BOD and Audit Committee	Bachelor	-
Prof. Dr. Murat BALCI	Member of BOD	Doctorate	-
Nevzat BAYRAKTAR	Member of BOD / General Manager	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	-

**Managers of Internal Systems**

Name and Surname	Professional Experience	Seniority in the Field of Responsibility	Education	Area of Responsibility
Abdulkadir CEBEÇİ	15 year 3 month	15 year 3 month	Master	Head of Inspection Committee Head of Internal Control and Compliance
Halil İbrahim ÖZER	15 year 1 month	8 year	Master	Head of Risk Management
Erhan ŞANLI	14 year 8 month	6 month	Bachelor	



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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

**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**

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**AUDIT COMITEE**

---

Abdullah Erdem CANTİMUR (Head)

Mehmet Nuri YAZICI

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**CREDIT COMITEE**

---

Prof. Dr. Murat BALCI (Head)

Mustafa GÜLEN (Orginal Member)

Nevzat BAYRAKTAR (Orginal Member)

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**CORPORATE GOVERNANCE COMMITTEE**

---

Abdullah Erdem CANTİMUR (Head)

Prof. Dr. Murat BALCI

Mustafa GÜLEN

Mehmet Ali KAHRAMAN

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**REMUNERATION COMMITTEE**

---

Mehmet Nuri YAZICI (Head)

Abdullah Erdem CANTİMUR

Nevzat BAYRAKTAR

---

**EXECUTIVE COMMITTEE**

---

Prof. Dr. Mehmet Emin BİRPINAR (Head)

Prof. Dr. Murat BALCI

Nevzat BAYRAKTAR

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

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

**NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021**

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

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

**h. Türkiye Emlak Katılım Bankası A.Ş. Selected Financial Indicators as of June 30, 2021**

<b>Assets</b>	<b>Current Period</b>	<b>Prior Period</b>
Loans and Financial Leasing Receivables	15.143.527	13.599.033
Total Securites	2.860.399	1.783.070
<b>Total of Selected Assets</b>	<b>18.003.926</b>	<b>15.382.103</b>

<b>Liabilities</b>	<b>Current Period</b>	<b>Prior Period</b>
Funds Collected	15.121.828	11.677.400
Funds Borrowed	3.852.923	4.073.067
Shareholders' Equity	1.572.466	1.539.266
<b>Total of Selected Liabilities</b>	<b>20.547.217</b>	<b>17.289.733</b>

<b>Income and Expense Items</b>	<b>Current Period</b>	<b>Prior Period</b>
Profit Share Income	974.793	382.579
Profit Share Expense	817.992	211.624
Net Profit Share Income/Expenses	156.801	170.955
Net Fees and Commissions Income/Expenses	28.591	6.520
Personnel Expenses	122.789	57.548
Trading Income/Loss	(10.278)	24.477
Other Operating Income	110.521	53.706
Loans and Other Receivables from Provision for Losses	37.712	88.748
Other Operating Expenses	95.859	51.630
Profit Before Tax and Provisions	24.175	20.318
Tax Provisions	(4.497)	(10.648)
Net Profit/Losses	19.678	9.670

<b>Ratios (%)</b>	<b>Current Period</b>	<b>Prior Period</b>
Total Loans/Total Assets (*)	62,32	66,69
Total Loans/Total Deposits (*)	100,14	116,46
Capital Adequacy Ratio	25,75	28,05

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