

Türkiye Emlak Katılım Bankası Anonim Şirketi

**Publicly Announced Unconsolidated Financial
Statements and Related Disclosures at
June 30, 2022 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)*

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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, 2022 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, 2022, 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.



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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 of Section Three, there are 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"), including non application of IAS 29 Financial Reporting in Hyperinflation Economies. The effect of such differences 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

Daria Harman, SMMM
Partner

August 15, 2022
Istanbul, Turkey

**THE UNCONSOLIDATED FINANCIAL REPORT OF TÜRKİYE EMLAK KATILIM
BANKASI A.Ş. FOR THE SIX-MONTH PERIOD THEN ENDED JUNE 30, 2022**

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

Tuğba GEDİKLİ

Financial Reporting
Director

Abdullah Erdem CANTİMUR

Head of the Audit
Committee

Mehmet Nuri YAZICI

Member of the Audit
Committee

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TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

SECTION ONE

General information

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

The Bank was incorporated in Ankara June 3, 1926 with the name of Emlak ve Eytam Bankası, in accordance with instructions of Mustafa Kemal Atatürk. The aim of establishment of the Bank is to support public construction, to provide necessary loan and to protect orphan's right. The Bank had restructured on 1 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 76 branches of the Bank as of June 30, 2022. (December 31, 2021: 70). The Bank is operating with 1.141 staff as of 30 June 2022 (December 31, 2021: 1.107).

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

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

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

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

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

Name and Surname	Administrative Function and Responsibility	Educational Degree	Ownership Percentage(%)
Prof. Dr. Mehmet Emin BİRPINAR	Chairman of BOD	Doctorate	-
Abdullah Erdem CANTİMUR	Vice Chairman of the Board of Directors and Chairman of the Audit Committee	Master	-
Hasan SUVER*	Member of BOD	Master	-
Mustafa ERDEM	Member of BOD	Bachelor	-
Mehmet Nuri YAZICI	Member of BOD and Audit Committee	Bachelor	-
Prof. Dr. Murat BALCI	Member of BOD	Doctorate	-
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	-

- He has been selected as a member of BOD at Ordinary General Meeting on March 21,2022.

IV. Information on the Bank's qualified shareholders:

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

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

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

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

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

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

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, 2022

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

ASSETS	Note (Fifth Section-I)	THOUSAND TL			THOUSAND TL		
		CURRENT PERIOD (30/06/2022)			PRIOR PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
I. FINANCIAL ASSETS (NET)		8.078.723	16.435.150	24.513.873	4.696.861	9.109.377	13.806.238
1.1 Cash and cash equivalents		1.620.816	13.945.727	15.566.543	899.261	6.868.642	7.767.903
1.1.1 Cash and Balances with Central Bank	(1)	1.619.506	9.489.037	11.108.543	897.830	5.338.605	6.236.435
1.1.2 Banks	(2)	1.587	4.460.350	4.461.937	1.593	1.531.522	1.533.115
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4 Expected Loss Provisions (-)		277	3.660	3.937	162	1.485	1.647
1.2 Financial Assets Measured at Fair Value Through Profit/Loss (FVTPL)	(3)	190.382	781.583	971.965	952.091	847.933	1.800.024
1.2.1 Government Debt Securities		79.765	781.583	861.348	-	847.933	847.933
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		110.617	-	110.617	952.091	-	952.091
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI)	(4)	6.191.322	1.707.489	7.898.811	2.783.631	1.389.522	4.173.153
1.3.1 Government Debt Securities		6.183.663	1.707.489	7.891.152	2.775.972	1.389.522	4.165.494
1.3.2 Equity Securities		7.659	-	7.659	7.659	-	7.659
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	(5)	76.203	351	76.554	61.878	3.280	65.158
1.4.1 Derivative Financial Assets Measured at FVTPL		76.203	351	76.554	61.878	3.280	65.158
1.4.2 Derivative Financial Assets Measured at FVOCI		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		21.844.715	12.303.593	34.148.308	12.156.411	12.132.116	24.288.527
2.1 Loans	(6)	21.033.308	8.783.177	29.816.485	12.307.401	9.417.079	21.724.480
2.2 Lease Receivables	(8)	155.962	98.121	254.083	108.644	74.200	182.844
Other Financial Assets Measured at Amortized Cost	(7)	1.035.023	3.518.150	4.553.173	-	2.713.586	2.713.586
2.3.1 Government Debt Securities		1.035.023	3.518.150	4.553.173	-	2.713.586	2.713.586
2.3.2 Other Financial Assets		-	-	-	-	-	-
2.4 Expected Loss Provisions(-)	(6)	379.578	95.855	475.433	259.634	72.749	332.383
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(9)	3.119	-	3.119	8.000	-	8.000
3.1 Asset Held for Sale		3.119	-	3.119	8.000	-	8.000
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
IV. PARTNERSHIP INVESTMENTS		100	-	100	100	-	100
4.1 Associates (Net)	(10)	-	-	-	-	-	-
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)		100	-	100	100	-	100
4.2.1 Unconsolidated Financial Investments in Subsidiaries		100	-	100	100	-	100
Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)		-	-	-	-	-	-
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (NET)	(11)	369.021	-	369.021	330.398	-	330.398
VI. INTANGIBLE ASSETS (NET)	(12)	35.593	-	35.593	23.462	-	23.462
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		35.593	-	35.593	23.462	-	23.462
VII. INVESTMENT PROPERTY (NET)	(13)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	(14)	127.859	-	127.859	66.574	-	66.574
X. OTHER ASSETS	(15)	359.311	14.558	373.869	231.622	4.979	236.601
TOTAL ASSETS		30.818.441	28.753.301	59.571.742	17.513.428	21.246.472	38.759.900

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)

AS OF JUNE 30, 2022

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

LIABILITIES	Note (Fifth Section-II)	THOUSAND TL			THOUSAND TL		
		CURRENT PERIOD (30/06/2022)			PRIOR PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
I. FUNDS COLLECTED	(1)	19.972.842	26.429.185	46.402.027	8.344.850	18.448.499	26.793.349
II. FUNDS BORROWED	(2)	3.771.351	974.498	4.745.849	3.550.900	1.103.031	4.653.931
III. MONEY MARKET FUNDS		20.070	-	20.070	1.984.303	-	1.984.303
IV. SECURITIES ISSUED (Net)		-	-	-	-	-	-
V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VI. DERIVATIVE FINANCIAL LIABILITIES		16.892	8.188	25.080	106.180	3.810	109.990
6.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(3)	16.892	8.188	25.080	106.180	3.810	109.990
6.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5)	-	-	-	-	-	-
VII. LEASE PAYABLES (NET)	(4)	240.023	-	240.023	191.498	-	191.498
VIII. PROVISIONS	(6)	91.871	91.949	183.820	66.636	51.603	118.239
8.1 General Provisions		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		18.764	-	18.764	26.592	-	26.592
8.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4 Other Provisions		73.107	91.949	165.056	40.044	51.603	91.647
IX. CURRENT TAX LIABILITY	(7)	378.968	-	378.968	81.210	-	81.210
X. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(8)	-	-	-	-	-	-
11.1 Held for Sale Purpose		-	-	-	-	-	-
11.2 Related to Discontinued Operations		-	3.485.662	3.485.662	-	2.669.412	2.669.412
XII. SUBORDINATED DEBT INSTRUMENTS	(9)	-	3.485.662	3.485.662	-	2.669.412	2.669.412
12.1 Loans		-	-	-	-	-	-
12.2 Other Debt Instruments		761.262	156.327	917.589	368.823	60.722	429.545
XIII. OTHER LIABILITIES	(10)	3.208.341	(35.687)	3.172.654	1.739.875	(11.452)	1.728.423
XIV. SHAREHOLDERS' EQUITY	(11)	1.026.915	-	1.026.915	1.026.915	-	1.026.915
14.1 Paid-in capital		33.186	-	33.186	23.088	-	23.088
14.2 Capital Reserves		-	-	-	-	-	-
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		33.186	-	33.186	23.088	-	23.088
14.2.3 Other Capital Reserve		-	-	-	-	-	-
14.3 Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		(1.411)	-	(1.411)	(1.411)	-	(1.411)
14.4 Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		834.444	(35.687)	798.757	56.776	(11.452)	45.324
14.5 Profit Reserves		630.711	-	630.711	485.999	-	485.999
14.5.1 Legal Reserves		287.778	-	287.778	280.353	-	280.353
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		342.933	-	342.933	205.646	-	205.646
14.5.4 Other Profit Reserves		-	-	-	-	-	-
14.6 Income or (Loss)		684.496	-	684.496	148.508	-	148.508
14.6.1 Prior Periods' Income or (Loss)		-	-	-	5.395	-	5.395
14.6.2 Current Period Income or (Loss)		684.496	-	684.496	143.113	-	143.113
TOTAL LIABILITIES		28.461.620	31.110.122	59.571.742	16.434.275	22.325.625	38.759.900

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET AS OF JUNE 30, 2022

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

STATEMENT OF OFF BALANCE SHEET	Note (Fifth Section-III)	THOUSAND TL			THOUSAND TL		
		CURRENT PERIOD (30/06/2022)			PRIOR PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)		9.769.466	9.087.739	18.857.205	6.343.425	8.723.299	15.066.724
I. GUARANTEES AND SURETIES	(1)	4.823.205	3.874.859	8.698.064	3.024.434	3.136.467	6.160.901
1.1 Letters of Guarantees		4.810.198	2.854.165	7.664.363	3.017.583	1.863.037	4.880.620
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		4.810.198	2.854.165	7.664.363	3.017.583	1.863.037	4.880.620
1.2 Bank Loans		13.007	334.440	347.447	3.500	754.257	757.757
1.2.1 Import Letter of Acceptances		13.007	334.440	347.447	3.500	754.257	757.757
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letter of Credits		-	686.254	686.254	3.351	519.173	522.524
1.3.1 Documentary Letter of Credits		-	686.254	686.254	3.351	519.173	522.524
1.3.2 Other Letter of Credits		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Other Guarantees		-	-	-	-	-	-
1.7 Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	(1)	1.931.747	911.570	2.843.317	1.478.944	626.232	2.105.176
2.1 Irrevocable Commitments		1.931.747	911.570	2.843.317	1.478.944	626.232	2.105.176
2.1.1 Asset Purchase and Sale Commitments		263.379	615.762	879.141	249.690	390.845	640.535
2.1.2 Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3 Loan Granting Commitments		1.508.784	-	1.508.784	1.121.875	-	1.121.875
2.1.4 Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6 Payment Commitment for Cheques		159.584	-	159.584	107.379	-	107.379
2.1.7 Tax And Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.8 Commitments for Credit Card Expenditure Limits		-	-	-	-	-	-
2.1.9 Commitments for Promotions Related with Credit Cards and Banking Activities		-	-	-	-	-	-
2.1.10 Receivables From Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Other Irrevocable Commitments		-	295.808	295.808	-	235.387	235.387
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		3.014.514	4.301.310	7.315.824	1.840.047	4.960.600	6.800.647
3.1 Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1 Fair Value Hedge		-	-	-	-	-	-
3.1.2 Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2 Held for Trading Transactions	(3)	3.014.514	4.301.310	7.315.824	1.840.047	4.960.600	6.800.647
3.2.1 Forward Foreign Currency Buy/Sell Transactions		558.203	532.852	1.091.055	238.767	310.648	549.415
3.2.1.1 Forward Foreign Currency Transactions-Buy		281.965	264.761	546.726	119.578	144.670	264.248
3.2.1.2 Forward Foreign Currency Transactions-Sell		276.238	268.091	544.329	119.189	165.978	285.167
3.2.2 Other Forward Buy/Sell Transactions		2.456.311	3.768.458	6.224.769	1.601.280	4.649.952	6.251.232
3.3 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		226.860.777	17.504.439	244.365.216	150.618.208	14.709.182	165.327.390
IV. ITEMS HELD IN CUSTODY		12.214.163	6.246.379	18.460.542	8.701.960	5.821.602	14.523.562
4.1 Assets Under Management		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		2.901.765	266.648	3.168.413	2.615.342	664.085	3.279.427
4.3 Cheques Received for Collection		3.343.843	603.383	3.947.226	2.471.391	439.907	2.911.298
4.4 Commercial Notes Received for Collection		579.410	-	579.410	166.943	-	166.943
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		719	-	719	844	-	844
4.8 Custodians		5.388.426	5.376.348	10.764.774	3.447.440	4.717.610	8.165.050
V. PLEDGED ITEMS		214.646.614	11.258.060	225.904.674	141.916.248	8.887.580	150.803.828
5.1 Marketable Securities		567.400	-	567.400	207.150	-	207.150
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodity		5.063.133	60.717	5.123.850	2.432.206	22.511	2.454.717
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		22.858.143	-	22.858.143	13.002.677	-	13.002.677
5.6 Other Pledged Items		186.157.938	11.197.343	197.355.281	126.274.215	8.865.069	135.139.284
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		236.630.243	26.592.178	263.222.421	156.961.633	23.432.481	180.394.114

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF JUNE 30, 2022

(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 (01/01/2022- 30/06/2022)	PRIOR PERIOD (01/01/2021- 30/06/2021)	CURRENT PERIOD (01/04/2022- 30/06/2022)	PRIOR PERIOD (01/04/2021- 30/06/2021)
I. PROFIT SHARE INCOME	(1)	2.883.409	974.793	1.598.378	522.582
1.1 Profit Share on Loans		1.828.668	789.361	1.060.386	422.706
1.2 Income Received from Reserve Deposits		18.732	20.865	2.597	13.227
1.3 Income Received from Banks		76	91	30	31
1.4 Income Received from Money Market Placements		181	-	181	-
1.5 Income Received from Marketable Securities Portfolio		1.017.488	160.369	525.431	83.965
1.5.1 Financial Assets at Fair Value Through Profit and Loss		33.098	34.162	12.220	16.754
1.5.2 Financial Assets at Fair Value through Other Comprehensive Income		876.210	88.359	437.541	47.084
1.5.3 Financial Assets Measured at Amortised Cost		108.180	37.848	75.670	20.127
1.6 Finance Lease Income		17.627	3.265	9.326	2.158
1.7 Other Profit Share Income		637	842	427	495
II. PROFIT SHARE EXPENSE (-)	(2)	1.613.371	817.992	912.823	448.444
2.1 Expense on Profit Sharing Accounts		1.137.968	479.209	649.453	256.949
2.2 Profit Share Expense on Funds Borrowed		403.589	308.600	215.889	177.179
2.3 Profit Share Expense on Money Market Borrowings		51.200	18.140	35.543	7.709
2.4 Expense on Securities Issued		-	-	-	-
2.5 Lease Profit Share Expense		20.146	12.043	11.937	6.607
2.6 Other Profit Share Expenses		468	-	-	-
III. NET PROFIT SHARE INCOME (I - II)		1.270.038	156.801	685.555	74.138
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		110.735	28.591	67.653	18.583
4.1 Fees and Commissions Received		121.170	37.521	73.545	21.922
4.1.1 Non-Cash Loans		30.471	12.541	17.229	6.668
4.1.2 Other	(3)	90.699	24.980	56.316	15.254
4.2 Fees and Commissions Paid (-)		10.435	8.930	5.892	3.339
4.2.1 Non-Cash Loans		77	29	41	17
4.2.2 Other	(3)	10.358	8.901	5.851	3.322
V. DIVIDEND INCOME	(4)	-	-	-	-
VI. NET TRADING INCOME	(5)	93.991	(10.278)	80.179	(9.205)
6.1 Capital Market Transaction Gains / (Losses)		7.685	2.765	536	1.431
6.2 Gains/ (Losses) from Derivative Financial Instruments		323.082	(140.919)	218.596	(126.429)
6.3 Foreign Exchange Gains / (Losses)		(236.776)	127.876	(138.953)	115.793
VII. OTHER OPERATING INCOME	(6)	55.525	110.521	15.422	64.070
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		1.530.289	285.635	848.809	147.586
IX. PROVISION FOR EXPECTED LOSS (-)	(7)	217.645	37.712	61.310	18.850
X. OTHER PROVISION EXPENSES (-)	(7)	33.368	5.100	15.214	1.706
XI. PERSONNEL EXPENSES (-)	(8)	196.363	122.789	86.579	60.618
XII. OTHER OPERATING EXPENSES (-)		170.769	95.859	86.783	51.462
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		912.144	24.175	598.923	14.950
XIV. INCOME RESULTED FROM MERGERS		-	-	-	-
XV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XVI. PROFIT/LOSS BEFORE TAXES (XIII+...+XV)		-	-	-	-
XVII. PROVISION FOR TAXES (±)		912.144	24.175	598.923	14.950
XVIII. TAX PROVISION FOR CONTINUING OPERATIONS (±)	(9)	227.648	4.497	136.890	2.989
18.1 Current Tax Provision		539.865	-	324.978	-
18.2 Deferred Tax Expense (+)		88.077	36.706	48.401	10.269
18.3 Deferred Tax Income (-)		400.294	32.209	236.489	7.280
XIX. NET OPERATING PROFIT/LOSS AFTER TAXES (XVI±XVII)		684.496	19.678	462.033	11.961
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1 Income from Assets Held for Sale		-	-	-	-
20.2 Income from Sale of Associates, Subsidiaries and Joint-Ventures		-	-	-	-
20.3 Income from Other Discontinued Operations		-	-	-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1 Expenses on Assets Held for Sale		-	-	-	-
21.2 Expenses on Sale of Associates, Subsidiaries and Joint-Ventures		-	-	-	-
21.3 Expenses from Other Discontinued Operations		-	-	-	-
XXII. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XIX-XX)		-	-	-	-
XXIII. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)	(9)	-	-	-	-
23.1 Current Tax Provision		-	-	-	-
23.2 Deferred Tax Expense (+)		-	-	-	-
23.3 Deferred Tax Income (-)		-	-	-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)		-	-	-	-
XXV. NET PROFIT/LOSS (XVIII+XXIII)		684.496	19.678	462.033	11.961
Earnings Per Share		0.00667	0,00019	0,00766	0,00217

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 AND OTHER COMPREHENSIVE INCOME AS OF JUNE 30, 2022

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		THOUSAND TL	THOUSAND TL
		CURRENT PERIOD (01/01/2022- 30/06/2022)	PRIOR PERIOD 01/01/2021- 30/06/2021)
I.	CURRENT PERIOD PROFIT/LOSS	684.496	19.678
II.	OTHER COMPREHENSIVE INCOME	753.432	8.127
2.1	Other Income/Expense Items not to be Recycled to Profit or Loss	-	-
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	-	-
2.2	Other Income/Expense Items to be Recycled to Profit or Loss	753.432	8.127
2.2.1	Translation Differences	-	-
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Financial Assets Measured at Fair Value through Other Comprehensive Income	1.004.364	8.834
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	(250.932)	(707)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	1.437.928	27.805

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, 2022

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

	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					
Current Period (01.01.2022- 30.06.2022)															
I. Balances at Beginning Period	1.026.915	-	-	23.088	-	(1.411)	-	-	45.324	-	485.999	5.395	143.113	1.728.423	1.728.423
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning of Period (I+II)	1.026.915	-	-	23.088	-	(1.411)	-	-	45.324	-	485.999	5.395	143.113	1.728.423	1.728.423
IV. Total Comprehensive Income	-	-	-	-	-	-	-	-	753.433	-	-	-	684.496	1.437.929	1.437.929
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Other Changes	-	-	-	10.098	-	-	-	-	-	-	(3.796)	-	-	6.302	6.302
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	148.508	(5.395)	(143.113)	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	148.508	(148.508)	-	-	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	143.113	(143.113)	-	-	-
Balances at end of the period (III+IV...+X+XI)	1.026.915	-	-	33.186	-	(1.411)	-	-	798.757	-	630.711	-	684.496	3.172.654	3.172.654

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 and the initial recognition effects of the subordinated loan provided by Türkiye Varlık Fonu and Denge Alt Fonu with the approval of BRSA dated March 8,2022, on March 9,2022 amounting to 31.688.489 million Euro (Full Euro) within the scope of additional main capital and financial assets s (Section 3 Note 6).

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF JUNE 30, 2022

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

						Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss						
Prior Period (01.01.2021 – 30.06.2021)		Paid-in Capital	Share Premium	Share Cancellati on Profits	Other Capital Reserves(*)	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
I.	Balances at Beginning Period(**)	1.026.915	-	-	28.591	-	(1.255)	-	-	(984)	-	396.085	9.317	80.597	1.539.266
II.	Correction made as per TAS 8	-	-	-	(5.503)	-	-	-	-	5.503	-	-	5.395	-	5.395
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	5.395	-	5.395
2.2	Effect of Changes in Accounting Policies	-	-	-	(5.503)	-	-	-	-	5.503	-	-	-	-	-
III.	Adjusted Balances at Beginning of Period (I+II)	1.026.915	-	-	23.088	-	(1.255)	-	-	4.519	-	396.085	14.712	80.597	1.544.661
IV.	Total Comprehensive Income	-	-	-	-	-	-	-	-	8.127	-	-	-	19.678	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2XI.	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)	-
Balances at end of the period (III+IV...+X+XI)		1.026.915	-	-	23.088	-	(1.255)	-	-	12.646	-	485.999	5.395	19.678	1.572.466

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 CASH FLOWS AS OF JUNE 30, 2022

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

STATEMENT OF CASH FLOWS	THOUSAND TL	THOUSAND TL
	CURRENT PERIOD (01/01/2022- 30/06/2022)	PRIOR PERIOD (01/01/2021- 30/06/2021)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit Before Changes In Operating Assets And Liabilities	4.244.634	(299.148)
1.1.1 Profit Share Income Received	2.704.781	884.610
1.1.2 Profit Share Expense Paid	(1.491.890)	(782.259)
1.1.3 Dividend Received	-	-
1.1.4 Fees and Commissions Received	121.170	37.521
1.1.5 Other Income	50.769	92.540
1.1.6 Collections from Previously Written off Loans	-	-
1.1.7 Payments to Personnel and Service Suppliers	(279.874)	(157.033)
1.1.8 Taxes Paid	(249.277)	(10.238)
1.1.9 Others	3.388.955	(364.289)
1.2 Changes in Operating Assets and Liabilities	8.120.671	1.304.083
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	816.461	(111.551)
1.2.2 Net (Increase) Decrease in Due From Banks and Other Financial Institutions	(1.919.252)	(513.664)
1.2.3 Net (Increase) Decrease in Loans	(6.307.400)	(1.020.285)
1.2.4 Net (Increase) Decrease in Other Assets	42.781	(30.196)
1.2.5 Net Increase (Decrease) in Bank Deposits	895.825	119.326
1.2.6 Net Increase (Decrease) in Other Deposits	16.219.731	2.367.741
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	(1.627.475)	492.712
I. Net Cash Flows from Banking Operations	12.365.305	1.004.935
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash flow from investing activities	(7.417.693)	(926.945)
2.1 Cash Paid For Acquisition of Investments, Associates and Subsidiaries	-	-
2.2 Cash Obtained From Disposal of Investments, Associates and Subsidiaries	-	-
2.3 Purchases of Property and Equipment	-	-
2.4 Disposals of Property and Equipment	53.130	(36.053)
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	16.946	15.450
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income	(5.013.638)	(1.426.758)
2.7 Purchase of Financial Assets Measured at Amortised Cost	-	-
2.8 Sale of Financial Assets Measured at Amortised Cost	159.405	516.603
2.9 Other	(2.625.696)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Flows from Financing Activities	355.127	180.831
3.1 Cash Obtained from Funds Borrowed and Securities Issued	30.765.973	189.930.564
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	(30.300.498)	(189.709.752)
3.3 Issued Capital Instruments	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(110.348)	(39.981)
3.6 Other	-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	564.936	140.892
V. Net increase/(decrease) in cash and cash equivalents	5.867.675	399.713
VI. Net (Decrease) Increase in Cash and Cash Equivalents	3.262.469	1.723.008
VII. Cash and Cash Equivalents at the End of the period	9.130.144	2.122.721

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

SECTION THREE

Accounting policies

I. Explanations on basis of presentation:

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

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette numbered 26333 dated 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 TFRS 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.

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.

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 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.

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS AS OF JUNE 30, 2022

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

I. Explanations on basis of presentation (continued):

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of an hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary and it recommends all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. In the announcement published by the Public Oversight Accounting and Auditing Standards Authority (POB) on January 20, 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of December 31, 2021. Nevertheless, the Authority has not published any announcement on whether the entities would restate their financial statements for the accounting period ending on 30 June 2022 in accordance with TAS 29. In this context, since there is no consensus on the application of inflation accounting in TFRS financial statements throughout the country, and it is expected that POB will delay the application of TAS 29, financial statements as of June 30, 2022 are not adjusted for inflation in accordance with TAS 29 in order to ensure comparability.

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

c. Comparative information and classifications:

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

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

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

The Bank's transactions in foreign currencies are accounted in accordance with the TAS 21 "Accounting Standard on the Effect of Changes in Foreign Currency Rates", and converted with the exchange rate ruling at the transaction date into Turkish Lira.

Foreign currency assets and liabilities have been translated into Turkish Lira at the rate of exchange rates ruling at the balance sheet date announced by Central Bank of Republic of Turkey "CBRT". Gains or losses arising from foreign currency transactions and translation of foreign currency assets and liabilities are reflected in the income statement as foreign exchange gain or loss.

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

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

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

There are no foreign currency differences capitalized by the Bank.

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

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

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

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

Benchmark Interest Rate Reform – Phase 2 which introduces amendments to TFRS 9, TMS 39, TFRS 7, TFRS 4 and TFRS 16 is effective since January 2021 within allowance of early application of the changes. With amendments, certain exceptions are enabled in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The changes are effective from 1 January 2021. Items indexed to base interest rates and securities constitute assets and securities issued, derivative transactions and loans obtained through repo constitute liabilities in the Bank's financial statements. These changes did not have a significant impact on the financial position or performance of the Bank. As of 30 June 2022, the Bank has no hedging transactions based on base interest rates.

IV. Explanations on profit share income and expenses:

Profit share income

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

Profit share expense

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

V. Explanations on fees, commission income and expenses:

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

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS AS OF JUNE 30, 2022

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

VI. Explanations on financial assets and liabilities:

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

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

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

Financial assets at fair value through profit or loss:

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

Financial assets valued at fair value through other comprehensive income:

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

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

Financial assets and liabilities measured at amortized cost:

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

As of June 30, 2022 the Bank has two subordinated debts that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR) and with TRT250232F15 with the initial date March 9, 2022 with at least ten-year repayment option with no fixed term, amounting to 31.688.489 Euro (Full Euro), the financial liability is recorded at fair value and the difference between cost value and fair value is accounted under "Other Capital Reserves" in shareholders' equity at the date of initial acquisition (Section 5 Part 2 Note 9 and Note 11).

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

VII. Explanations on expected credit losses:

As of January 1, 2020, the Bank recognizes a loss allowance for expected credit losses on financial assets based on TFRS 9 "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" and the regulation published in the Official Gazette no. 29750 dated June 22, 2016 in connection with "Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans. In this context, as of December 31, 2019, the method of reserving credit provisions within the framework of the relevant legislation of the BRSA has changed by applying the expected credit losses model with the implementation of TFRS 9. The expected credit loss estimate contains unbiased, supportable information about current and future economic conditions. The Bank classifies the financial asset as stage 1 if the credit risk of a financial instrument does not materially increase since initial recognition to the financial statements and measures the amount of the impairment on the financial asset equal to 12-month expected credit losses at each reporting date. The purpose of impairment is to recognize lifetime expected credit losses in the financial statement for the credit risk of all financial instruments those materially increase since initial recognition to the financial statements with considering all supportable information individually or collectively including reasonable and prospective information.

Calculation of expected credit losses

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

VII. Explanations on expected credit losses (continued):

Parameters used in calculating expected loss provisions:

Probability of Default (PD):

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

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

Loss Given Default (LGD):

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

Exposure at Default (EAD):

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

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

12-Month Expected Loss Provision (Stage 1)

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

Significant Increase in Credit Risk (Stage 2)

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

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

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

VII. Explanations on expected credit losses (continued):

Default (3rd Stage / Special Provision):

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

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

VIII. Explanations on offsetting of financial instruments:

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

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

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

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

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

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

The Bank has no discontinued operations.

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, 2022, there is no goodwill in the financial statements of the Bank. The Bank's intangible assets consist of softwares and intangible rights (December 31, 2021: None).

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

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

XII. Explanations on tangible assets:

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

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

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

XII. Explanations on tangible assets (continued)

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

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

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

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

XIII. Explanations on leasing transactions:

The Bank applies the TFRS 16 leases standard.

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

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

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

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

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.

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

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:

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

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

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

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

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

Deferred tax:

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

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

Deferred tax is calculated on the basis of the tax rates that are applicable to or are certain to have effect on the income statement for the period in which the asset is realized or the liability is settled and recorded as income or expense in the income statement. However, deferred tax is recognized directly in equity if the tax asset relates directly to equity in the same or different period. Bank applied the tax rate as %25 during the prepration of the financial tables dated June 30,2022.

XVI. Explanations on taxation (continued):

Transfer pricing

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

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

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.

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

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NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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 6.022.743 (December 31, 2021: TL 4.006.677) which calculated as of June 30, 2022 and the capital adequacy ratio is 25,76% (December 31, 2021: 27,83%). Bank's capital adequacy standard ratio is above the minimum rate determined by related legislation.

a. Information about total capital items:

	Current Period 30 June 2022	Prior Period 31 December 2021
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1.026.915	1.026.915
Share issue premiums	-	-
Reserves	630.711	485.999
Gains recognized in equity as per TAS	783.564	35.873
Profit	684.496	148.508
Current Period Profit	684.496	143.113
Prior Period Profit	-	5.395
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	3.125.686	1.697.295
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1 st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	1.411	1.411
Leasehold improvements(-)	-	-
Goodwill (net of related tax liability)	73.887	76.233
Other intangibles other than mortgage-servicing rights (net of related tax liability)	-	-
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	35.593	22.692
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	110.891	100.336
Total Common Equity Tier 1 Capital	3.014.795	1.596.959

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

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

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

ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	3.046.435	2.359.569
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	3.046.435	2.359.569
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	6.061.230	3.956.528
TIER 2 CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	109.204	55.508
Contribution Capital Before Discounts	109.204	55.508
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	109.204	55.508
Total Capital (The sum of Tier I Capital and Tier II Capital)	6.170.434	4.012.036
Deductions from Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	6.930	5.360
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-

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

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NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)	6.022.743	4.006.677
Total Risk Weighted Amounts	23.382.912	14.398.597
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	12,89	11,09
Tier 1 Capital Adequacy Ratio (%)	25,32	27,48
Capital Adequacy Ratio (%)	25,76	27,83
BUFFERS		
Total buffer requirement (a+b+c)	2,5	2,5
a) Capital conservation buffer requirement (%)	2,5	2,5
b) Bank specific counter-cyclical buffer requirement (%)	-	-
c) Systemic important bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets(%)	7,79	6,59
Amounts Lower Than Excesses as per Deduction Rules		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Limits related to provisions considered in Tier II calculation	-	-
Amount arising from deferred tax assets based on temporary differences	-	92.494
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	109.204	55.508
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	109.204	55.508
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

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

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(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 Communiqué on Principles Regarding Borrowing Instruments to be Included in Bank"Equity Calculation
Special Consideration in the Calculation of Equity	
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)	2.732.510
Par Value of Instrument	3.471.460
Accounting Classification	Subordinated Loan
Original date of Issuance	24.04.2019
Perpetual or dated	Undated
Maturity date	24.04.2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: 24.05.2024 Total Repayment Amount:EUR 200 million (full)
Subsequent call dates	-
Profit Share/Dividends	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Full discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or Non-convertible	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy falls below 5,125 %
If write-down, full or partial	At least to ensure that the core capital ratio exceeds 5,125 %
If write down, permanent or temporary	Permanent and Temporary
If temporary write-down, description of write-up mechanism	There is write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7
Details of incompliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

(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.)	TRT250232F15
Governing Law(s) of the Instrument	Regulation on Banks"Equity Communiqué on Principles Regarding Borrowing Instruments to be Included in Bank"Equity Calculation
Special Consideration in the Calculation of Equity	
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)	313.924
Par Value of Instrument	550.027
Accounting Classification	Subordinated Loan
Original date of Issuance	09.03.2022
Perpetual or dated	Undated
Maturity date	09.03.2022
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: 09.03.2023 Total Repayment Amount:EUR 31.688.489 million (full)
Subsequent call dates	-
Profit Share/Dividends	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Full discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or Non-convertible	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy falls below 5,125 %
If write-down, full or partial	At least to ensure that the core capital ratio exceeds 5,125 %
If write down, permanent or temporary	Permanent and Temporary
If temporary write-down, description of write-up mechanism	There is write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7
Details of incompliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

(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:

	USD	EUR
As of June 30, 2022 - Balance sheet evaluation rate	16,6532	17,3573
As of June 29, 2022	16,6541	17,5038
As of June 28, 2022	16,6237	17,5734
As of June 27, 2022	16,6078	17,5571
As of June 24, 2022	17,3648	18,2883
As of June 23, 2022	17,3584	18,2542

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 17,006 for 1 USD (December 2021: full TL 13,6246), full TL 17,9852 for 1 Euro (December 2021: full TL 15,3855).

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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

III. Explanations on currency risk (continued):

Information on the Bank's Currency Risk

	EURO	USD	Other FC	Total
Current Period				
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	3.845.348	5.413.965	227.719	9.487.032
Banks (****)	1.807.928	1.478.196	1.172.571	4.458.695
Financial assets at fair value through profit and loss	69.536	77.688	634.359	781.583
Money market placements	-	-	-	-
Financial Assets Valued At Fair Value Through Profit And Loss	540.490	1.166.999	-	1.707.489
Loans and financial lease receivable(*)	5.061.170	3.724.273	-	8.785.443
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	3.518.150	-	-	3.518.150
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	1.750	12.211	597	14.558
Total Assets	14.844.372	11.873.332	2.035.246	28.752.950
Liabilities				
Current account and funds collected from banks via participation accounts	314.369	108.919	143	423.431
Other current and profit sharing accounts (**)	10.011.664	13.573.805	2.420.285	26.005.754
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	4.000.480	459.680	-	4.460.160
Marketable securities issued	-	-	-	-
Miscellaneous payables	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	83.836	105.635	23.118	212.589
Total liabilities	14.410.349	14.248.039	2.443.546	31.101.934
Net balance sheet position	434.023	(2.374.707)	(408.300)	(2.348.984)
Net balance sheet position	(312.431)	2.277.914	450.963	2.416.446
Derivative financial instruments assets	21.957	2.885.958	450.963	3.358.878
Derivative financial instruments liabilities	334.388	608.044	-	942.432
Non-cash loans (**)	1.295.543	2.544.057	35.259	3.874.859
Prior Period				
Total assets	11.996.492	8.011.515	1.235.185	21.243.192
Total liabilities	10.706.239	10.155.169	1.460.407	22.321.815
Net balance sheet position	1.290.253	(2.143.654)	(225.222)	(1.078.623)
Net off balance sheet position	(1.191.464)	2.218.808	258.800	1.286.144
Derivative financial instruments assets	5.987	2.617.311	500.074	3.123.372
Derivative financial instruments liabilities	1.197.451	398.503	241.274	1.837.228
Non-cash loans	1.405.454	1.731.014	-	3.136.468

(*) Includes expected loss provisions amounting to TL 95.856 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 2.005 in the balance sheet..

(***** TL 351 (December 31, 2021: TL 3.280) exchange rate income accruals and TL 8.188 (December 31, 2021: TL 3.810) currency expense accruals of derivative financial instruments are not included

III. Explanations on currency risk (continued):

None (December 31, 2021: None).

IV. Explanations on liquidity risk:

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

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

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

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

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

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

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

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

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

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

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

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IV. Explanations on liquidity risk (continued):

Liquidity Coverage Ratio:

Current Period	Rate of "Percentage to be taken into account " not Implemented Total value ^(*)		Rate of "Percentage to be taken into account " Implemented Total value ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 HIGH QUALITY LIQUID ASSETS			14.935.868	10.464.001
CASH OUTFLOWS				
2 Retail and Small Business Funds Collected	4.513.070	3.444.744	437.597	344.474
3 Stable Funds Collected	274.211	-	13.711	-
4 Less stable Funds Collected	4.238.859	3.444.744	423.886	344.474
5 Unsecured Funding other than Retail and Small Business	6.019.703	4.873.469	2.993.565	2.362.874
6 Customers Deposits			-	-
7 Operational Funds Collected	5.790.600	4.815.471	2.764.462	2.304.876
8 Non-Operational Funds Collected	229.103	57.998	229.103	57.998
9 Other Unsecured Funding	-	-	-	-
10 Secured funding	2.998.702	1.417.599	2.998.702	1.417.599
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	1.782.162	1.417.599	1.782.162	1.417.599
12 Debts related to the structured financial products	1.216.540	-	1.216.540	-
13 Commitment related to the structured financial markets and other off balance sheet liabilities	-	-	-	-
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	6.532.140	2.852.883	1.302.032	245.279
16 TOTAL CASH OUTFLOWS			7.731.896	4.370.226
CASH INFLOWS				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	3.644.672	1.908.314	2.869.466	1.710.287
19 Other contractual cash inflows	1.385.812	1.229.025	1.385.812	1.229.025
20 TOTAL CASH INFLOWS	5.030.484	3.137.339	4.255.278	2.939.312
Upper limit applied amounts				
21 TOTAL HQLA			14.935.868	10.464.001
22 TOTAL NET CASH OUTFLOWS			3.158.192	1.231.459
23 Liquidity Coverage Ratio (%)			472,92	849,72

(*) 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 – 30.06.2022	
	TL+FC	FC
Lowest (%)	260,03	215,36
Date	Feb. 23, 2022	Feb. 23, 2022
Highest (%)	818,15	1.051,41
Date	Feb. 11, 2022	March 29, 2022
Average	655,72	516,76

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IV. Explanations on liquidity risk (continued):

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

(*) 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 – 31.12.2021	
	TL+FC	TL+FC
Lowest (%)	87,14	77,24
Date	Oct 27, 2021	Oct 27, 2021
Highest (%)	1.132,15	624,20
Date	Nov 17, 2021	Nov 17, 2021
Average	609,65	350,72

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 6,05% cash, 38,07% deposits in central banks and 55,88% 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 79,81% funds collected, 7,17% subordinated debt instruments and 13,02% funds borrowed.

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IV. Explanations on liquidity risk (continued):

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated	Total
Current Period								
Assets								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	4.202.101	6.904.161	-	-	-	-	-	11.106.262
Banks	4.460.281	-	-	-	-	-	-	4.460.281
Financial Assets at Fair Value Through Profit and Loss	-	16.188	48.808	155.138	751.831	-	-	971.965
Money Market Placements	-	-	-	-	-	-	-	-
Financial assets valued at fair value through other comprehensive income	-	104.494	-	112.272	7.330.392	343.994	7.659.	7.898.811
Loans	-	962.074	1.978.102	13.320.396	11.516.956	1.817.576	31	29.595.135
Financial assets valued at amortised cost	-	-	-	-	4.553.173	-	-	4.553.173
Other Assets ^(*)	-	-	-	-	-	-	986.115	986.115
Total Assets	8.662.382	7.986.917	2.026.910	13.587.806	24.152.352	2.161.570	993.805	59.571.742
Liabilities								
Current account and funds collected from banks via participation accounts	163.071	893.271	20.033	-	-	-	-	1.076.375
Other current and profit sharing accounts	15.440.870	21.766.541	6.499.376	1.495.178	123.687	-	-	45.325.652
Funds provided from other financial institutions and subordinated loans	-	2.576.556	865.543	1.283.978	19.772	-	3.485.662	8.231.511
Money market borrowings	-	20.070	-	-	-	-	-	20.070
Marketable securities issued	-	-	-	-	-	-	-	-
Other liabilities ^(**)	-	165.056	-	-	-	-	4.753.078	4.918.134
Total Liabilities	15.603.941	25.421.494	7.384.952	2.779.156	143.459	-	8.238.740	59.571.742
Liquidity Gap	(6.941.559)	(17.434.577)	(5.358.042)	10.808.650	24.008.893	2.161.570	(7.244.935)	-
Net Off-balance sheet Position	-	23.374	(32.284)	(26.880)	-	-	-	(35.790)
Financial Derivative Assets	-	1.903.740	1.043.631	692.646	-	-	-	3.640.017
Financial Derivative Liabilities	-	1.880.366	1.075.915	719.526	-	-	-	3.675.807
Non-cash Loans	1.978.392	237.495	518.614	2.283.173	842.505	25.360	1.778.824	7.664.363
Prior Period								
Total Assets	2.417.162	8.720.299	2.673.133	8.341.714	14.365.935	1.511.364	730.293	38.759.900
Total Liabilities	8.729.339	17.348.404	6.215.598	1.169.929	2.729.372	-	2.567.258	38.759.900
Liquidity Gap	(6.312.177)	(8.628.105)	(3.542.465)	7.171.785	11.636.563	1.511.364	(1.836.965)	-
Net Off-balance sheet Position	-	(31.071)	(56.149)	(1.175)	-	-	-	(88.395)
Financial Derivative Assets	-	2.508.922	756.035	91.169	-	-	-	3.356.126
Financial Derivative Liabilities	-	2.539.993	812.184	92.344	-	-	-	3.444.521
Non-cash Loans	1.354.438	1.108.447	343.855	1.578.062	495.818	-	-	4.880.620

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

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

V. Explanations on leverage ratio:

As of June 30, 2022, leverage ratio of the Bank calculated from the arithmetic average of the last 6 months is 7,91%.(December 31, 2021: 8,45%) Leverage ratio is required to remain minimum 3% as per "Communiqué on Measurement and Evaluation for Leverage Ratios of Banks".

	Current Period June 30, 2022(*)	Prior Period December 31, 2021 (*)
Balance sheet assets		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	44.093.362	33.353.859
2 (Assets deducted from Core capital)	100.381	103.381
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	43.992.981	33.250.478
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	-	-
5 Potential credit risk amount of derivative financial assets and credit derivatives	59.566	92.887
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	59.566	92.887
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	2.878.074	2.441.721
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	2.878.074	2.441.721
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	9.718.825	7.757.835
11 (Correction amount due to multiplication with credit conversion rates)	-	-
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	9.718.825	7.757.835
Capital and total risk		
13 Core Capital	4.482.723	3.679.879
14 Total risk amount (sum of lines 3, 6, 9 and 12)	56.649.446	43.542.921
Leverage ratio		
15 Leverage ratio (%)	7,91	8,45

(*) 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".

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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.

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)	20.778.004	12.883.029	1.662.240
2	Of which standardised approach (SA)	20.778.004	12.883.029	1.662.240
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	16.617	26.820	1.329
5	Of which standardised approach for counterparty credit risk (SA-CCR)	16.617	26.820	1.329
6	Of which internal model method (IMM)	-	-	-
7	Equity positions in banking book under market-based approach	-	-	-
8	Equity investments in funds – look-through approach	-	-	-
9	Equity investments in funds – mandate-based approach	-	-	-
10	Equity investments in funds – fall-back approach (1250% risk weight)	-	-	-
11	Settlement risk	-	-	-
12	Securitisation exposures in banking book	-	-	-
13	Of which IRB ratings-based approach (RBA)	-	-	-
14	Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15	Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	1.604.150	763.786	128.332
17	Of which standardised approach (SA)	1.604.150	763.786	128.332
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	984.141	724.962	78.731
20	Of which Basic Indicator Approach	984.141	724.962	78.731
21	Of which Standardised Approach	-	-	-
22	Of which Advanced Measurement Approach	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	23.382.912	14.398.597	1.870.632

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	226.506	29.844.062	473.186	29.597.382
2 Debt Securities	-	13.423.949	21.234	13.402.715
3 Off-balance sheet exposures	28.711	8.669.353	64.075	8.633.989
4 Total	255.217	51.937.364	558.495	51.634.086

Current Period	Gross carrying values of (according to TAS)		Allowances/ impairments	Net values
	Defaulted exposures	Non-defaulted exposures		
1 Loans	195.529	21.711.795	332.857	21.574.467
2 Debt Securities	-	8.686.763	9.487	8.677.276
3 Off-balance sheet exposures	450	6.160.451	29.342	6.131.559
4 Total	195.979	36.559.009	371.686	36.383.302

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

	Current Period	Prior Period
1 Defaulted loans and debt securities at end of the previous reporting period	195.529	172.697
2 Loans and debt securities that have defaulted since the last reporting period	30.977	22.832
3 Returned to non-defaulted status	-	-
4 Amounts written off	-	-
5 Other changes	-	-
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	226.506	195.529

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".

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	40.437.000	6.797.363	2.212.441	6.371.776	1.494.283	-	-
2 Debt Securities	13.423.949	-	-	-	-	-	-
3 Total	53.860.949	6.797.363	2.212.441	6.371.776	1.494.283	-	-
4 Of which defaulted	226.506	-	-	-	-	-	-

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	29.297.479	4.365.490	1.854.133	3.886.645	1.367.928	-	-
2 Debt Securities	8.686.763	-	-	-	-	-	-
3 Total	37.984.242	4.365.490	1.854.133	3.886.645	1.367.928	-	-
4 Of which defaulted	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".

VIII. Explanations on risk management (continued):

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

Current Period		Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post- Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
Risk Classes		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	20.127.873	85.543	20.180.712	85.659	-	-
2	Exposures to regional governments or local authorities	103.801	14.515	9.807	7.712	8.631	49%
3	Exposures to public sector entities	18.023	4.549	22.266	3.494	8.332	32%
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to institutions	4.377.198	38.256	4.648.359	31.868	1.222.110	26%
7	Exposures to corporates	11.041.384	6.301.019	10.828.786	3.727.595	15.525.241	107%
8	Retail exposures	2.375.430	3.110.147	2.353.983	1.247.460	2.605.420	72%
9	Exposures secured by residential property	333.476	27.537	333.273	16.131	118.511	34%
10	Exposures secured by commercial real estate	578.270	212.137	578.270	140.594	466.199	65%
11	Past-due loans	12.689	-	12.689	-	9.856	78%
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	1.941.937	-	1.941.937	-	828.640	43%
17	Investments in equities	-	-	-	-	-	-
18	Total	40.910.081	9.793.703	40.910.082	5.260.513	20.792.940	45.04%

VIII. Explanations on risk management (continued):

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

Prior Period		Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
On-balance sheet amount		Off-balance sheet amount	On-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	9.545.746	43.308	9.552.334	43.446	-	-
2	Exposures to regional governments or local authorities	74.578	14.000	12.466	7.015	9.741	50,00%
3	Exposures to public sector entities	-	908	16.372	2.925	19.297	100%
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to institutions	1.039.558	53.973	1.225.378	53.973	340.890	26,65%
7	Exposures to corporates	7.867.116	4.458.782	7.725.201	2.662.046	9.725.964	93,63%
8	Retail exposures	1.769.226	1.480.862	1.764.471	683.811	1.770.649	72,32%
9	Exposures secured by residential property	247.268	39.555	247.268	25.628	93.446	34,24%
10	Exposures secured by commercial real estate	310.930	400.453	310.930	222.805	337.217	63,18%
11	Past-due loans	6.224	-	6.224	-	4.508	72,43%
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	1.277.497	-	1.277.497	-	580.357	45,43%
17	Investments in equities	-	-	-	-	-	-
18	Total	22.138.143	6.491.841	22.138.141	3.701.649	12.882.069	49,85%

VIII. Explanations on risk management (continued):

c.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	20.266.371	-	-	-	-	-	-	-	-	-	-	20.266.371
2	Exposures to regional governments or local authorities	257	-	-	-	17.262	-	-	-	-	-	-	17.519
3	Exposures to public sector entities	17.428	-	-	-	-	-	8.332	-	-	-	-	25.760
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	-	-	3.993.470	-	526.682	-	160.075	-	-	-	-	4.680.227
7	Exposures to corporates	359.979	-	211.536	-	308.239	-	12.024.440	-	1.652.187	-	-	14.556.381
8	Retail exposures	79.769	-	68.067	-	-	3.450.832	959	1.816	-	-	-	3.601.443
9	Exposures secured by residential property	8.238	-	5.979	335.187	-	-	-	-	-	-	-	349.404
10	Exposures secured by commercial real estate	-	-	-	-	505.329	-	213.535	-	-	-	-	718.864
11	Past-due loans	-	-	-	-	5.667	-	7.022	-	-	-	-	12.689
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	463.932	-	811.706	-	-	-	666.299	-	-	-	-	1.941.937
17	Investments in equities	-	-	-	-	-	-	-	-	-	-	-	-
18	Total	21.195.974	-	5.090.758	335.187	1.363.179	3.450.832	13.080.662	1.816	1.652.187	-	-	46.170.595

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, 2022

(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				35% Secured by Real Estate Mortgage					200 %	Others	Total credit risk exposure amount (after CCF and CRM)
	Asset classes/ Risk weight	0%	10 %	20%		50%	75%	100%	150%			
1	Exposures to central governments or central banks	9.595.780	-	-	-	-	-	-	-	-	-	9.595.780
2	Exposures to regional governments or local authorities	-	-	-	-	19.481	-	-	-	-	-	19.481
3	Exposures to public sector entities	-	-	-	-	-	-	19.297	-	-	-	19.297
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	-	-	982.090	-	269.269	-	27.992	-	-	-	1.279.351
7	Exposures to corporates	406.598	-	83.461	-	369.112	-	9.528.076	-	-	-	10.387.247
8	Retail exposures	52.943	-	41.926	-	-	2.349.920	224	3.269	-	-	2.448.282
9	Exposures secured by residential property	5.313	-	1.389	266.194	-	-	-	-	-	-	272.896
10	Exposures secured by commercial real estate	2.900	-	8.445	-	373.724	-	148.666	-	-	-	533.735
11	Past-due loans	-	-	-	-	3.431	-	2.793	-	-	-	6.224
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	360.166	-	421.217	-	-	-	496.114	-	-	-	1.277.497
17	Investments in equities	-	-	-	-	-	-	-	-	-	-	-
18	Total	10.423.700	-	1.538.528	266.194	1.035.017	2.349.920	10.223.162	3.269	-	-	25.839.790

VIII. Explanations on risk management (continued):

d. Counterparty credit risk:

d.1. Qualitative disclosure on counterparty credit risk:

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)	50.380	42.254		-	118.811	16.617
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					-	-
6	Total						16.617

(*) Etketif beklenen pozitif risk tutarı

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)	(51.240)	36.510		-	98.338	26.820
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					-	-
6	Total						26.820

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	118.811	16.617	98.334	26.820
4 Total amount of CVA capital adequacy	118.811	16.617	98.334	26.820

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

Current Period									
Risk Weights/Risk Classes	%0	%10	%20	%50	%75	%100	%150	Other	Total Credit Risk ^(*)
Central governments and central banks receivables	85.543	-	-	-	-	-	-	-	85.543
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	13.399	11.864	-	166	-	-	25.429
Corporate receivables	-	-	-	-	-	7.839	-	-	7.839
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	-	-	-	-	-	-	-	-	-
Total	85.543	-	13.399	11.864	-	8.005	-	-	118.811

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

VIII. Explanations on risk management (continued):

Prior Period									
Risk Weights/Risk Classes	%0	%10	%20	%50	%75	%100	%150	Oher	Total Credit Risk
Central governments and central banks receivables	43.308	-	-	-	-	-	-	-	43.308
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	12.042	31.493	-	-	-	-	43.535
Corporate receivables	-	-	1.322	-	-	3.096	-	-	4.418
Retail receivables	-	-	-	-	7.073	-	-	-	7.073
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	-	-	-	-	-	-	-	-	-
Total	43.308	-	13.364	31.493	7.073	3.096	-	-	98.334

d.5. Collaterals for CCR:

The Bank does not have any collaterals used for CCR (December 31, 2021: 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, 2021: 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, 2021: None).

e. Securitization explanations:

There is not any information to be announced to public on securitization (December 31, 2021: None).

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

		Current Period	Prior Period
		RWA	RWA
Outright products			
1	Interest rate risk (general and specific)	916.422	389.407
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	226.614	105.594
4	Commodity risk	461.114	268.785
Options			
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
Total		1.604.150	763.786

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, 2022

(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.

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	5.694.889	23.479.286	29.234.231	1.163.336	59.571.742
Total Liabilities	13.809.287	34.869.183	7.127.605	593.013	56.399.088
Total Equity	-	-	-	3.172.654	3.172.654
Net profit share income/(expense) (*)	199.643	609.691	232.024	228.680	1.270.038
Net fees and commissions income/(expense)	42.096	60.309	(5.476)	13.806	110.735
Other operating income/(expense)	57.182	72.682	(38.488)	(342.359)	(250.983)
Provision expenses	(19.117)	(176.094)	(14.526)	(7.909)	(217.646)
Profit/(loss) before tax	279.804	566.588	173.534	(107.782)	912.144
Provision for tax	-	-	-	(227.648)	(227.648)
Net profit / (loss) for the period	279.804	566.588	173.534	(335.430)	684.496

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

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	2.024.084	10.849.538	10.648.067	776.719	24.298.408
Total Liabilities	3.823.038	11.326.518	7.061.613	514.773	22.725.942
Total Equity	-	-	-	1.572.476	1.572.476
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	(6.695)	1.159	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)	(37.372)
Profit/(loss) before tax	78.417	233.758	(208.684)	(79.316)	24.175
Provision for tax	-	-	-	(4.497)	(4.497)
Net profit / (loss) for the period	78.417	233.758	(208.684)	(83.813)	19.678

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

(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	52.062	178.588	27.027	82.778
CBRT	1.532.713	8.353.723	860.099	4.490.642
Other (*)	34.731	956.726	10.704	765.185
Total	1.619.506	9.489.037	897.830	5.338.605

(*) Includes precious metal deposit account amounting to TL 158.161 (31 December 2021: TL 165.496) as of 30 June 2022 and money in transit account amounting to TL 754.445 (31 December 2021: TL 610.393).

b. Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	1.064.658	1.915.984	843.500	159
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Reserve requirements	468.055	6.437.739	16.599	4.490.483
Total	1.532.713	8.353.723	860.099	4.490.642

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, 2022, the valid rates for Turkish lira required reserves are between 3% and 8% depending on the maturity structure (December 31, 2021: between 1% and 6%); The rates for foreign currency required reserves are between 5% and 22% depending on the maturity structure (December 31, 2021: between 5% and 22%). The rates for Turkish Lira required reserve is 20% depending on the maturity structure (December 31, 2021: None)

c. Explanations on implementing requested reserves :

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

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

Within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" numbered 2021/14, the conversion rate from USD, EUR and GBP denominated foreign currency deposit accounts and foreign exchange denominated participation fund accounts to TL deposit and participation accounts is 10% as of the obligation date of 15 April 2022. It has been decided that an annual commission of 1.5% will not be applied to the banks, which have reached the level of 20% as of the liability date of 8 July 2022, up to the amount that should be kept for their liabilities until the end of 2022.

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

2. a. Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	1.587	1.375.297	1.593	254.853
Abroad	-	3.085.053	-	1.276.669
Total	1.587	4.460.350	1.593	1.531.522

b. Information on foreign bank accounts:

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

3. Financial assets measured at fair value through profit or loss

a. Information on financial assets at fair value through profit/loss subject to repurchase agreements and given as collateral/blocked:

As of June 30, 2022, there is no repurchase agreements in financial assets at fair value through profit and loss (December 31, 2021: None). The amount subject to guaranteed/blocked is TL 2.445.045 (December 31, 2021: TL 355.782).

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

	Current Period	Prior Period
Debt securities	974.529	1.806.397
Quoted on a stock exchange	738.370	580.882
Unquoted on a stock exchange (*)	236.159	1.225.515
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted on a stock exchange	-	-
Impairment provision (-)	(2.564)	(6.373)
Total	971.965	1.800.024

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

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

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

As of June 30, 2022, 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 20.070 (December 31, 2021: 2.073.137). The amount of those blocked given as collateral is TL 39.009 (December 31, 2021: TL 326.675).

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

	Current Period	Prior Period
Debt securities	7.956.131	4.201.759
Quoted on a stock exchange (*)	6.311.020	3.221.985
Unquoted on a stock exchange	1.645.111	979.774
Share certificates	7.659	7.659
Quoted on a stock exchange (*)	-	-
Unquoted on a stock exchange	7.659	7.659
Impairment provision (-)	(64.979)	(36.265)
Total	7.898.811	4.173.153

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

(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	9.933	351	29.633	419
Forward Transactions	66.270	-	32.245	2.861
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	76.203	351	61.878	3.280

6. Information on loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans to Bank Partners	189.426	-	714.824	-
Loans to Legal Person Partners	189.426	-	714.824	-
Loans to Real Person Partners	-	-	-	-
Indirect Loans to Bank Partners	1.164	-	973	-
Loans to Bank Members	1.164	-	973	-
Total	190.590	-	715.797	-

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

Cash Loans Current Period	Standard Loans	Loans Under Close Monitoring		
		Loans Not subject to restructured loans	Restructured Loans	
			Loans with Revised Contract Terms	Refinance
Loans	29.503.705	21.657	59.833	-
Export loans	-	-	-	-
Import loans	1.967.655	-	-	-
Business loans	20.175.485	20.121	59.739	-
Consumer loans	1.092.936	824	-	-
Credit cards	-	-	-	-
Loans given to financial sector	1.251.322	-	-	-
Other (*)	5.016.307	712	94	-
Other receivables	-	-	-	-
Total	29.503.705	21.657	59.833	-

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

Installment Commercial Loans	4.494.672
Loans Extended Abroad	49.026
Other Investment Loans	473.321
Other	94
Total	5.017.113

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, 2022

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

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

6. Information on loans (continued):

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

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

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

Installment Commercial Loans	4.494.672
Loans Extended Abroad	473.321
Other	49.026
	94
Total	5.017.113

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

Current Period	Standard Loans	Loans Under Close Monitoring
Expected loss of provision for 12 Months	262.416	-
Substantial increase in credit risk	-	11.615
Prior Period	Standard Loans	Loans Under Close Monitoring
Expected loss of provision for 12 Months	146.482	-
Substantial increase in credit risk	-	184

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".

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

6. Information on loans (continued):

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

Current Period	Short-term	Medium and long-term	Total
Consumer loans-TL	11.907	1.080.639	1.092.546
Housing loans	4.881	1.022.033	1.026.914
Vehicle loans	1.603	33.325	34.928
Consumer loans	5.423	25.281	30.704
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	57	1.107	1.164
Housing loans	-	826	826
Vehicle loans	57	245	302
Consumer loans	-	36	36
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL(Real Person)	-	-	-
Overdraft account-FC(Real Person)	-	-	-
Total	11.964	1.081.746	1.093.710

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

6. Information on loans (continued):

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

Prior Period	Short-term	Medium and long-term	Total
Consumer loans-TL	2.549	996.230	998.779
Housing loans	945	913.481	914.426
Vehicle loans	1.228	36.953	38.181
Consumer loans	376	45.796	46.172
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	24	949	973
Housing loans	-	833	833
Vehicle loans	-	48	48
Consumer loans	24	68	92
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL(Real Person)	-	-	-
Overdraft account-FC(Real Person)	-	-	-
Total	2.573	997.179	999.752

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, 2022

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

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

6. Information on loans (continued):

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

Current Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	886.607	3.149.890	4.036.497
Business loans	95.306	415.194	510.500
Vehicle loans	595.966	1.371.183	1.967.149
Consumer loans	195.335	1.363.513	1.558.848
Other	-	-	-
Commercial installment loans-FC indexed	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	77.405	332.081	409.486
Business loans	1.342	14.572	15.914
Vehicle loans	1.106	137.161	138.267
Consumer loans	74.957	180.348	255.305
Other	-	-	-
Corporate credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	1.824	-	1.824
Overdraft account-FC(Legal Entity)	-	-	-
Total	965.836	3.481.971	4.447.807
Prior Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	287.471	2.191.296	2.478.767
Business loans	10.572	278.396	288.968
Vehicle loans	233.688	1.082.909	1.316.597
Consumer loans	43.211	829.991	873.202
Other	-	-	-
Commercial installment loans-FC indexed	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	116.377	329.601	445.978
Business loans	1.137	9.375	10.512
Vehicle loans	-	136.500	136.500
Consumer loans	115.240	183.726	298.966
Other	-	-	-
Corporate credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	15.176	-	15.176
Overdraft account-FC(Legal Entity)	29.936	-	29.936
Total	448.960	2.520.897	2.969.857

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

6. Information on loans (continued):

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:

	Current Period	Prior Period
Domestic loans	29.111.874	21.354.450
Foreign loans	473.321	174.503
Total	29.585.195	21.528.953

h. Loans granted to subsidiaries and associates:

None (December 31, 2021: None).

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

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	13.550	4.162
Doubtful Loans and Other Receivables	8.934	7.835
Uncollectible Loans and Receivables	183.427	173.683
Total	205.911	185.680

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

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

None (December 31, 2021: None).

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

6. Information on loans (continued):

j.2. Movements of non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period			
Closing balance of prior period	8.314	13.071	174.144
Additions in the current period (+)	40.129	1.027	1.437
Transfers from other categories of non-performing loans (+)	-	15.847	
Transfers to other categories of non-performing loans (-)	15.847	12.346	12.346
Collections in the current period (-)	4.413	2.301	118
Write offs (-)	-	-	-
Sale (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	28.183	15.298	187.809
Provision (-)	13.550	8.934	183.427
Net balance at the balance sheet	14.633	6.364	4.382

* 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	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Prior Period			
Closing balance of prior period	-	12	172.685
Additions in the current period (+)	24.057	305	100
Transfers from other categories of non-performing loans (+)	-	15.647	
Transfers to other categories of non-performing loans (-)	15.647	1.403	1.403
Collections in the current period (-)	96	1.490	44
Write offs (-)	-	-	-
Sale (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	8.314	13.071	174.144
Provisions (-)	4.162	7.835	173.683
Net balance at the balance sheet	4.152	5.236	461

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

None (December 31, 2021: None).

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

6. Information on loans (continued):

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

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (net)	14.633	6.364	4.382
Loans to individuals and corporates (gross)	28.183	15.298	187.809
Provision (-)	13.550	8.934	183.427
Loans to individuals and corporates (net)	14.633	6.364	4.382
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision (-)	-	-	-
Other Loans (Net)	-	-	-
Prior Period (Net)	4.152	5.236	461
Loans to Real Persons and Legal Entities (Gross)	8.314	13.071	174.144
Specific provision (-)	4.162	7.835	173.683
Loans to Real Persons and Legal Entities (Net)	4.152	5.236	461
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-

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

	III. Grup Limited Collection Loans	IV. Grup Doubtful Loans	V. Grup Loss Loans
Current Period (Net)	1.716	888	1.264
Dividend Accruals and Rediscounts and Valuation Differences	1.716	888	1.264
Provisions (-)	-	-	-
Prior Period (Net)	288	637	467
Dividend Accruals and Rediscounts and Valuation Differences	288	637	467
Provisions (-)	-	-	-

k. Liquidation policy for uncollectible loans and receivables:

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

I. Information on "Write-off" policies:

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, 2022

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Regarding Regulation on Procedures and Principles Regarding Classification of Loans and Provisions to be Set aside for These, Article 8, in the scope of “Fifth Group-Loans with Loss Characteristics”, it partially covers

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

6. Information on loans (continued):

I. Information on “Write-off” policies:

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

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

The Bank's general policy in the write-off of non-performing receivables is to write off receivables that are deemed uncollectible during the legal follow-up process, in line with the decision taken by the Bank's senior management. There are no cancellations regarding the loans that are deemed to be uncollectible in 2021 (31 December 2021: 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, 2022

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

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

7. Information on Financial Assets Measured at Amortized Cost

a. Information on government debt securities measured at amortized cost

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities (*)	4.553.173	2.713.586
Total	4.553.173	2.713.586

(*) The Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. Subordinated debt instrument with the ISIN code TRT240424F22, starting date of 24 April 2019, with the earliest five-year repayment option and a demand deposit of 200.000.000 Euro (Full Euro) and the Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. It consists of subordinated debt instruments with an ISIN code of TRT250232F15, starting date of 9 March 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31,688.489 (Full Euro).

b. Information on investment securities measured at amortized cost

	Current Period	Prior Period
Debt Securities	4.553.173	2.713.586
Quoted on a stock Exchange	1.035.023	-
Unquoted (*)	3.518.150	2.713.586
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Impairment Provision (-)	-	-
Total	4.553.173	2.713.586

(*) The Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. Subordinated debt instrument with the ISIN code TRT240424F22, starting date of 24 April 2019, with the earliest five-year repayment option and a demand deposit of 200.000.000 Euro (Full Euro) and the Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. It consists of subordinated debt instruments with an ISIN code of TRT250232F15, starting date of 9 March 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31,688.489 (Full Euro).

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

	Current Period	Prior Period
Balance at beginning of period	2.713.586	1.568.929
Foreign currency differences on monetary assets (**)	542.971	1.128.426
Purchases during period	1.312.848	16.231
Disposals through sales and redemptions	(16.232)	-
Impairment provision (-)	-	-
Closing Balance (*)	4.553.173	2.713.586

(*) The Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. Subordinated debt instrument with the ISIN code TRT240424F22, starting date of 24 April 2019, with the earliest five-year repayment option and a demand deposit of 200.000.000 Euro (Full Euro) and the Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. It consists of subordinated debt instruments with an ISIN code of TRT250232F15, starting date of 9 March 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31,688.489 (Full Euro).

(**) This amount includes TL 60.899 (December 31, 2021: TL 193.219) income accrual.

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

(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	15.301	14.337	8.922	8.799
1 to 4 years	240.037	195.407	141.131	118.381
More than 4 years	46.358	44.339	62.322	55.664
Total	301.696	254.083	212.375	182.844

b. Information on net investments through finance lease:

	Current Period	Prior Period
Finance lease receivables (gross)	301.696	212.375
Unearned finance lease receivable (-)	47.613	29.531
Receivable from finance leases (net)	254.083	182.844

c. General explanation on finance lease contracts:

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

Information on leasing receivables:

		Leasing Receivables Under Close Monitoring		
		Leasing receivables not subject to restructured loans	Restructured or rescheduled	Refinance
	Standard Loans		Leasing Receivables with Revised Contract Terms	
Current Period				
Finance lease receivables (Net)	254.083	-	-	-
Prior Period				
Finance lease receivables (Net)	182.844	-	-	-

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

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

	Current Period	Prior Period
Opening balance	8.000	23.797
Additions	191	-
Disposals	(5.072)	(15.797)
Transfers	-	-
Impairment Provision(-)	-	-
Closing balance	3.119	8.000

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

(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, 2021: None).

a.2 Information on consolidated associates:

None (December 31, 2021: None).

b. Information on subsidiaries (net)

b.1 Information on unconsolidated subsidiaries

Emlak Menkul Değerler A.Ş., which is owned by the Bank by 50%, has been reported to be bankrupt in the Audit Report prepared by Court of Account dated 31 October 2018. Emlak Menkul Değerler A.Ş. has not been consolidated as of 30 June 2022 and 31 December 2021.

b.2 Information on consolidated subsidiaries

Emlak Varlık Kiralama A.Ş., which is a %100 subsidiaries of the Bank, was established and registered to the trade registry in 5 August 2019 with the permission taken from "Banking Regulation and Supervision Agency" and "Capital Markets Board of Turkey". Emlak Varlık Kiralama A.Ş. has been founded to operate lease certificate according to rulings of Capital Markets Board of Turkey which was dated 7 June 2013 and numbered 28760 serial: 3 no: 61.1 published in Official Gazette. Emlak Varlık Kiralama A.Ş. was established and began to operate on 5 August 2019 with TL 50 capital amount paid by the Main Shareholder Bank.

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

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

The values stated in the table below are taken from financial statements in limited review report of Emlak Varlık Kiralama A.Ş. and Emlak Katılım Varlık Kiralama A.Ş.'s dated June 30, 2022.

Name	Total Assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income /loss	Prior period income /loss	Fair Value
Emlak Varlık Kiralama A.Ş.	2.454.672	2.590	-	171.834	-	2.243	298	-
Emlak Katılım Varlık Kiralama A.Ş.	3.781.529	50	-	311.548	-	53	-	-

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

10. Information on associates (continued)

b.2.1 Movement information on subsidiaries

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

c. Information on investments in joint-ventures

None (31 December 2021: 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, 2021: None).

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

(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:

	Current Period	Prior Period
Lease certificates rediscount income	11.551	1.125
Prepaid wages and commissions and unearned income	25.337	25.317
Expected Loss Provisions	25.371	24.274
Securities valuation differences	6.979	5.167
Provisions for retirement premium and vacation pay liabilities	340.400	5.740
Derivative financial instruments	24.554	23.286
IFRS 16 allowance	3.379	3.528
Other debt and expense provisions	4.671	4.057
Deferred tax asset	442.242	92.494
Securities valuation differences	260.227	9.214
Derivative financial instruments	39.738	13.599
Dividend rediscounts	13.681	264
Difference between book value and tax value of tangible fixed assets	478	2.584
Other	259	259
Deferred tax liability	314.383	25.920
Deferred tax asset (Net)	127.859	66.574

15. Breakdown of items in other assets except commitments presented in off-balance sheet, which exceed 10% of the balance sheet total and breakdown of items which constitute at least 20% of grand total

	Current Period	Prior Period
Receivables from Public Institutions and Cooperations ⁽¹⁾	52.549	52.549
Exchange Account	293.746	149.601
Other ⁽²⁾	27.574	34.451
Total	373.869	236.601

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

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

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, 2022

(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
I. Real Persons Current Accounts Non-Trade TL	308.485	-	-	-	-	-	-	-	308.485
II. Real Persons Participation Accounts Non-Trade TL(*)	-	1.520.246	1.719.506	284.130	142.554	22.076	15.731	-	3.704.243
III. Current Account other-TL	1.463.494	-	-	-	-	-	-	-	1.463.494
Public Sector	83.986	-	-	-	-	-	-	-	83.986
Commercial Institutions	1.360.578	-	-	-	-	-	-	-	1.360.578
Other Institutions	-	-	-	-	-	-	-	-	-
Commercial and Other Institutions	18.930	-	-	-	-	-	-	-	18.930
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	11.325.487	2.653.599	153.543	51.238	97.284	57.537	-	14.338.688
Public Sector	-	4.484.886	235.271	15.746	-	-	-	-	4.735.903
Commercial Institutions	-	5.651.372	2.286.667	134.041	51.238	97.284	57.537	-	8.278.139
Other Institutions	-	554.981	44.376	2.003	-	-	-	-	601.360
Commercial and Other Institutions	-	1.612	67.252	1.753	-	-	-	-	70.617
Banks and Participation Banks	-	632.636	20.033	-	-	-	-	-	652.669
V. Real Persons Current Accounts Non- Trade FC	2.531.105	-	-	-	-	-	-	-	2.531.105
VI. Real Persons Participation Accounts Non-Trade FC	-	3.052.858	335.846	103.013	69	9.819	-	-	3.501.605
VII. Other Current Accounts FC	10.120.513	-	-	-	-	-	-	-	10.120.513
Residents in Turkey-Corporate	4.581.058	-	-	-	-	-	-	-	4.581.058
Residents Abroad-Corporate	5.376.527	-	-	-	-	-	-	-	5.376.527
Banks and Participation Banks	162.928	-	-	-	-	-	-	-	162.928
Central Bank of Turkey	162.928	-	-	-	-	-	-	-	162.928
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	6.226.765	1.578.167	431.377	-	129.328	-	-	8.365.637
Public sector	-	174.415	-	-	-	-	-	-	174.415
Commercial institutions	-	5.293.165	1.554.886	431.377	-	129.328	-	-	7.408.756
Other institutions	-	57.647	3.978	-	-	-	-	-	61.625
Commercial and Other Institutions	-	440.903	19.303	-	-	-	-	-	460.206
Banks and Participation Banks	-	260.635	-	-	-	-	-	-	260.635
IX. Precious Metals Deposits	1.180.343	534.454	176.633	13.759	2.231	2.905	-	-	1.910.325
X. Participation Accounts Special Fund Pools TL	-	-	55.658	51.854	-	-	50.420	-	157.932
Residents in Turkey	-	-	55.658	51.854	-	-	50.420	-	157.932
Residents Abroad	-	-	55.658	51.854	-	-	50.420	-	157.932
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	15.603.940	22.659.810	6.519.409	1.037.676	196.092	261.412	123.688	-	46.402.027

(*)Balance of Participation Accounts includes 1.783.743 TL of FX- Protected Turkish Lira Time Deposit which was launched by Ministry of Treasury and Finance on December 24, 2021 and 3.463.538 TL of Conversion Supported FX protected Turkish Lira Time Deposit which was announced by TCMB on Official Gazette, numbered 31696 on December 21, 2021 and 125.380 TL of YUVAM accounts which was announced on February 1, 2022, Official Gazette numbered 31737 .

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, 2022

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

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

1. Information on funds collected (continued):

a. Information on maturity structure of funds collected (continued):

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	261.953	-	-	-	-	-	-	-	261.953
II. Real Persons Participation Accounts Non-Trade TL(*)	-	640.189	149.084	72.343	916	3.254	2.288	-	868.074
III. Current Account other-TL	838.053	-	-	-	-	-	-	-	838.053
Public Sector	49.965	-	-	-	-	-	-	-	49.965
Commercial Institutions	780.195	-	-	-	-	-	-	-	780.195
Other Institutions	-	-	-	-	-	-	-	-	-
Commercial and Other Institutions	-	-	-	-	-	-	-	-	-
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	4.949.969	1.186.818	97.408	15.291	796	-	-	6.250.282
Public Sector	-	931.137	314.755	39.644	-	-	-	-	1.285.536
Commercial Institutions	-	3.106.700	827.738	57.764	15.291	796	-	-	4.008.289
Other Institutions	-	357.165	44.325	-	-	-	-	-	401.490
Commercial and Other Institutions	-	-	-	-	-	-	-	-	-
Banks and Participation Banks	-	554.967	-	-	-	-	-	-	554.967
V. Real Persons Current Accounts Non-Trade FC	1.127.672	-	-	-	-	-	-	-	1.127.672
VI. Real Persons Participation Accounts Non-Trade FC	-	2.405.228	288.573	17.012	21.082	47.266	-	-	2.779.161
VII. Other Current Accounts FC	5.814.741	-	-	-	-	-	-	-	5.814.741
Residents in Turkey-Corporate	5.146.221	-	-	-	-	-	-	-	5.146.221
Residents Abroad-Corporate	668.520	-	-	-	-	-	-	-	668.520
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	5.376.311	1.995.286	3.063	133	-	-	-	7.374.793
Public sector	-	149.763	-	-	-	-	-	-	149.763
Commercial institutions	-	4.775.270	1.966.786	3.063	133	-	-	-	6.745.252
Other institutions	-	215.860	3.976	-	-	-	-	-	219.836
Commercial and Other Institutions	-	208.883	24.524	-	-	-	-	-	233.407
Banks and Participation Banks	-	26.535	-	-	-	-	-	-	26.535
IX. Precious Metals Deposits	686.920	445.566	185.224	32.389	320	1.711	-	-	1.352.130
X. Participation Accounts Special Fund Pools TL	-	-	-	46.890	27.800	51.800	-	-	126.490
Residents in Turkey	-	-	-	46.890	27.800	51.800	-	-	126.490
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	8.729.339	13.817.263	3.804.985	269.105	65.542	104.827	2.288	-	26.793.349

(*)Balance of Participation Accounts includes 110.692 TL of FX- Protected Turkish Lira Time Deposit which was launched by Ministry of Treasury and Finance on December 24, 2021 and 57,150 TL of Conversion Supported FX protected Turkish Lira Time Deposit which was announced by TCMB on Official Gazette, numbered 31696 on December 21, 2021 .

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

(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	1.260.858	706.887	10.281.135	5.170.627
Turkish Lira accounts	628.074	316.828	3.384.653	813.201
Foreign currency accounts	632.784	390.059	6.896.482	4.357.426
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	11.023	4.764
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	-	-

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

(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	120.516	474.522	101.330	1.103.031
Loans obtained from Issued Lease certificates (Sukuk)	3.650.835	-	3.449.570	-
Other	-	499.976	-	-
Total	3.771.351	974.498	3.550.900	1.103.031

a.2 Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	3.771.351	387.736	3.550.900	799.706
Loans from foreign banks, institutions and funds	-	586.762	-	303.325
Total	3.771.351	974.498	3.550.900	1.103.031

a.3 Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	3.196.240	938.518	3.522.150	1.074.109
Medium and Long-Term	575.111	35.980	28.750	28.922
Total	3.771.351	974.498	3.550.900	1.103.031

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

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

3. Information on derivative financial liabilities held for trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	8.042	-	28.560	-
Swap Transactions	8.850	8.188	77.620	3.810
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	16.892	8.188	106.180	3.810

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

(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	42.828	-	29.067	-
Between 1-5 years	147.111	-	110.855	-
Over 5 years	50.084	-	51.576	-
Total	240.023	-	191.498	-

5. Information on hedging derivative financial liabilities:

None (December 31, 2021: None).

6. Information on provisions:

a. Information on provisions for employee rights:

Provisions for Bank's employee benefits consist of reserve for employee termination benefits amounting to TL 11.498 (December 31, 2021: TL 8.170), TL 7.266 (December 31, 2021: TL 4.543), vacation pay liability amounting to TL - (December 31, 2021: TL 13.879) performance premium provision, the Bank's total amount of provisions for employee rights is TL 18.764 (December 31, 2021: TL 26.592).

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

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

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

	Current Period	Prior Period
Prior period ending balance	8.170	4.265
Change in the period	3.327	4.011
Actuarial (gain) / loss	-	(106)
Balance at the end of the period	11.498	8.170

b. Other Provisions:

	Current Period	Prior Period
Provisions allocated from profit shares to be distributed to profit sharing accounts	89.731	52.475
Provisions for cases on trial	4.497	5.090
Impairment provision	1.099	1.871
Expected expected credit loss for Stage 1 and Stage 2 for non-cash loans	69.729	32.211
Total	165.056	91.647

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

6. Information on provisions (continued):

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

None (December 31, 2021: None).

7. Information on taxes payable:

a. Information on tax liability:

a.1. Explanations on current tax liability:

As of June 30, 2022, the Bank does not have any tax debt remaining after deducting the corporate taxes paid. (December 31, 2021: None).

a.2. Information on taxes payable:

	Current Period	Prior Period
Incorporation tax payable	312.338	38.994
Banking insurance transaction tax	18.911	11.335
Income tax deducted from wages	11.467	9.571
Securities capital income tax	14.021	8.068
Foreign exchange transactions tax	4.344	2.230
Value added tax payable	1.853	1.116
Real estate capital income tax	588	480
Other	398	414
Total	363.920	72.208

a.3. Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	32	4.840
Social security premiums-employer	22	3.305
Unemployment insurance-employee	-	-
Unemployment insurance-employer	-	-
Bank pension fund premium- employees	-	-
Bank pension fund premium- employer	-	-
Pension fund membership fees and provisions-employees	803	480
Pension fund membership fees and provisions- employer	401	240
Other	13.790	137
Total	15.048	9.002

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

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

None (December 31, 2021: None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowing Instruments to be Included in Additional Capital Calculation	-	3.485.662	-	2.669.412
Subordinated Loans	-	3.485.662	-	2.669.412
Subordinated Debt Instruments	-	-	-	-
Debt Instruments to be Included in the Contribution Capital Calculation	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Total	-	3.485.662	-	2.669.412

As of June 30, 2022 the Bank has a subordinated debt that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR) and a subordinated debt that creditor is Türkiye Varlık Fonu A.Ş. with an ISIN code of TRT250232F15, starting date of 9 March 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31,688.489 (Full Euro). The related debt instruments have zero profit share and there is no option to convert them into stocks.

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

None. (December 31, 2021: None).

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

11. Information on shareholders' equity:

a. Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	1.026.915	1.026.915
Preferred stock	-	-

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

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

c. Information on the share capital increases during the period and their sources; other information on increased capital in the current period:

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 2021: None).

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

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

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

There is no privilege given to stocks representing the capital.

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

11. Information on shareholders' equity (continued):

h. Information on marketable securities valuation reserve:

	Current Period		Prior Period	
	TL	FC	TL	FC
Valuation difference (*)	834.444	(35.688)	56.776	(11.452)
Foreign exchange difference	-	-	-	-
Total	834.444	(35.688)	56.776	(11.452)

(*) 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) and a subordinated debt that creditor is Türkiye Varlık Fonu A.Ş. with an ISIN code of TRT250232F15, starting date of 9 March 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31,688.489 (Full Euro) which are been the financial liability is recorded at fair value and the difference between cost value and fair value is accounted under "Other Capital Reserves" in shareholders' equity at the date of initial acquisition.

In addition, government securities with no fixed term and with 0% return are classified as 'financial assets carried at amortized cost' and recorded to the balance sheet with the reduced amount of government securities' rate of return, in accordance with the decision taken by the 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	1.508.784	1.121.875
Forward Asset Sale Commitments	879.141	640.535
Payment Commitments for Cheques	159.584	107.379
Tax and Fund Liabilities Arising from Export Commitments	-	-
Credit Cards Limit Commitments	-	-
Other Irrevocable Commitments	295.808	235.387
Total	2.843.317	2.105.176

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

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

	Current Period	Prior Period
Guarantees	7.664.363	4.880.620
Letters of credit	347.447	522.524
Bank loans	686.254	757.757
Other guaranties and sureties	-	-
Total	8.698.064	6.160.901

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

1. Explanations on off balance sheet (continued):

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

	Current Period	Prior Period
Temporary letters of guarantees	377.143	220.690
Advance letters of guarantees	1.100.564	494.061
Letters of guarantees given to customs	230.014	74.950
Definitive Letters of Guarantee	4.217.380	2.597.998
Letters of Guarantee Given for the Guarantee of Cash Loans	1.735.858	1.460.050
Other	3.404	32.871
Total	7.664.363	4.880.620

c. Within the Non-cash Loans:

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

	Current Period	Prior Period
Non-cash loans given against cash loans	1.735.858	1.460.050
With original maturity of 1 year or less	323.980	305.832
With original maturity of more than 1 year	1.411.878	1.154.218
Other non-cash loans	1.107.459	645.126
Total	2.843.317	2.105.176

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, 2022

(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	755.463	65.361	268.742	7.396
Medium and Long Term Loans	868.113	138.572	452.768	60.455
Profit Share on Non-Performing Loans	1.159	-	-	-
Total	1.624.735	203.933	721.510	67.851

b. Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	18.732	-	20.865	-
Domestic Banks	76	-	91	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	18.808	-	20.956	-

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)	20.154	12.944	25.619	8.543
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	839.794	36.416	83.240	5.119
Financial Assets Measured at Amortized Cost	36.622	71.558	-	37.848
Total	896.570	120.918	108.859	51.510

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	-
Total	1.375	-	47	-

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

2. Explanations on profit share expenses:

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

Current Period		Profit Sharing Accounts						
Account Name	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 years	More than 1 years	Accumulated participation accounts	Total
TL								
Funds collected from banks through current and profit sharing accounts	2.128	48.053	-	-	-	-	-	50.181
Real persons' non-trading profit sharing accounts	10.804	142.168	5.452	-	431	10.443	-	169.298
Public sector profit sharing accounts	162.204	37.358	6.857	-	4.670	-	-	211.089
Commercial sector profit sharing accounts	102.696	320.588	98.345	-	4.343	3.271	-	529.243
Other institutions profit sharing accounts	5.193	43.785	4.212	-	-	-	-	53.190
Total	283.025	591.952	114.866	-	9.444	13.714	-	1.013.001
FC								
Banks	-	3.818	-	-	-	-	-	3.818
Real persons' non-trading profit sharing accounts	3.965	24.120	1.845	-	520	158	-	30.608
Public sector profit sharing accounts	-	818	-	-	-	-	-	818
Public sector profit sharing accounts	6.172	72.455	7.454	-	59	-	-	86.410
Other institutions profit sharing accounts	1.730	655	-	-	-	-	-	2.385
Precious metals deposits	1.198	-	-	-	-	-	-	1.198
Total	13.065	101.866	9.299	-	579	158	-	124.967
Grand Total	296.090	693.818	124.165	-	10.023	13.872	-	1.137.968

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

2. Explanations on profit share expenses (continued):

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

Prior Period		Profit Sharing Accounts						
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	Accumulated participation accounts	Total
TL								
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
Total	93.249	308.335	24.558	-	2.794	5.505	-	434.441
FC								
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
Total	3.222	38.494	2.806	-	211	35	-	44.768
Grand Total	96.471	346.829	27.364	-	3.005	5.540	-	479.209

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, 2022

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

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

2. Explanations on profit share expenses (continued):

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	7.480	9.197	2.760	4.845
CBRT	-	-	-	-
Domestic banks	7.480	4.483	2.760	3.627
Foreign banks	-	4.714	-	1.218
Head offices and branches abroad	-	-	-	-
Other institutions	309.541	77.371	259.976	41.019
Total	317.021	86.568	262.736	45.864

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	145.633	-	108.400	-
Total	145.633	-	108.400	-

d. Profit share expenses paid to marketable securities issued:

None (June 30, 2021: None).

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

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

Other Fees and Commissions Received	Current Period	Prior Period
Foreign trade package commissions	27.347	4.471
Banking package commissions	23.883	5.738
Remittance Commissions	14.057	4.064
Appraisal fees	3.748	1.530
Fees and commissions from correspondents	3.603	876
Early closing commission income	3.376	364
Advance import transfer commissions	2.104	1.543
Import letter of credit commissions	1.670	460
Commercial customer credit limit allocation commission	1.613	-
Insurance and brokerage commissions	1.087	718
Fees and commissions from member merchant pos	661	1.640
Bill of collection/check commissions	553	312
Fees and commissions from member merchant pos	491	76
Mortgage release and facility fee income	441	-
Import commissions against documents	404	623
Credit card fees and commissions	336	65
Safe deposit box revenues	308	90
Export letter of credit commissions	137	63
Import commissions against goods	32	6
Delivery and purchase of Gold(in gram) commissions	21	18
Commissions from special package services	3	2
Other commissions	4.824	2.321
Total	90.699	24.980

Other Fees and Commissions Given	Current Period	Prior Period
Expenses and commissions given to correspondents abroad	7.073	6.708
Commissions and fees given for EFT	1.055	418
Commissions and fees given to the clearing house	498	190
Expense for gold and precious metals	279	-
Commissions given to credits used	186	96
Commissions and fees given for card acceptor of P.O.S.	149	-
Required reserve commissions for CBRT FX	103	483
Commissions given to credits used	82	69
Expenses for stock market registrations	50	-
Commissions of collection note / check commissions	26	5
Commissions and fees given for Swift	22	218
Other commissions and fees	835	714
Total	10.358	8.901

4. Information on dividend income:

None (June 30, 2021: None).

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

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

	Current Period	Prior Period
Income	2.781.930	1.143.857
Income from capital market transactions	8.755	3.837
Income from derivative financial instruments	1.012.437	180.113
Foreign exchange income	1.760.738	959.907
Loss (-)	2.687.939	1.154.135
Loss on capital market transactions	1.070	1.072
Loss on derivative financial instruments	689.355	321.032
Foreign exchange losses	1.997.514	832.031
Trading income/loss (net)	93.991	(10.278)

6. Explanations related to other operating income:

	Current Period	Prior Period
Income from provisions made in previous years	25.262	71.471
Income from sales of assets ^(*)	25.395	35.794
Revenues from provisions allocated in previous years	1.541	175
Lease income	4	4
Other income	3.323	3.077
Total	55.525	110.521

7. Expected loss provision expenses and other provision expenses:

	Current Period	Prior Period
Expected Credit Loss	217.645	37.712
12 month expected credit loss (stage 1)	176.380	33.769
Significant increase in credit risk (stage 2)	11.787	2.540
Non-performing loans (stage 3)	29.478	1.403
Marketable Securities Impairment Expense	3.063	3.901
Financial Assets at Fair Value through Profit or Loss	3.063	3.901
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Investments Held to Maturity	-	-
Other (*)	30.305	1.199
Total	251.013	42.812

(*) It consists of the amounts allocated from the profits to be distributed to the participation account of 29.598 TL and the lawsuit provisions of 707 TL.

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

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

8. Information on other operating expenses:

	Current Period	Prior Period
Provision for retirement pay liability	3.328	2.006
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	42.925	29.802
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	4.564	8.399
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	83.508	34.244
Lease expenses related to TFRS 16 exemptions	255	-
Operating Maintenance expenses	8.643	2.673
Advertisement expenses	28.966	6.117
Other expenses ⁽¹⁾	45.644	25.454
Loss on sale of assets	-	-
Other ⁽²⁾	36.444	21.408
Total	170.769	95.859

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

8. Information on other operating expenses (continued):

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

	Current Period	Prior Period
Communication Expenses	10.032	7.667
Cleaning Expenses	7.874	4.981
Heating, Lighting and Water Expenses	6.465	2.483
Vehicle Expenses	3.190	969
Representation and Hospitality expenses	4.181	1.113
Insurance expenses	67	504
Stationery expenses	1.941	1.251
Charity and donations	935	458
Common expense	580	377
Litigation and court expenses	468	-
Other	9.911	5.651
Total	45.644	25.454

⁽²⁾ Other balance details are as below table:

	Current Period	Prior Period
Taxes, Duties, Charges and Funds	19.990	12.412
Audit and Consultancy Fees	6.457	3.157
Participation banks union cost share	1.851	1.157
Saving Deposit Insurance Fund	3.885	1.551
Other	4.261	3.131
Total	36.444	21.408

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, 2022, the Bank has deferred tax expense amounting to TL 88.077 (June 30, 2021: TL 36.706), deferred tax income amounting to TL 400.294 (June 30, 2021: TL 32.209). As of 30 June 2022, the Bank has current tax provision amounting to TL 539.865 (June 30, 2021: None).

Since the Bank does not have any discontinued operations, there is no tax provision for discontinued operations (June 30, 2021: 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
Loans and Other Receivables						
Balance at the beginning of period	714.824	-	973	-	-	-
Balance at the end of period	189.426	-	1.164	-	-	-
Dividend and Commission Income Received	465	-	-	-	-	-

(*) Defined in Article 49 of the Banking Law No. 5411 and Article 4 of the "Regulation on Credit Transactions of Banks" published on 1 November 2006.

b. Prior Period

Risk Group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the beginning of period	95.629	-	-	-	-	-
Balance at the end of period	714.824	-	973	-	-	-
Dividend and Commission Income Received	381	-	-	-	-	-

VII. Explanations related to the risk group of the Bank (continued):

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

c.1. Information on current and profit sharing accounts of the Bank's risk group

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and profit sharing accounts						
Balance at the beginning of period	128.021	94	-	-	-	-
Balance at the end of period	132.247	128.021	-	-	-	-
Profit share expense	1.038	318	-	-	-	-

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

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

d. 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, 2021: TL 2.597).

VIII. Explanations related to domestic, foreign and offshore branches or investments and foreign representative offices

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 20.000.000 orderly, in Turkish Lira, Based on the lease certificate structure based on the Management Contract foreseen in the terms of 1-60 months and the Communiqué on Lease Certificates (III-61.1), the application to the Capital Markets Board (CMB) regarding the issuance of lease certificates to be sold to the allocated and / or qualified investor was approved by the CMB's decision dated February 3, 2022 and numbered 7/181. Within the scope of the said issue ceiling, Emlak Katılım Varlık Kiralama A.Ş. within the scope of the issue approval of TL 20.000.000 received from the CMB on February 3, 2022, to be sold to private and / or qualified investors,

- On July 5, 2022, 92-day maturity, TL 70.000 for qualified domestic investors,
- On July 7, 2022, 92-day maturity, TL 600.000 for qualified domestic investors,
- On July 7 2022, 92- day maturity, TL 600.000 as allocated in the country,
- On July 7, 2022, 62-day maturity TL 47.250 for qualified domestic investors,
- On July 20, 2022, 99-day maturity TL 50.000 for qualified domestic investors,
- On July 20, 2022, 62-day maturity, TL 340.000 for qualified domestic investors,
- On July 25, 2022, 92-day maturity, TL 56.790 for qualified domestic investors,
- On July 27, 2022, 63-day maturity TL 200.000 for qualified domestic investors,
- On July 28, 2022, 98-day maturity, TL 400.000 for qualified domestic investors,
- On August 3, 2022, 182-day maturity, TL 79.000 for qualified domestic investors,
- On August 3, 2022, lease certificate issuance transactions were carried out for qualified domestic investors with a maturity of 98 days and amounting to TL 50.000.

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

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, 2022

(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, 2022 were reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (a member firm of Ernst & Young Global Limited) and Auditors’ Limited Review Report dated August 15, 2022 is presented in the introduction of this report

II. Explanations on the Independent Auditor’s Review Report

None.

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

Türkiye's economy posted further positive growth in H1 2022 thanks to new steps taken to lower inflation and implementation of the government's New Economic Model. The Turkish economy is regularly setting new export records, registering significant growth, and expanding employment opportunities, while global economies are combatting high inflation, default risk, and recession.

The IMF's April 2022 World Economic Outlook forecasts that Türkiye will rank as the world's 23rd largest economy as of year-end 2022 with GDP totaling USD 692 billion. The forecast also projects Türkiye as the 23rd largest economy in 2023, which will mark the 100th anniversary of the founding of the Turkish Republic.

The Turkish banking industry sustained stable growth by further bolstering the nation's economy during this half-year period. Driven by government decisions, the banking industry underpins and solidifies the growth of the Turkish economy. Türkiye's banking sector has adopted sustainability as part of its business strategy, integrating it across its business operations while focusing on environmentally friendly products.

Emlak Katılım has adopted the following as its core strategies: Sustainable Growth, Innovative Product, Digitalization, Pioneering Support for Eco-friendly Climate-themed Projects, Financial Solutions Aimed at the Real Estate Industry, and Acting as a Market Maker.

We address sustainability under two key categories: financial sustainability and corporate sustainability. Emlak Katılım rearranged all its premises and offices in a way that avoids waste to ensure eco-friendliness as part of the Zero Waste movement. Thanks to its efforts, Emlak Katılım qualified for Zero Waste Certification by establishing the Zero Waste Management System in 2019. Some 14 thousand kg of waste was recycled in the first half of 2022 at Emlak Katılım branch locations. By introducing contactless brochures at our branches, we took our eco-friendly efforts one step further.

Emlak Katılım issued the Partnership-Based Green Lease Certificate – Türkiye's first ever green lease certificate – in sustainable finance. A 2,000-ton contribution was made to annual net carbon emission reduction via green sukuk financing projects, in line with United Nations (UN) Sustainable Development Goals.

In addition, Emlak Katılım issued the Green Lease Certificate Based on Contract of Work – the first of its kind – in line with participation funding principles as part of the Istanbul Finance Center under TVF.

Emlak Katılım also contributes to the real estate industry by developing innovative financing methods and products, especially for housing support, construction, and trade. We introduced financing and insurance models that eliminate interruption of construction projects or any grievance as part of our Urban Transformation and On-Site Reforming efforts. At Emlak Katılım, we strive towards growth driven by investment in the economy, production, employment, and exports, as adopted by Türkiye, while supporting the country's strategically important industries as the country positions itself among the world's major economies.

Lastly, we contribute to branching, employment, and Türkiye's economic growth by rapidly digitalizing our operations to keep pace with the growing competition in digital channels and technological innovation.

I would like to take this opportunity to thank President Recep Tayyip Erdoğan as well as Nureddin Nebati, the Minister of Treasury and Finance, Murat Kurum, the Minister of Environment, Urbanization and Climate Change, and the entire Emlak Katılım family and our stakeholders for their ongoing support. As always, we wish the best for our country and our bank.

Respectfully Yours,

Mehmet Emin BİRPINAR

Chairman of the Board of Directors

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

b. Message from the CEO

The Turkish economy sustained its growth performance in H1 2022, a time marked by recession triggered by contractionary monetary policies to battle high inflation worldwide. Preliminary indicators suggest that Türkiye's economy will continue to expand, after posting a 7.3% growth in Q1. A standout with its New Economic Model against the growing risks from the war between Russia and Ukraine, Türkiye is regularly setting new records for economic growth and expansion.

Measures taken under the New Economic Model, coupled with steps to fight against inflation, are generating successful outcomes every day. FX-Protected TRY Accounts, introduced on December 20 to strengthen the Turkish lira, continued to grow in the first half of 2022. The FX-Protected Deposit volume exceeded TRY 1 trillion as of June. The Ministry of Treasury and Finance announced further incentives to attract "under-the-mattress" gold coin savings back to the economy, alongside expansions offered to citizens abroad and companies, following the incentives for individuals. A new practice was introduced to convert gold coin deposit accounts into TRY deposit accounts and participation banking accounts. Emlak Katılım became the first bank to introduce the new quarter of gold coin accounts announced by the Ministry of Treasury and Finance.

Emlak Katılım reported total assets of TRY 59.6 at the end of Q2 this year, up from TRY 38.7 billion at year-end 2021. Total funds climbed to TRY 27 billion to 46,4 billion, while funds allocated amounted to TRY 29.8 billion. Non-cash loans went up to TRY 8.7 billion. Our branch network expanded to 79 (1 e-branch exists) locations. Emlak Katılım now has 1,156 employees. We aim to open additional branches across the regions where we plan to have a physical presence. At Emlak Katılım, we remain committed to contributing to our home nation's economy in the coming period, in consideration of prevailing economic dynamics.

Emlak Katılım spreads sustainable and innovative funding models across industries – particularly in real estate and related sectors – by delivering services all over Türkiye. During this half-year reporting period, we were the first bank to offer fee-free transactions to customers of five public Turkish banks and the PTT at all our ATMs. Our Indemnity Insurance provides a guarantee to beneficiaries named in the policy, acting as a guarantor for borrowers and the defined debt. This product can be enjoyed by both public and private sector clients. Continuously improving our digital channels is a strategic priority. Emlak Katılım customers can use the TR QR code app for quick, secure, and easy cash withdrawals at ATMs anywhere in Turkey. MoneyGram, another digital application we introduced to Türkiye, enables customers to transfer and receive money across 200 countries quickly just by using ID information at Emlak Katılım branch locations. Emlak Katılım Virtual Account ensures seamless processing of regular payments – such as rent, utility bills, installments – or wire transfers, EFT, and FAST transfers.

At Emlak Katılım, our number one priority is developing customized products and services that uphold the core values and spirit of participation banking. We achieved yet another 'first' by introducing the Special Fund Pool Participation Account with Project Options. This innovative offering aims to maximize the financial value generated upon utilization of TRY funds to finance certain projects. With this special account, customers with savings are able to invest in a wide range of industries, especially manufacturing, construction, transport, storage, energy, mining, public administration, and the defense sector.

Emlak Katılım remains committed to building a road map focused on continuous development and growth. Driven by this goal, we would like to thank, once again, all our employees and stakeholders that accompany us with their dedicated efforts on our journey to sustainable success.

Very truly yours,

Nevzat BAYRAKTAR

Board Member and CEO

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, 2022 – June 30, 2022

None.

e. Branch and Personal Information

The Bank's total number of branches is 79 (including 1 e-branch) and the total number of personnel is 1.156 at 30 June 2022.

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	-
Hasan SUVER	Member of BOD	Master	-
Mustafa ERDEM	Member of BOD	Bachelor	-
Mehmet Nuri YAZICI	Member of BOD and Audit Committee	Bachelor	-
Prof. Dr. Murat BALCI	Member of BOD	Doctorate	-
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 CEBECİ	16 year 3 month	16 year 3 month	Master	Head of Inspection Committee
Halil İbrahim ÖZER	16 year 1 month	9 year	Master	Head of Internal Control and Compliance
Erhan ŞANLI	15 year 8 month	1 year 6 month	Bachelor	Head of Risk Management

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, 2022

(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

AUDIT COMITEE

Abdullah Erdem CANTİMUR (Head)

Mehmet Nuri YAZICI

CREDIT COMITEE

Prof. Dr. Murat BALCI (Head)

Mustafa ERDEM (Original Member)

Nevzat BAYRAKTAR (Original Member)

CORPORATE GOVERNANCE COMMITTEE

Abdullah Erdem CANTİMUR (Head)

Prof. Dr. Murat BALCI

Mustafa GÜLEN

Mehmet Ali KAHRAMAN

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, 2022

(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, 2022

Assets	Current Period	Prior Period
Loans and Financial Leasing Receivables	30.070.568	13.599.033
Total Securites	8.870.776	1.783.070
Total of Selected Assets	38.941.344	15.382.103

Liabilities	Current Period	Prior Period
Funds Collected	46.402.027	11.677.400
Funds Borrowed	4.475.849	4.653.931
Shareholders' Equity	3.172.654	1.728.423
Total of Selected Liabilities	54.320.530	18.059.754

Income and Expense Items	Current Period	Prior Period
Profit Share Income	2.883.409	974.793
Profit Share Expense	1.613.371	817.992
Net Profit Share Income/Expenses	1.270.038	156.801
Net Fees and Commisions Income/Expenses	110.735	28.591
Personnel Expenses	196.363	122.789
Trading Income/Loss	93.991	(10.278)
Other Operating Income	55.525	110.521
Loans and Other Receivables from Provision for Losses	217.645	37.712
Other Operating Expenses	170.769	95.859
Profit Before Tax and Provisions	912.144	24.175
Tax Provisions	(227.648)	(4.497)
Net Profit/Losses	684.496	19.678

Ratios (%)	Current Period	Prior Period
Total Loans/Total Assets (*)	50,48	35,09
Total Loans/Total Deposits (*)	64,80	116,46
Capital Adequacy Ratio	25,76	27,83

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