

Türkiye Emlak Katılım Bankası Anonim Şirketi

**Publicly Announced Consolidated Financial
Statements and Related Disclosures at
September 30, 2022 together with Independent
Auditor's Limited Review Report**

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

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

Review Report on Interim Consolidated Financial Information

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

Introduction

We have reviewed the consolidated statement of financial position of Türkiye Emlak Katılım Bankası A.Ş. ("the Bank") and its subsidiaries (together will be referred as "the Group") at September 30, 2022)and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of this consolidated 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 November 1, 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 consolidated 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 consolidated financial statements do not give a true view of the consolidated financial position of The Group. at September 30, 2022, and the results of its operations and its consolidated cash flows for the nine-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 consolidated financial statements and disclosures.

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

Emre Çelik, SMMM
Partner

November 24, 2022
Istanbul, Turkey

**THE CONSOLIDATED FINANCIAL REPORT OF TÜRKİYE EMLAK KATILIM BANKASI
A.Ş. FOR THE NINE MONTH PERIOD THEN ENDED SEPTEMBER 30, 2022**

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

The nine month consolidated report, designed by the Banking Regulation and Supervision Agency in line with the Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- AUDITORS' INTERIM REPORT
- INTERIM ACTIVITY REPORT

The consolidated financial statements and related disclosures and footnotes for the nine 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.

Subsidiaries

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

Prof. Dr. Mehmet Emin BİRPINAR

Chairman of the Board of Directors

Abdullah Erdem CANTİMUR

Chairman of the Audit
Committee

Mehmet Nuri YAZICI

Member of the Audit
Committee

İlker SIRTKEYA

General Manager

Tuğba GEDİKLİ

Finance Assistant General
Manager

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

Name-Surname / Title : Hakan ULUS / Budget and Financial Reporting Supervisor
Telephone : 0 (216) 275 24 74
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SECTION ONE

General information

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

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

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

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

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

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

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

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

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

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

The Parent Bank together with its consolidated ownerships is referred to as the "Group" in the accompanying consolidated financial statements.

The Parent Bank's head office is located in İstanbul and there are 80(including 1 e-branch) branches of the Parent Bank as of September 30, 2022. (December 31, 2021: 70). The Parent Bank is operating with 1.231 staff as of September 30, 2022 (December 31, 2021: 1.107).

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

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

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

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

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

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

(*) İlker SIRT KAYA was appointed as a Member of the Board of Directors and General Manager with the Board Decision dated on September 16, 2022

(**) Tuğba GEDİKLİ was appointed as a Assistant General Manager Responsible for Finance and Ali Kemal KÜÇÜKCAN was appointed as a Assistant General Manager Responsible for Treasury and International Banking and Hüseyin Cahit BÜYÜKBAŞ was appointed as a Assistant General Manager Responsible for Sales and Marketing with the Board Decision dated on November 19, 2022

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

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

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

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

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

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

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

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

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

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

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

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

SECTION TWO

The consolidated financial statements

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)

AS OF SEPTEMBER 30, 2022

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

ASSETS	Note (Fifth Section-I)	THOUSAND TL CURRENT PERIOD (30/09/2022)			THOUSAND TL PRIOR PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
I. FINANCIAL ASSETS (NET)		8.872.534	36.729.452	45.601.986	3.982.037	9.109.377	13.091.414
1.1 Cash and cash equivalents		1.297.000	34.021.116	35.318.116	899.261	6.868.642	7.767.903
1.1.1 Cash and Balances with Central Bank	(1)	1.295.977	13.612.450	14.908.427	897.830	5.338.605	6.236.435
1.1.2 Banks	(2)	1.251	20.436.087	20.437.338	1.593	1.531.522	1.533.115
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4 Expected Loss Provisions (-)		228	27.421	27.649	162	1.485	1.647
1.2 Financial Assets Measured at Fair Value Through Profit/Loss (FVTPL)	(3)	89.161	851.096	940.257	237.267	847.933	1.085.200
1.2.1 Government Debt Securities		1.186	851.096	852.282	-	847.933	847.933
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		87.975	-	87.975	237.267	-	237.267
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI)	(4)	7.207.872	1.853.666	9.061.538	2.783.631	1.389.522	4.173.153
1.3.1 Government Debt Securities		7.200.213	1.853.666	9.053.879	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)	278.501	3.574	282.075	61.878	3.280	65.158
1.4.1 Derivative Financial Assets Measured at FVTPL		278.501	3.574	282.075	61.878	3.280	65.158
1.4.2 Derivative Financial Assets Measured at FVOCI		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		31.450.239	14.864.070	46.314.309	12.156.411	12.132.116	24.288.527
2.1 Loans	(6)	28.966.018	11.140.900	40.106.918	12.307.401	9.417.079	21.724.480
2.2 Lease Receivables	(8)	189.446	108.870	298.316	108.644	74.200	182.844
Other Financial Assets Measured at Amortized Cost	(7)	2.718.079	3.721.624	6.439.703	-	2.713.586	2.713.586
2.3.1 Government Debt Securities		2.718.079	3.721.624	6.439.703	-	2.713.586	2.713.586
2.3.2 Other Financial Assets		-	-	-	-	-	-
2.4 Expected Loss Provisions(-)	(6)	423.304	107.324	530.628	259.634	72.749	332.383
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(9)	6.322	-	6.322	8.000	-	8.000
3.1 Asset Held for Sale		6.322	-	6.322	8.000	-	8.000
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
IV. PARTNERSHIP INVESTMENTS		-	-	-	-	-	-
4.1 Associates (Net)	(10)	-	-	-	-	-	-
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)		-	-	-	-	-	-
4.2.1 Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Investments in 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)	384.725	-	384.725	330.398	-	330.398
VI. INTANGIBLE ASSETS (NET)	(12)	59.448	-	59.448	23.462	-	23.462
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		59.448	-	59.448	23.462	-	23.462
VII. INVESTMENT PROPERTY (NET)	(13)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	(14)	-	-	-	66.894	-	66.894
X. OTHER ASSETS	(15)	419.845	10.024	429.869	232.129	4.979	237.108
TOTAL ASSETS		41.193.113	51.603.546	92.796.659	16.799.331	21.246.472	38.045.803

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

LIABILITIES	Note (Fifth Section-II)	THOUSAND TL CURRENT PERIOD (30/09/2022)			THOUSAND TL PRIOR PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
I. FUNDS COLLECTED	(1)	24.418.598	52.926.767	77.345.365	8.216.829	18.448.499	26.665.328
II. FUNDS BORROWED	(2)	156.573	802.729	959.302	101.296	1.103.031	1.204.327
III. MONEY MARKET FUNDS		-	-	-	1.984.303	-	1.984.303
IV. SECURITIES ISSUED (Net)	(3)	4.253.666	-	4.253.666	2.862.381	-	2.862.381
V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS							
VI. DERIVATIVE FINANCIAL LIABILITIES		5.924	-	5.924	106.180	3.810	109.990
6.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(4)	5.924	-	5.924	106.180	3.810	109.990
6.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(6)	-	-	-	-	-	-
VII. LEASE PAYABLES (NET)	(5)	268.882	-	268.882	191.498	-	191.498
VIII. PROVISIONS	(7)	129.332	108.819	238.151	66.636	51.603	118.239
8.1 General Provisions		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		21.520	-	21.520	26.592	-	26.592
8.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4 Other Provisions		107.812	108.819	216.631	40.044	51.603	91.647
IX. CURRENT TAX LIABILITY	(8)	300.561	-	300.561	81.210	-	81.210
X. DEFERRED TAX LIABILITY		142.477	-	142.477	-	-	-
XI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(9)	-	-	-	-	-	-
11.1 Held for Sale Purpose		-	-	-	-	-	-
11.2 Related to Discontinued Operations		-	-	-	-	-	-
XII. SUBORDINATED DEBT INSTRUMENTS	(10)	-	3.691.192	3.691.192	-	2.669.412	2.669.412
12.1 Loans		-	3.691.192	3.691.192	-	2.669.412	2.669.412
12.2 Other Debt Instruments		-	-	-	-	-	-
XIII. OTHER LIABILITIES	(11)	855.808	137.474	993.282	369.643	60.722	430.365
XIV. SHAREHOLDERS' EQUITY	(12)	4.646.743	(48.886)	4.597.857	1.740.202	(11.452)	1.728.750
14.1 Paid-in capital		1.026.915	-	1.026.915	1.026.915	-	1.026.915
14.2 Capital Reserves		33.186	-	33.186	23.088	-	23.088
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserve		33.186	-	33.186	23.088	-	23.088
14.3 Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		(1.411)	-	(1.411)	(1.411)	-	(1.411)
14.4 Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		1.490.818	(48.886)	1.441.932	56.776	(11.452)	45.324
14.5 Profit Reserves		630.721	-	630.721	485.999	-	485.999
14.5.1 Legal Reserves		287.788	-	287.788	280.353	-	280.353
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		342.933	-	342.933	205.646	-	205.646
14.5.4 Other Profit Reserves		-	-	-	-	-	-
14.6 Income or (Loss)		1.466.514	-	1.466.514	148.835	-	148.835
14.6.1 Prior Periods' Income or (Loss)		287	-	287	5.424	-	5.424
14.6.2 Current Period Income or (Loss)		1.466.227	-	1.466.227	143.411	-	143.411
TOTAL LIABILITIES		35.178.564	57.618.095	92.796.659	15.720.178	22.325.625	38.045.803

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

STATEMENT OF OFF BALANCE SHEET	Note (Fifth Section-III)	THOUSAND TL			THOUSAND TL		
		CURRENT PERIOD (30/09/2022)			PRIOR PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)		17.499.751	14.168.358	31.668.109	6.343.425	8.723.299	15.066.724
I. GUARANTEES AND SURETIES	(1)	6.322.396	3.624.803	9.957.199	3.024.434	3.136.467	6.160.901
1.1 Letters of Guarantees		6.321.373	2.689.057	9.010.430	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		6.321.373	2.689.057	9.010.430	3.017.583	1.863.037	4.880.620
1.2 Bank Loans		10.701	190.143	200.844	3.500	754.257	757.757
1.2.1 Import Letter of Acceptances		10.701	190.143	200.844	-	-	-
1.2.2 Other Bank Acceptances		-	-	-	3.500	754.257	757.757
1.3 Letter of Credits		322	745.603	745.925	3.351	519.173	522.524
1.3.1 Documentary Letter of Credits		322	745.603	745.925	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)	4.066.969	2.688.463	6.755.432	1.478.944	626.232	2.105.176
2.1 Irrevocable Commitments		4.066.969	2.688.463	6.755.432	1.478.944	626.232	2.105.176
2.1.1 Asset Purchase and Sale Commitments		754.688	2.359.105	3.113.793	249.690	390.845	640.535
2.1.2 Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3 Loan Granting Commitments		3.152.760	-	3.152.760	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		159.521	-	159.521	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		-	329.358	329.358	-	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		7.100.386	7.855.092	14.955.478	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)	7.100.386	7.855.092	14.955.478	1.840.047	4.960.600	6.800.647
3.2.1 Forward Foreign Currency Buy/Sell Transactions		504.148	499.999	1.004.147	238.767	310.648	549.415
3.2.1.1 Forward Foreign Currency Transactions-Buy		253.058	250.003	503.061	119.578	144.670	264.248
3.2.1.2 Forward Foreign Currency Transactions-Sell		251.090	249.996	501.086	119.189	165.978	285.167
3.2.2 Other Forward Buy/Sell Transactions		6.596.238	7.355.093	13.951.331	1.601.280	4.649.952	6.251.232
3.3 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		268.472.636	23.439.424	291.912.060	150.618.208	14.709.182	165.327.390
IV. ITEMS HELD IN CUSTODY		16.236.980	6.710.101	22.947.081	8.701.960	5.821.602	14.523.562
4.1 Assets Under Management		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		4.930.865	559.965	5.490.830	2.615.342	664.085	3.279.427
4.3 Cheques Received for Collection		3.646.260	413.499	4.059.759	2.471.391	439.907	2.911.298
4.4 Commercial Notes Received for Collection		567.805	-	567.805	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		7.091.331	5.736.637	12.827.968	3.447.440	4.717.610	8.165.050
V. PLEDGED ITEMS		252.235.656	16.729.323	268.964.979	141.916.248	8.887.580	150.803.828
5.1 Marketable Securities		769.794	-	769.794	207.150	-	207.150
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodity		5.264.739	65.181	5.329.920	2.432.206	22.511	2.454.717
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		27.974.624	-	27.974.624	13.002.677	-	13.002.677
5.6 Other Pledged Items		218.226.499	16.664.142	234.890.641	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)		285.972.387	37.607.782	323.580.169	156.961.633	23.432.481	180.394.114

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF SEPTEMBER 30, 2022

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

STATEMENT OF PROFIT OR LOSS	Note (5-IV)	THOUSAND TL	THOUSAND TL	THOUSAND TL	THOUSAND TL
		CURRENT PERIOD (01/01/2022- 30/09/2022)	PRIOR PERIOD (01/01/2021- 30/09/2021)	CURRENT PERIOD (01/07/2022- 30/09/2022)	PRIOR PERIOD (01/07/2021- 30/09/2021)
I. PROFIT SHARE INCOME	(1)	5.037.116	1.591.715	2.153.755	614.352
1.1 Profit Share on Loans		3.449.283	1.259.611	1.620.615	470.250
1.2 Income Received from Reserve Deposits		18.732	36.521	-	15.656
1.3 Income Received from Banks		210	119	134	28
1.4 Income Received from Money Market Placements		340	-	159	-
1.5 Income Received from Marketable Securities Portfolio		1.537.767	267.986	520.327	108.981
1.5.1 Financial Assets at Fair Value Through Profit and Loss		50.545	45.383	17.495	12.585
1.5.2 Financial Assets at Fair Value through Other Comprehensive Income		1.252.893	164.519	376.683	76.160
1.5.3 Financial Assets Measured at Amortised Cost		234.329	58.084	126.149	20.236
1.6 Finance Lease Income		29.152	25.642	11.525	18.443
1.7 Other Profit Share Income		1.632	1.836	995	994
II. PROFIT SHARE EXPENSE (-)	(2)	2.978.405	1.309.620	1.365.082	489.233
2.1 Expense on Profit Sharing Accounts		2.228.538	745.171	1.091.608	266.282
2.2 Profit Share Expense on Funds Borrowed		156.654	75.464	62.295	26.520
2.3 Profit Share Expense on Money Market Borrowings		60.868	22.021	9.668	3.881
2.4 Expense on Securities Issued		497.078	447.399	186.858	185.028
2.5 Lease Profit Share Expense		34.798	19.565	14.652	7.522
2.6 Other Profit Share Expenses		469	-	1	-
III. NET PROFIT SHARE INCOME (I - II)		2.058.711	282.095	788.673	125.119
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		240.974	50.585	127.226	21.994
4.1 Fees and Commissions Received		260.999	62.724	136.816	25.203
4.1.1 Non-Cash Loans		52.848	20.885	22.377	8.344
4.1.2 Other	(3)	208.151	41.839	114.439	16.859
4.2 Fees and Commissions Paid (-)		20.025	12.139	9.590	3.209
4.2.1 Non-Cash Loans		101	49	24	20
4.2.2 Other	(3)	19.924	12.090	9.566	3.189
V. DIVIDEND INCOME	(4)	-	-	-	-
VI. NET TRADING INCOME	(5)	553.930	(8.585)	459.939	1.693
6.1 Capital Market Transaction Gains / (Losses)		8.412	1.833	727	(932)
6.2 Gains/ (Losses) from Derivative Financial Instruments		742.857	(146.055)	419.775	(5.136)
6.3 Foreign Exchange Gains / (Losses)		(197.339)	135.637	39.437	7.761
VII. OTHER OPERATING INCOME	(6)	66.735	128.701	10.616	17.989
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		2.920.350	452.796	1.386.454	166.795
IX. PROVISION FOR EXPECTED LOSS (-)	(7)	326.016	46.113	108.371	8.372
X. OTHER PROVISION EXPENSES (-)	(7)	43.536	7.898	10.168	2.798
XI. PERSONNEL EXPENSES (-)	(8)	314.347	191.570	117.984	68.781
XII. OTHER OPERATING EXPENSES (-)		264.336	143.965	92.881	47.916
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		1.972.115	63.250	1.057.050	38.928
XIV. INCOME RESULTED FROM MERGERS		-	-	-	-
XV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XVI. PROFIT/LOSS BEFORE TAXES (XIII+...+XV)		-	-	-	-
XVII. PROVISION FOR TAXES (±)		1.972.115	63.250	1.057.050	38.928
XVIII. TAX PROVISION FOR CONTINUING OPERATIONS (±)	(9)	(505.888)	(12.305)	(56.909)	(7.764)
18.1 Current Tax Provision		(761.196)	(36)	-	(8)
18.2 Deferred Tax Expense (+)		237.285	52.193	149.208	15.487
18.3 Deferred Tax Income (-)		492.593	39.924	92.299	7.715
XIX. NET OPERATING PROFIT/LOSS AFTER TAXES (XVI±XVII)		1.466.227	50.945	1.000.141	31.164
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)		1.466.227	50.945	1.000.141	31.164
Earnings Per Share		0,01428	0,00050	0,00974	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)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS OF SEPTEMBER 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- 30/09/2022)	PRIOR PERIOD 01/01/2021- 30/09/2021)
I. CURRENT PERIOD PROFIT/LOSS	1.466.227	50.945
II. OTHER COMPREHENSIVE INCOME	1.396.608	2.998
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	1.396.608	2.998
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	1.860.967	3.379
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	(464.359)	(381)
III. TOTAL COMPREHENSIVE INCOME (I+II)	2.862.835	53.943

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF SEPTEMBER 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						
	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 Equity Except for Minority Interests	Total Shareholders' Equity
	Current Period (01.01.2022- 30.09.2022)														
I. Balances at Beginning Period	1.026.915	-	-	23.088	-	(1.411)	-	-	45.324	-	485.999	5.424	143.411	1.728.750	1.728.750
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning of Period (I+II)	1.026.915	-	-	23.088	-	(1.411)	-	-	45.324	-	485.999	5.424	143.411	1.728.750	1.728.750
IV. Total Comprehensive Income	-	-	-	-	-	-	-	-	1.396.608	-	-	-	1.466.227	2.862.835	2.862.835
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	-	-	-	-	-	-	-	-	-	-	148.518	(5.137)	(143.441)	(30)	(30)
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	148.518	(148.548)	-	(30)	(30)
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	143.411	(143.113)	298	298
Balances at end of the period (III+IV...+X+XI)	1.026.915	-	-	33.186	-	(1.411)	-	-	1.441.932	-	630.721	287	1.466.227	4.597.857	4.597.857

1. Revaluation surplus on tangible and intangible assets,

2. Defined Benefit Plans' Actuarial Gains/Losses,

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

4. Foreign Currency Translation Differences,

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

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

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

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF SEPTEMBER 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 – 30.09.2021)		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 Equity Except for Minority Interests	Total Shareholders' Equity
I.	Balances at Beginning Period(**)	1.026.915	-	-	28.591	-	(1.255)	-	-	(984)	-	396.085	9.317	80.626	1.539.295	1.539.295
II.	Correction made as per TAS 8	-	-	-	(5.503)	-	-	-	-	5.503	-	-	5.395	-	5.395	5.395
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	5.395	-	5.395	5.395
2.2	Effect of Changes in Accounting Policies	-	-	-	(5.503)	-	-	-	-	5.503	-	-	-	-	-	-
III.	Adjusted Balances at Beginning of Period (I+II)	1.026.915	-	-	23.088	-	(1.255)	-	-	4.519	-	396.085	14.712	80.626	1.544.690	1.544.690
IV.	Total Comprehensive Income	-	-	-	-	-	-	-	-	2.998	-	-	-	50.945	53.943	53.943
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	(9.288)	(80.626)	-	-
11.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	89.914	(89.914)	-	-	-
11.3	Others	-	-	-	-	-	-	-	-	-	-	-	80.626	(80.626)	-	-
Balances at end of the period (III+IV...+X+XI)		1.026.915	-	-	23.088	-	(1.255)	-	-	7.517	-	485.999	5.424	50.945	1.598.633	1.598.633

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 measured (TL 23.088) at amortized costs (Section 3 Note 6).

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

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS AS OF SEPTEMBER 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- 30/09/2022)	PRIOR PERIOD (01/01/2021- 30/09/2021)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit Before Changes In Assets And Liabilities from Banking Operations	687.750	584.400
1.1.1 Profit Share Income Received	4.446.334	1.448.632
1.1.2 Profit Share Expense Paid	(2.824.558)	(1.236.878)
1.1.3 Dividend Received	-	-
1.1.4 Fees and Commissions Received	260.999	62.724
1.1.5 Other Income	61.019	104.475
1.1.6 Collections from Previously Written off Loans	14.040	-
1.1.7 Payments to Personnel and Service Suppliers	(387.764)	(240.430)
1.1.8 Taxes Paid	(556.923)	(18.621)
1.1.9 Others	(325.397)	464.498
1.2 Changes in Assets and Liabilities from Banking Operations	20.493.514	527.615
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	136.188	(92.322)
1.2.2 Net (Increase) Decrease in Due From Banks and Other Financial Institutions	(6.492.880)	(1.188.482)
1.2.3 Net (Increase) Decrease in Loans	(15.613.367)	(956.372)
1.2.4 Net (Increase) Decrease in Other Assets	622.939	(61.732)
1.2.5 Net Increase (Decrease) in Bank Deposits	94.532	122.101
1.2.6 Net Increase (Decrease) in Other Deposits	43.302.774	3.527.861
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	(130.401)	-
1.2.9 Net Increase (Decrease) in Matured Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	(1.426.271)	(823.439)
I. Net Cash Flows from Banking Operations	21.181.264	1.112.015
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash flow from investing activities	(8.095.300)	(2.196.943)
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	(81.462)	(9.723)
2.4 Disposals of Property and Equipment	17.825	16.443
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(5.149.589)	(2.242.398)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income	114.034	28.918
2.7 Purchase of Financial Assets Measured at Amortised Cost	(2.943.426)	1.824
2.8 Sale of Financial Assets Measured at Amortised Cost	-	-
2.9 Other	(52.682)	7.993
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Flows from Financing Activities	5.000.492	1.417.731
3.1 Cash Obtained from Funds Borrowed and Securities Issued	46.685.730	32.543.647
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	(41.652.372)	(31.075.390)
3.3 Issued Capital Instruments	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(32.866)	(50.526)
3.6 Other	-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	2.980.280	131.706
V. Net increase/(decrease) in cash and cash equivalents	21.066.736	464.509
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	24.329.205	2.187.517

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

SECTION THREE

Accounting policies

I. Explanations on basis of presentation:

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

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

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

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

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

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

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

I. Explanations on basis of presentation (continued):

b. Accounting policies and valuation principles applied in the preparation of consolidated financial statements (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 September 30, 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 September 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 Parent Bank are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. Comparative information is restated when necessary in order to comply with the presentation of the current period financial statements. The Parent Bank has rearranged the previous period cash flow statement in order to comply with the presentation of the current period financial statements.

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

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

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

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.

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

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

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

There are no foreign currency differences capitalized by the Group.

III. Information on consolidated associates

The Parent Bank and its subsidiaries Emlak Varlık Kiralama A.Ş. and Emlak Katılım Varlık Kiralama A.Ş. are included in the accompanying consolidated financial statements by using the full consolidation method. The consolidated financial statements have been prepared in accordance with the procedures listed in the "Communiqués related to the Regulation on the Preparation of the Consolidated Financial Statements of Banks" published in the Official Gazette No. 26340 dated 8 November 2006 and the "Consolidated Financial Statements" ("TFRS 10"). The Parent Bank and its consolidated financial subsidiaries are named together as "Group".

a. Consolidation principles for subsidiaries

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

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

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

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

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

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

III. Information on consolidated associates (continued):

a. Consolidation principles for subsidiaries (continued):

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

The subsidiaries included in consolidation, their title, their place of incorporation, their main activities and their effective shareholding rates are as follows:

Title	Operation Center (City/Country)	Main Activities	Effective Rates (%)	Direct and Indirect Rates (%)
Emlak Varlık Kiralama A.Ş.	Istanbul/Turkey	Lease Certificate Issue	100	100
Emlak Katılım Varlık Kiralama A.Ş.	Istanbul/Turkey	Lease Certificate Issue	100	100

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

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

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

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

The Group's derivative instruments are classified, measured and accounted in accordance with "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 intruduces amendments to TFRS 9, TMS 39, TFRS 7, TFRS 4 and TFRS 16 is effectice since January 2021 within allowance of early application of the changes. With amendments, certain exceptions are enabled in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The changes are effective from January 1, 2021. Items indexed to base interest rates and securities constitute assets and securities issued, derivative transactions and loans obtained through repo constitute liabilities in the Group's financial statements. These changes did not have a significant impact on the financial position or performance of the Group. As of September 30, 2022, the Group has no hedging transactions based on base interest rates.

V. Explanations on profit share income and expenses:

Profit share income

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

Profit share expense

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

VI. Explanations on fees, commission income and expenses:

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

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

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

VII. Explanations on financial assets and liabilities:

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

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

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

Financial assets at fair value through profit or loss:

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

Financial assets valued at fair value through other comprehensive income:

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

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

Financial assets and liabilities measured at amortized cost:

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

As of September 30, 2022 the Group has two subordinated debts that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR) and with TRT250232F15 with the initial date March 9, 2022 with at least ten-year repayment option with no fixed term, amounting to 31.688.489 Euro (Full Euro), the financial liability is recorded at fair value and the difference between cost value and fair value is accounted under "Other Capital Reserves" in shareholders' equity at the date of initial acquisition (Section 5 Part 2 Note 10).

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

VIII. Explanations on expected credit losses:

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

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

Calculation of expected credit losses

The Group measures expected credit losses with the reasonable, objective and supportable information based on a probability-weighted including estimations about past events, current conditions as of the reporting date, without undue cost or effort. The Group has not developed an internal model for estimating these risk parameters due to insufficient historical data for modeling. In ECL calculations, the Group 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).

VIII. Explanations on expected credit losses (continued):

Parameters used in calculating expected loss provisions:

Probability of Default (PD):

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

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

Loss Given Default (LGD):

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

Exposure at Default (EAD):

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

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

12-Month Expected Loss Provision (Stage 1)

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

Significant Increase in Credit Risk (Stage 2)

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

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

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

VIII. Explanations on expected credit losses (continued):

Default (3rd Stage / Special Provision):

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

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

IX. Explanations on offsetting of financial instruments:

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

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

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

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

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

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

The Group has no discontinued operations.

XII. Explanations on goodwill and other intangible assets:

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

As of September, 2022, there is no goodwill in the financial statements of the Group. (December 31, 2021: None).

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

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

XIII. Explanations on tangible assets:

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

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

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

XIII. Explanations on tangible assets (continued):

The annual rates used are as follows:

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

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

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

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

XIV. Explanations on leasing transactions:

The Group applies the TFRS 16 leases standard.

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

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

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

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

Existence of right to use

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

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

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

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

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

XIV. Explanations on leasing transactions (continued):

The lease obligations

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

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

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

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

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

XV. Explanations on provisions and contingent liabilities:

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

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

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

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

XVI. Explanations on liabilities regarding employee rights:

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 Group 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.

XVI. Explanations on liabilities regarding employee rights (continued):

ii) *Defined contribution plans:*

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

iii) *Short term benefits to employees:*

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

XVII. Explanations on taxation:

Current tax:

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

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

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

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.

XVII. Explanations on taxation (continued):

Deferred tax:

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

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

Deferred tax is calculated on the basis of the tax rates that are applicable to or are certain to have effect on the income statement for the period in which the asset is realized or the liability is settled and recorded as income or expense in the income statement. However, deferred tax is recognized directly in equity if the tax asset relates directly to equity in the same or different period. The bank 25% tax rate is used for temporary differences realized at the end of 2022 or after or expected to close.

Transfer pricing

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

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

XVIII. Additional explanations on borrowings:

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

XIX. Explanations on issued share certificates:

None.

XX. Explanations on acceptances and availed drafts:

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

XXI. Explanations on government grants:

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2022

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

XXII. Explanations on segment reporting:

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

Segment reporting is disclosed in Section Four, Note X.

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

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

XXIV. Information on other issues:

None

SECTION FOUR**Information on consolidated financial structure and risk management****I. Explanations on consolidated equity items:**

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 7.752.934 (December 31, 2021: TL 4.006.973) which calculated as of September 30, 2022 and the capital adequacy ratio is 22,62% (December 31, 2021: 27,91%). The Group's capital adequacy standard ratio is above the minimum rate determined by related legislation.

a. Information on consolidated total capital items:

	Current Period September 30, 2022	Prior Period December 31, 2021
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1.026.915	1.026.915
Share issue premiums	-	-
Reserves	630.721	485.999
Gains recognized in equity as per TAS	1.423.844	35.873
Profit	1.466.514	148.806
Current Period Profit	1.466.227	143.411
Prior Period Profit	287	5.395
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	4.547.994	1.697.593
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1 st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	1.411	1.411
Leasehold improvements(-)	-	-
Goodwill (net of related tax liability)	71.524	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)	59.448	22.693
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	132.383	100.337
Total Common Equity Tier 1 Capital	4.415.611	1.597.256

I. Explanations on consolidated equity items (continued):

a. Information on consolidated total capital items (continued):

ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	3.184.081	2.359.569
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	3.184.081	2.359.569
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	3.184.081	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	7.599.692	3.956.825
TIER 2 CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	160.153	55.508
Contribution Capital Before Discounts	160.153	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	160.153	55.508
Total Capital (The sum of Tier I Capital and Tier II Capital)	7.759.845	4.012.333
Deductions from Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	6.911	5.360

I. Explanations on consolidated equity items (continued):

a. Information on consolidated total capital items (continued):

In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)	7.752.934	4.006.973
Total Risk Weighted Amounts	34.271.896	14.354.336
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	12,88	11,13
Tier 1 Capital Adequacy Ratio (%)	22,18	27,57
Capital Adequacy Ratio (%)	22,62	27,91
BUFFERS		
Total buffer requirement (a+b+c)	2,5	2,5
a) Capital conservation buffer requirement (%)	2,5	2,5
b) Bank specific counter-cyclical buffer requirement (%)	-	-
c) Systemic important bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets(%)	8,38	6,63
Amounts Lower Than Excesses as per Deduction Rules		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Limits related to provisions considered in Tier II calculation	-	-
Amount arising from deferred tax assets based on temporary differences	439.063	92.494
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	160.153	55.508
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	160.153	55.508
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

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

I. Explanations on consolidated equity items (continued):

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

Issuer	Türkiye Varlık Fonu Piyasa İstikrar Ve Denge Alt Fonu
Unique Identifier (CUSIP, ISIN etc.)	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 January 1, 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Subordinated Loan
Amount recognized in regulatory capital (as of most recent reporting date)	2.856.122
Par Value of Instrument	3.629.838
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

I. Explanations on consolidated equity items (continued):

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

Issuer	Türkiye Varlık Fonu Piyasa İstikrar Ve Denge Alt Fonu
Unique Identifier (CUSIP, ISIN etc.)	TRT250232F15
Governing Law(s) of the Instrument	Regulation on Banks"Equity Communiqué on Principles Regarding Borrowing Instruments to be Included in Bank"Equity Calculation
Special Consideration in the Calculation of Equity	
As of January 1, 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Subordinated Loan
Amount recognized in regulatory capital (as of most recent reporting date)	327.959
Par Value of Instrument	575.120
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

I. Explanations on consolidated equity items (continued):

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

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

II. Explanations on consolidated credit risk

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 consolidated currency risk:

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

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

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

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

d) Foreign exchange buying rates of the last five working days before the balance sheet date as publicly announced by the Group are as follows:

	USD	EUR
As of September 30, 2022 - Balance sheet evaluation rate	18,5420	18,1492
As of September 29, 2022	18,5394	17,9618
As of September 28, 2022	18,5114	17,7072
As of September 27, 2022	18,4772	17,8012
As of September 26, 2022	18,4478	17,8179
As of September 23, 2022	18,3989	17,9670

e) The simple arithmetical average of the major foreign exchange buying rates of the Group for the thirty days before the balance sheet date is full TL 18,3086 for 1 USD (December 2021: full TL 13,6246), full TL 18,1533 for 1 Euro (December 2021: full TL 15,3855).

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

III. Explanations on consolidated currency risk (continued):

Information on the Group's Currency Risk

	EURO	USD	Other FC	Total
Current Period				
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	7.204.685	6.109.380	295.331	13.609.396
Banks (****)	7.870.415	6.511.751	6.029.554	20.411.720
Financial assets at fair value through profit and loss	72.211	130.890	647.995	851.096
Money market placements	-	-	-	-
Financial Assets Valued At Fair Value Through Profit And Loss	566.527	1.287.139	-	1.853.666
Loans and financial lease receivable(*)	6.657.904	4.484.542	-	11.142.446
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	3.721.624	-	-	3.721.624
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	1.590	7.952	482	10.024
Total Assets	26.094.956	18.531.654	6.973.362	51.599.972
Liabilities				
Current account and funds collected from banks via participation accounts	29.863	77.008	51.520	158.391
Other current and profit sharing accounts (**)	23.160.254	23.126.711	6.481.411	52.768.376
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	4.076.137	417.784	-	4.493.921
Marketable securities issued	-	-	-	-
Miscellaneous payables	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	83.001	26.047	88.359	197.407
Total liabilities	27.349.255	23.647.550	6.621.290	57.618.095
Net balance sheet position	(1.254.299)	(5.115.896)	352.072	(6.018.123)
Net balance sheet position	1.284.359	5.117.844	(319.110)	6.083.093
Derivative financial instruments assets	2.252.282	5.680.765	215.986	8.149.033
Derivative financial instruments liabilities	967.923	562.921	535.096	2.065.940
Non-cash loans (**)	1.318.303	2.184.400	122.100	3.624.803
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 107.324 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 27.421 in the balance sheet.

(*****) There is no foreign currency exchange expense accrual as of 30.09.2022 (December 31, 2021: TL 3.810) Exchange rate income accruals for derivative financial instruments TL 3.574 (December 31, 2021: TL 3.280) are not included.

III. Explanations on consolidated currency risk (continued):

Explanations on consolidated position risk of equity securities in banking book

None (December 31, 2021: None).

IV. Explanations on consolidated liquidity risk:

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

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

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

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

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

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

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

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

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

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

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IV. Explanations on consolidated liquidity risk (continued):

Consolidated Liquidity Coverage Ratio:

Current Period	Rate of "Percentage to be taken into account " not Implemented Total value ^(*)		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			25.050.834	17.074.268
CASH OUTFLOWS				
2 Retail and Small Business Funds Collected	11.449.304	9.311.485	1.125.234	931.149
3 Stable Funds Collected	393.927	-	19.696	-
4 Less stable Funds Collected	11.055.377	9.311.485	1.105.538	931.149
5 Unsecured Funding other than Retail and Small Business	18.574.433	15.631.633	8.104.305	6.630.928
6 Customers Deposits			-	-
7 Operational Funds Collected	18.230.040	15.542.042	7.759.912	6.541.337
8 Non-Operational Funds Collected	344.393	89.591	344.393	89.591
9 Other Unsecured Funding	-	-	-	-
10 Secured funding	4.376.718	1.400.444	4.376.718	1.400.444
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	3.267.516	1.400.444	3.267.516	1.400.444
12 Debts related to the structured financial products	1.109.202	-	1.109.202	-
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	12.207.194	3.930.364	3.122.229	349.324
16 TOTAL CASH OUTFLOWS			16.728.486	9.311.845
CASH INFLOWS				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	12.957.309	9.139.519	11.500.107	8.826.936
19 Other contractual cash inflows	3.290.353	2.888.856	3.290.353	2.888.856
20 TOTAL CASH INFLOWS	16.247.662	12.028.375	14.790.460	11.715.792
Upper limit applied amounts				
21 TOTAL HQLA			25.050.834	17.074.268
22 TOTAL NET CASH OUTFLOWS			4.182.122	2.327.961
23 Liquidity Coverage Ratio (%)			599.00	733.44

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

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

Liquidity Coverage Ratio (%)	Current Period – 30.09.2022	
	TL+FC	FC
Lowest (%)	380,87	422,66
Month	July	September
Highest (%)	843,84	993,40
Month	July	August
Average	612,36	708,03

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IV. Explanations on consolidated liquidity risk (continued):

Consolidated Liquidity Coverage Ratio (continued):

Prior Period	Rate of "Percentage to be taken into account " not Implemented Total value ^(*)		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			10.868.494	7.806.419
CASH OUTFLOWS				
2 Retail and Small Business Funds Collected	4.532.545	3.464.051	439.566	346.405
3 Stable Funds Collected	273.766	-	13.688	-
4 Less stable Funds Collected	4.258.779	3.464.051	425.878	346.405
5 Unsecured Funding other than Retail and Small Business	5.997.615	4.906.244	2.978.932	2.370.259
6 Customers Deposits	-	-	-	-
7 Operational Funds Collected	5.769.197	4.848.321	2.750.514	2.312.336
8 Non-Operational Funds Collected	228.418	57.923	228.418	57.923
9 Other Unsecured Funding	-	-	-	-
10 Secured funding	2.696.146	1.123.441	2.696.146	1.123.441
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	1.499.229	1.123.441	1.499.229	1.123.441
12 Debts related to the structured financial products	1.196.917	-	1.196.917	-
13 Commitment related to the structured financial markets and other off balance sheet liabilities	-	-	-	-
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	6.538.351	2.853.496	1.302.802	245.272
16 TOTAL CASH OUTFLOWS			7.417.446	4.085.377
CASH INFLOWS				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	3.651.118	1.911.644	2.874.070	1.713.374
19 Other contractual cash inflows	1.422.810	1.258.229	1.422.810	1.258.229
20 TOTAL CASH INFLOWS	5.073.928	3.169.873	4.296.880	2.971.603
			Upper limit applied amounts	
21 TOTAL HQLA			10.868.494	7.806.419
22 TOTAL NET CASH OUTFLOWS			3.120.566	1.113.774
23 Liquidity Coverage Ratio (%)			348,29	700,90

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

Liquidity Coverage Ratio (%)	Prior Period – 31.12.2021	
	TL+FC	FC
Lowest (%)	107,42	94,52
Month	December	December
Highest (%)	1.132,15	630,74
Month	November	December
Average	619,78	362,63

IV. Explanations on consolidated liquidity risk (continued):

Consolidated Liquidity Coverage Ratio (continued):

Liquidity coverage ratio is calculated by comparing the high quality liquid assets owned by the Group to net cash outflow in 30 days maturity. Balance sheet accounts that are significant on the ratio can be listed as reserve requirements maintained at CBRT, banks receivables and funds collected. The effect of these accounts on the liquidity coverage ratio is higher than other accounts, since these accounts have a higher share in liquid assets and net cash outflows.

High quality liquid assets consist of cash, deposits in central banks and securities considered as high quality liquid assets. Reserve deposits are included in high quality liquid assets, limited by the amount that is allowed by central bank to use in liquidity shortages.

The Group's high quality liquid assets are composed of 6,05% cash, 38,07% deposits in central banks and 55,88% securities considered as high quality liquid assets.

The Group's main funding sources are funds collected, funds borrowed, borrowings from money market and subordinated loans. Funding source composition in report date is 79,30% funds collected, 7,15% subordinated debt instruments and 13,55% funds borrowed.

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IV. Explanations on consolidated 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	3.654.162	11.250.984	-	-	-	-	-	14.905.146
Banks	20.412.970	-	-	-	-	-	-	20.412.970
Financial Assets at Fair Value Through Profit and Loss	-	-	5.028	186.499	748.730	-	-	940.257
Money Market Placements	-	-	-	-	-	-	-	-
Financial assets valued at fair value through other comprehensive income	-	-	-	646.730	7.874.412	532.737	7.659	9.061.538
Loans	-	4.527.265	4.488.755	15.525.828	13.486.134	1.852.445	25	39.880.452
Financial assets valued at amortised cost	-	-	-	-	3.994.323	2.439.534	-	6.433.857
Other Assets ^(*)	-	-	-	-	-	-	1.162.439	1.162.439
Total Assets	24.067.132	15.778.249	4.493.783	16.359.057	26.103.599	4.824.716	1.170.123	92.796.659
Liabilities								
Current account and funds collected from banks via participation accounts	414.438	121.655	-	-	-	-	-	536.093
Other current and profit sharing accounts	41.377.223	22.197.648	8.117.448	5.098.494	18.459	-	-	76.809.272
Funds provided from other financial institutions and subordinated loans	-	98.159	33.133	517.432	310.578	-	3.691.192	4.650.494
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	1.296.024	1.503.770	1.453.872	-	-	-	4.253.666
Other liabilities ^(**)	-	216.631	-	-	-	-	6.330.503	6.547.134
Total Liabilities	41.791.661	23.930.117	9.654.351	7.069.798	329.037	-	10.021.695	92.796.659
Liquidity Gap	(17.724.529)	(8.151.868)	(5.160.568)	9.289.259	25.774.562	4.824.716	(8.851.572)	-
Net Off-balance sheet Position	-	34.568	(6)	310	-	-	-	34.872
Financial Derivative Assets	-	4.321.920	3.124.685	48.570	-	-	-	7.495.175
Financial Derivative Liabilities	-	4.287.352	3.124.691	48.260	-	-	-	7.460.303
Non-cash Loans	-	264.967	482.579	3.301.508	1.802.792	22.800	3.135.784	9.010.430
Prior Period								
Total Assets	2.417.162	8.653.090	2.150.905	8.216.327	14.365.935	1.511.364	731.020	38.045.803
Total Liabilities	8.728.954	17.348.404	5.516.529	1.154.173	2.729.338	-	2.568.405	38.045.803
Liquidity Gap	(6.311.792)	(8.695.314)	(3.365.624)	7.062.154	11.636.597	1.511.364	(1.837.385)	-
Net Off-balance sheet Position	-	(31.071)	(56.149)	(1.175)	-	-	-	(88.395)
Financial Derivative Assets	-	2.508.922	756.035	91.169	-	-	-	3.356.126
Financial Derivative Liabilities	-	2.539.993	812.184	92.344	-	-	-	3.444.521
Non-cash Loans	1.354.438	1.108.447	343.855	1.578.062	495.818	-	-	4.880.620

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

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

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V. Explanations on consolidated leverage ratio:

As of September 30, 2022, leverage ratio of the Group calculated from the arithmetic average of the last 3 months is 7,91%.(December 31, 2021: 8,51%) Leverage ratio is required to remain minimum 3% as per "Communiqué on Measurement and Evaluation for Leverage Ratios of Banks".

Leverage Ratio Public Disclosure Template:

	Current Period September 30, 2022(*)	Prior Period December 31, 2021 (*)
Balance sheet assets		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	78.719.244	33.036.737
2 (Assets deducted from Core capital)	126.334	103.381
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	78.592.910	32.933.356
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	-	-
5 Potential credit risk amount of derivative financial assets and credit derivatives	215.703	92.887
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	215.703	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)	5.548.545	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)	5.548.545	2.441.721
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	16.186.032	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)	16.186.032	7.757.835
Capital and total risk		
13 Core Capital	6.974.267	3.679.879
14 Total risk amount (sum of lines 3, 6, 9 and 12)	100.543.190	43.225.799
Leverage ratio		
15 Leverage ratio (%)	6,94	8,51

(*) Amounts in the table show quarterly averages.

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

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

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

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

VIII. Explanations on consolidated risk management

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

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)	31.529.030	12.883.435	2.522.322
2	Of which standardised approach (SA)	31.529.030	12.883.435	2.522.322
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	31.141	26.820	2.491
5	Of which standardised approach for counterparty credit risk (SA-CCR)	31.141	26.820	2.491
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	1.726.843	719.119	138.147
17	Of which standardised approach (SA)	1.726.843	719.119	138.147
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	984.882	724.962	78.791
20	Of which Basic Indicator Approach	984.882	724.962	78.791
21	Of which Standardised Approach	-	-	-
22	Of which Advanced Measurement Approach	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	34.271.896	14.354.336	2.741.751

IX. Explanations on consolidated business segments:

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

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	6.579.011	30.434.706	54.584.577	1.198.365	92.796.659
Total Liabilities	42.847.305	39.957.320	7.247.083	(1.852.906)	88.198.802
Total Equity	729.700	1.323.555	(64.210)	2.608.812	4.597.857
Net profit share income/(expense) (*)	561.263	1.542.366	(46.266)	1.348	2.058.711
Net fees and commissions income/(expense)	98.371	140.933	(11.937)	13.607	240.974
Other operating income/(expense)	124.346	(146.995)	40.387	(19.292)	(1.554)
Provision expenses	(54.280)	(214.539)	(46.394)	(10.803)	(326.016)
Profit/(loss) before tax	729.700	1.321.765	(64.210)	(15.140)	1.972.115
Provision for tax	-	-	-	(505.888)	(505.888)
Net profit / (loss) for the period	729.700	1.321.765	(64.210)	(521.028)	1.466.227

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

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	3.740.018	17.089.861	16.400.186	815.738	38.045.803
Total Liabilities	8.339.463	20.169.544	7.442.924	365.122	36.317.053
Total Equity	-	-	-	1.728.750	1.728.750
Net profit share income/(expense) (*)	173.067	593.194	(158.806)	(75.070)	532.385
Net fees and commissions income/(expense)	38.011	54.666	(9.655)	(38)	82.984
Other operating income/(expense)	46.140	69.612	(25.294)	(407.121)	(316.663)
Provision expenses	(10.129)	(84.511)	(5.001)	(10.601)	(110.242)
Profit/(loss) before tax	247.089	632.961	(198.756)	(492.830)	188.464
Provision for tax	-	-	-	(45.053)	(45.053)
Net profit / (loss) for the period	247.089	632.961	(198.756)	(537.883)	143.411

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

SECTION FIVE

Explanations and notes on the consolidated financial statements

I. Explanations and notes related to consolidated assets:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash / Foreign currency	47.901	243.023	27.027	82.778
CBRT	1.209.241	12.723.731	860.099	4.490.642
Other (*)	38.835	645.696	10.704	765.185
Total	1.295.977	13.612.450	897.830	5.338.605

(*) Includes precious metal deposit account amounting to TL 74.167 (December 31, 2021: TL 165.496) as of September 30, 2022 and money in transit account amounting to TL 610.393 (December 31, 2021: TL 610.393).

b. Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	972.129	1.707.171	843.500	159
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Reserve requirements	237.112	11.016.560	16.599	4.490.483
Total	1.209.241	12.723.731	860.099	4.490.642

c. Explanations on implementing requested reserves :

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

As of September 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)

b.1) Explanations on implementing requested reserves :

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

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

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

I. Explanations and notes related to assets:

b.1) Explanations on implementing requested reserves :

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

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

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

Securities are established in accordance with the Central Bank's procedures and principles for loans subject to the establishment of securities, the procedures and principles of which are determined by the Central Bank based on the profit share rate the Communiqué on the Procedures and Principles Regarding the Fees That Banks Can Charge Commercial Customers, dated 10.02.2020 and numbered 31035, with annual compound profit share rate from loans extended until 30/12/2022 (inclusive) calculation date (Number: 2020/4) with 90% of Turkish lira-denominated securities are blocked if they are between 1.4 and 1.8 (inclusive) times the annual compound reference rate announced by the Central Bank, calculated within the framework of the determined procedures and principles, and if they are greater than 20.1.8%.

2. a. Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	1.251	6.116.421	1.593	254.853
Abroad	-	14.319.666	-	1.276.669
Total	1.251	20.436.087	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 September 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	942.475	1.087.412
Quoted on a stock exchange	748.135	572.980
Unquoted on a stock exchange (*)	194.340	514.432
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted on a stock exchange	-	-
Impairment provision (-)	(2.218)	(2.212)
Total	940.257	1.085.200

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

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

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

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

As of September 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 600.328 (December 31, 2021: TL 355.782).

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

	Current Period	Prior Period
Debt securities	9.109.321	4.201.759
Quoted on a stock exchange (*)	7.212.354	3.221.985
Unquoted on a stock exchange	1.896.967	979.774
Share certificates	7.659	7.659
Quoted on a stock exchange (*)	-	-
Unquoted on a stock exchange	7.659	7.659
Impairment provision (-)	(55.442)	(36.265)
Total	9.061.538	4.173.153

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

5. Information on derivative financial assets

a. Positive differences related to the derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Swap Transactions	6.624	2.519	29.633	419
Forward Transactions	271.877	1.055	32.245	2.861
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	278.501	3.574	61.878	3.280

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

6. Information on loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans to Bank Partners	394.408	-	714.824	-
Loans to Legal Person Partners	394.408	-	714.824	-
Loans to Real Person Partners	-	-	-	-
Indirect Loans to Bank Partners	997	-	973	-
Loans to Bank Members	997	-	973	-
Total	395.405	-	715.797	-

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

b1. Detail table on the first and second group loans including restructured loans

Cash Loans Current Period	Standard Loans	Loans Under Close Monitoring		
		Loans Not subject to restructured loans	Restructured Loans	
			Loans with Revised Contract Terms	Refinance
Loans	39.744.296	48.303	80.077	-
Export loans	-	-	-	-
Import loans	2.418.502	34.152	-	-
Business loans	25.988.040	10.004	80.077	-
Consumer loans	1.065.371	856	-	-
Credit cards	-	-	-	-
Loans given to financial sector	4.411.072	-	-	-
Other (*)	5.861.311	3.291	-	-
Other receivables	-	-	-	-
Total	25.911.981	48.303	-	-

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

Installment Commercial Loans	4.991.782
Loans Extended Abroad	45.076
Other Investment Loans	827.715
Other	29
Total	5.864.602

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

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(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):

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

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

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

Installment Commercial Loans	2.969.857
Loans Extended Abroad	174.503
Other	84.140
	4.291
Total	3.232.791

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	306.521	-
Substantial increase in credit risk	-	12.807
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".

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

6. Information on loans (continued):

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

Current Period	Short-term	Medium and long-term	Total
Consumer loans-TL	11.601	1.047.043	1.058.644
Housing loans	4.470	969.837	974.307
Vehicle loans	1.990	37.184	39.174
Consumer loans	5.141	40.022	45.163
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	21	2.040	2.061
Housing loans	-	1.546	1.546
Vehicle loans	21	317	338
Consumer loans	-	177	177
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	11.622	1.049.083	1.060.705

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

6. Information on loans (continued):

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

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

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

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

6. Information on loans (continued):

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

Current Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	1.413.028	3.136.396	4.549.424
Business loans	81.050	468.579	549.629
Vehicle loans	973.661	1.350.662	2.324.323
Consumer loans	358.317	1.317.155	1.675.472
Other	-	-	-
Commercial installment loans-FC indexed	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	36.368	353.552	389.920
Business loans	1.467	15.902	17.369
Vehicle loans	3.532	133.926	137.458
Consumer loans	31.369	203.724	235.093
Other	-	-	-
Corporate credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	3.435	-	3.435
Overdraft account-FC(Legal Entity)	49.003	-	49.003
Total	1.501.834	3.489.948	4.991.782
Prior Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	287.471	2.191.296	2.478.767
Business loans	10.572	278.396	288.968
Vehicle loans	233.688	1.082.909	1.316.597
Consumer loans	43.211	829.991	873.202
Other	-	-	-
Commercial installment loans-FC indexed	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	116.377	329.601	445.978
Business loans	1.137	9.375	10.512
Vehicle loans	-	136.500	136.500
Consumer loans	115.240	183.726	298.966
Other	-	-	-
Corporate credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	15.176	-	15.176
Overdraft account-FC(Legal Entity)	29.936	-	29.936
Total	448.960	2.520.897	2.969.857

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

6. Information on loans (continued):

f. 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	39.044.961	21.354.450
Foreign loans	827.715	174.503
Total	39.872.676	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	2.634	4.162
Doubtful Loans and Other Receivables	19.113	7.835
Uncollectible Loans and Receivables	189.553	173.683
Total	211.300	185.680

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

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

None (December 31, 2021: None).

I. Explanations and notes related to consolidated 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	8.312	13.071	174.144
Additions in the current period (+)	48.031	2.676	2.048
Transfers from other categories of non-performing loans (+)	-	41.021	19.598
Transfers to other categories of non-performing loans (-)	41.021	19.598	-
Collections in the current period (-)	9.899	3.461	680
Write offs (-)	-	-	-
Sale (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	5.423	33.709	195.110
Provision (-)	2.634	19.113	189.553
Net balance at the balance sheet	2.789	14.596	5.557

* 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	1.403
Transfers to other categories of non-performing loans (-)	15.647	1.403	-
Collections in the current period (-)	96	1.490	44
Write offs (-)	-	-	-
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).

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

6. Information on loans (continued):

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

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (net)	2.789	14.596	5.557
Loans to individuals and corporates (gross)	5.423	33.709	195.110
Provision (-)	2.634	19.113	189.553
Loans to individuals and corporates (net)	2.789	14.596	5.557
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision (-)	-	-	-
Other Loans (Net)	-	-	-
Prior Period (Net)	7.324	1.269	1.254
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	IV. Grup	V. Grup
	Limited Collection Loans	Doubtful Loans	Loss Loans
Current Period (Net)	337	2.356	1.809
Dividend Accruals and Rediscounts and Valuation Differences	-	-	-
Provisions (-)	337	2.356	1.809
Prior Period (Net)	288	637	467
Dividend Accruals and Rediscounts and Valuation Differences	-	-	-
Provisions (-)	288	637	467

k. Liquidation policy for uncollectible loans and receivables:

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

I. Explanations and notes related to consolidated 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 2022 (December 31, 2021: None).

7. Information on Financial Assets Measured at Amortized Cost

a. Information on government debt securities measured at amortized cost

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities (*)	6.439.703	2.713.586
Total	6.439.703	2.713.586

(*) The Parent Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. Subordinated debt instrument with the ISIN code TRT240424F22, starting date of 24 April 2019, with the earliest five-year repayment option and a demand deposit of 200.000.000 Euro (Full Euro) and the Parent Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. It consists of subordinated debt instruments with an ISIN code of TRT250232F15, starting date of 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	6.439.703	2.713.586
Quoted on a stock Exchange	1.687.273	-
Unquoted (*)	4.752.430	2.713.586
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Impairment Provision (-)	-	-
Total	6.439.703	2.713.586

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

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

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

7. Information on Financial Assets Measured at Amortized Cost (continued):

c. Information on the movements of financial assets valued 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 (**)	815.155	1.128.426
Purchases during period	2.927.194	16.231
Disposals through sales and redemptions	(16.232)	-
Impairment provision (-)	-	-
Closing Balance (*)	6.439.703	2.713.586

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

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TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2022

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

I. Explanations and notes related to consolidated 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	22.404	20.454	8.922	8.799
1 to 4 years	268.299	226.051	141.131	118.381
More than 4 years	57.881	51.811	62.322	55.664
Total	348.584	298.316	212.375	182.844

b. Information on net investments through finance lease:

	Current Period	Prior Period
Finance lease receivables (gross)	348.584	212.375
Unearned finance lease receivable (-)	50.268	29.531
Receivable from finance leases (net)	298.316	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:

Finance Lease	Standard Loans	Leasing Receivables Under Close Monitoring			
		Leasing receivables not subject to restructured loans	Restructured or rescheduled		
			Leasing Receivables with Revised Contract Terms	Refinance	
Current Period					
Finance lease receivables (Net)	298.316	-	-	-	-
Prior Period					
Finance lease receivables (Net)	182.844	-	-	-	-

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

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

	Current Period	Prior Period
Opening balance	8.000	23.797
Additions	4.360	-
Disposals	(6.038)	(15.797)
Transfers	-	-
Impairment (-)	-	-
Closing balance	6.322	8.000

I. Explanations and notes related to consolidated 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 Parent Bank by 50%, has been reported to be bankrupt in the Audit Report prepared by Court of Account dated October 31, 2018. Emlak Menkul Değerler A.Ş. has not been consolidated as of September 30, 2022 and December 31, 2021.

b.2 Information on consolidated subsidiaries

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

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

Name	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 those of Emlak Varlık Kiralama A.Ş. and Emlak Katılım Varlık Kiralama A.Ş.'s financial statements dated September 30, 2022 which have not undergone reviewed.

Name	Total Assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income /loss	Prior period income /loss	Fair Value
Emlak Varlık Kiralama A.Ş.	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 consolidated 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 (December 31, 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).

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

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

14. Information related to deferred tax asset:

	Current Period	Prior Period
Lease certificates rediscount income	24.931	1.125
Prepaid wages and commissions and unearned income	25.652	25.317
Expected Loss Provisions	26.725	24.274
Securities valuation differences	5.617	5.167
Provisions for retirement premium and vacation pay liabilities	67.655	5.740
Derivative financial instruments	25.624	23.286
TFRS 16 allowance	3.502	3.528
Securities value increase legal tax difference	252.985	-
Other debt and expense provisions	6.371	4.057
Deferred tax asset	439.062	92.494
Securities valuation differences	473.883	9.214
Derivative instruments	94.258	13.599
Profit share rediscount	13.139	264
Difference between book value and tax value of tangible fixed assets	-	2.584
Other	259	579
Deferred tax liability	581.539	25.920
Deferred tax asset (Net)	(142.477)	66.894

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	52.549	52.549
Exchange Account	362.132	149.601
Other	15.188	34.958
Total	429.313	236.601

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

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

II. Explanations and notes related to consolidated liabilities:

1. Information on funds collected:

a. Information on maturity structure of funds collected:

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	396.001	-	-	-	-	-	-	-	396.001
II. Real Persons Participation Accounts Non-Trade TL(*)	-	1.533.674	2.302.617	953.945	45.244	165.742	18.459	-	5.019.681
III. Current Account other-TL	1.858.786	-	-	-	-	-	-	-	1.858.786
Public Sector	118.566	-	-	-	-	-	-	-	118.566
Commercial Institutions	1.472.236	-	-	-	-	-	-	-	1.472.236
Other Institutions	-	-	-	-	-	-	-	-	-
Commercial and Other Institutions	11.937	-	-	-	-	-	-	-	11.937
Banks and Participation Banks	256.047	-	-	-	-	-	-	-	256.047
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	256.047	-	-	-	-	-	-	-	256.047
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	10.319.483	3.183.444	1.341.027	101.008	1.855.944	-	-	16.800.906
Public Sector	-	5.646.203	598.827	165.431	-	2.988	-	-	6.413.449
Commercial Institutions	-	4.057.419	2.481.251	1.168.446	101.008	1.848.627	-	-	9.656.751
Other Institutions	-	389.570	50.184	6.968	-	-	-	-	446.722
Commercial and Other Institutions	-	104.636	53.182	182	-	4.329	-	-	162.329
Banks and Participation Banks	-	121.655	-	-	-	-	-	-	121.655
V. Real Persons Current Accounts Non- Trade FC	12.706.817	-	-	-	-	-	-	-	12.706.817
VI. Real Persons Participation Accounts Non-Trade FC	-	2.604.374	360.405	392.605	11.277	34.904	-	-	3.403.565
VII. Other Current Accounts FC	25.455.089	-	-	-	-	-	-	-	25.455.089
Residents in Turkey-Corporate	10.127.901	-	-	-	-	-	-	-	10.127.901
Residents Abroad-Corporate	15.171.216	-	-	-	-	-	-	-	15.171.216
Banks and Participation Banks	155.972	-	-	-	-	-	-	-	155.972
Central Bank of Turkey	108.627	-	-	-	-	-	-	-	108.627
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	47.345	-	-	-	-	-	-	-	47.345
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	7.266.071	1.834.549	3.515	135.804	21.829	-	-	9.261.768
Public sector	-	186.818	-	-	-	-	-	-	186.818
Commercial institutions	-	5.959.818	1.752.438	3.515	135.804	21.829	-	-	7.873.404
Other institutions	-	173.139	4.743	-	-	-	-	-	177.882
Commercial and Other Institutions	-	946.296	77.368	-	-	-	-	-	1.023.664
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
IX. Precious Metals Deposits	1.374.968	505.535	191.554	17.262	2.805	7.404	-	-	2.099.528
X. Participation Accounts Special Fund Pools TL	-	90.166	244.879	8.179	-	-	-	-	343.224
Residents in Turkey	-	90.166	244.879	8.179	-	-	-	-	343.224
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	41.791.661	22.319.303	8.117.448	2.716.533	296.138	2.085.823	18.459	-	77.345.365

(*)Balance of Participation Accounts includes 2.844.230 TL of FX- Protected Turkish Lira Time Deposit which was launched by Ministry of Treasury and Finance on December 24, 2021 and 5.591.817 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 246.197 TL of YUVAM accounts which was announced on February 1, 2022, Official Gazette numbered 31737

II. Explanations and notes related to consolidated liabilities (continued)**1. Information on funds collected (continued):****a. Information on maturity structure of funds collected (continued):**

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts									
Non-Trade TL	261.953	-	-	-	-	-	-	-	261.953
II. Real Persons Participation									
Accounts Non-Trade TL	-	640.189	149.084	72.343	916	3.254	2.288	-	868.074
III. Current Account other-TL	837.668	-	-	-	-	-	-	-	837.668
Public Sector	49.965	-	-	-	-	-	-	-	49.965
Commercial Institutions	779.810	-	-	-	-	-	-	-	779.810
Other Institutions	-	-	-	-	-	-	-	-	-
Commercial and Other Institutions	7.893	-	-	-	-	-	-	-	7.893
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	4.949.969	1.186.818	97.062	15.001	286	-	-	6.249.136
Public Sector	-	931.137	314.755	39.643	-	-	-	-	1.285.535
Commercial Institutions	-	3.106.700	827.738	57.419	15.001	286	-	-	4.007.144
Other Institutions	-	357.165	44.325	-	-	-	-	-	401.490
Commercial and Other Institutions	-	-	-	-	-	-	-	-	-
Banks and Participation Banks	-	554.967	-	-	-	-	-	-	554.967
V. Real Persons Current Accounts									
Non-Trade FC	1.127.672	-	-	-	-	-	-	-	1.127.672
VI. Real Persons Participation									
Accounts Non-Trade FC	-	2.405.228	288.573	17.012	21.082	47.266	-	-	2.779.161
VII. Other Current Accounts FC	5.814.741	-	-	-	-	-	-	-	5.814.741
Residents in Turkey-Corporate	5.146.221	-	-	-	-	-	-	-	5.146.221
Residents Abroad-Corporate	668.520	-	-	-	-	-	-	-	668.520
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	5.376.311	1.995.286	3.063	133	-	-	-	7.374.793
Public sector	-	149.763	-	-	-	-	-	-	149.763
Commercial institutions	-	4.775.270	1.966.786	3.063	133	-	-	-	6.745.252
Other institutions	-	215.860	3.976	-	-	-	-	-	219.836
Commercial and Other Institutions	-	208.883	24.524	-	-	-	-	-	233.407
Banks and Participation Banks	-	26.535	-	-	-	-	-	-	26.535
IX. Precious Metals Deposits	686.920	445.566	185.224	32.389	320	1.711	-	-	1.352.130
X. Participation Accounts Special									
Fund Pools TL	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special									
Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	8.728.954	13.817.263	3.804.985	221.869	37.452	52.517	2.288	-	26.665.328

(*)Balance of Participation Accounts includes 110.692 TL of FX- Protected Turkish Lira Time Deposit which was launched by Ministry of Treasury and Finance on December 24, 2021 and 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 .

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

1. Information on funds collected (continued):

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

b.1 Exceeding the limit of Insurance Fund:

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

	Under the guarantee of Insurance		Exceeding the guarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Real persons' current and participation accounts not subject to trading transactions	1.586.193	706.887	21.918.455	5.170.627
Turkish Lira accounts	844.962	316.828	4.878.128	813.201
Foreign currency accounts	741.231	390.059	17.040.327	4.357.426
Foreign branches' deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

Information on legal persons' current and participation accounts under the guarantee of insurance and exceeding the limit of Insurance Fund:

	Under the guarantee of Insurance		Exceeding the guarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Legal persons' current and participation accounts	734.675	-	45.651.665	-
Turkish Lira accounts	416.514	-	11.468.990	-
Foreign currency accounts	318.161	-	34.182.675	-
Foreign branches' deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

Funds collected by Participation Banks (except foreign branches) from current and participation accounts denominated in Turkish Lira or foreign currency up to a limit of maximum TL 200 (including both capital and profit shares) for each real person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law numbered 5411.

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	5.616	1.651
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Turkey in order to engage solely in Off-Shore Banking Activities	-	-

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II. Explanations and notes related to consolidated 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	156.573	439.307	101.296	1.103.031
Loans obtained from Issued Lease certificates (Sukuk)	-	-	-	-
Other	-	363.422	-	-
Total	156.573	802.729	101.296	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	156.573	348.560	101.296	799.706
Loans from foreign banks, institutions and funds	-	454.169	-	303.325
Total	156.573	802.729	101.296	1.103.031

a.2 Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	156.573	492.152	101.296	1.074.109
Medium and Long-Term	-	310.577	-	28.922
Total	156.573	802.729	101.296	1.103.031

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

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

II. Explanations and notes related to consolidated liabilities (continued):**3. Information on issued securities:**

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

Date of Issue	Amount of Issue	Sort of Money	Maturity	Share of Profit's Ratio %(*)
November 4 2020 Wednesday	50.000	TL	November 3 2022 Thursday	Unstable
November 10 2021 Wednesday	51.800	TL	November 16 2022 Wednesday	Unstable
April 8 2022 Friday	31.000	TL	October 6 2022 Thursday	Stable
May 5 2022 Thursday	250.000	TL	May 23 2023 Tuesday	Unstable
May 25 2022 Wednesday	60.000	TL	May 31 2023 Wednesday	Stable
May 26 2022 Thursday	110.350	TL	June 15 2023 Thursday	Stable
June 14 2022 Tuesday	169.550	TL	June 16 2023 Friday	Stable
June 17 2022 Friday	50.000	TL	July 7 2023 Friday	Unstable
July 5 2022 Tuesday	70.000	TL	October 5 2022 Wednesday	Stable
July 7 2022 Thursday	600.000	TL	October 7 2022 Friday	Stable
July 7 2022 Thursday	65.000	TL	October 7 2022 Friday	Stable
July 20 2022 Wednesday	50.000	TL	October 27 2022 Thursday	Stable
July 25 2022 Monday	56.790	TL	October 25 2022 Tuesday	Stable
July 28 2022 Thursday	400.000	TL	November 3 2022 Thursday	Stable
August 3 2022 Wednesday	79.000	TL	February 1 2023 Wednesday	Stable
August 4 2022 Thursday	50.000	TL	November 10 2022 Thursday	Stable
August 5 2022 Friday	361.570	TL	October 10 2022 Monday	Stable
August 23 2022 Tuesday	150.000	TL	November 22 2022 Tuesday	Stable
August 29 2022 Monday	130.000	TL	December 7 2022 Wednesday	Stable
August 31 2022 Wednesday	100.000	TL	September 1 2023 Friday	Stable
September 6 2022 Tuesday	100.000	TL	December 6 2022 Tuesday	Stable
September 6 2022 Tuesday	150.000	TL	November 10 2022 Thursday	Stable
September 12 2022 Monday	45.000	TL	November 1 2022 Tuesday	Stable
September 15 2022 Thursday	150.000	TL	June 9 2023 Friday	Stable
September 20 2022 Tuesday	101.500	TL	January 3 2023 Tuesday	Stable
September 21 2022 Wednesday	353.323	TL	January 3 2023 Tuesday	Stable
September 22 2022 Thursday	450.000	TL	December 22 2022 Thursday	Stable
September 29 2022 Thursday	110.000	TL	January 4 2023 Wednesday	Stable

a. Summary table of securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Lease certificate	4.253.666	-	2.862.381	-
Total	4.253.666	-	2.862.381	-

4. Information on derivative financial liabilities held for trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	4.814	-	28.560	-
Swap Transactions	1.110	-	77.620	3.810
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	5.924	-	106.180	3.810

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

5. Lease payables:

	Current Period		Prior Period	
	FC	TL	FC	FC
Less than 1 year	48.378	-	29.067	-
Between 1-5 years	166.213	-	110.855	-
Over 5 years	54.291	-	51.576	-
Total	268.882	-	191.498	-

6. Information on hedging derivative financial liabilities:

None (December 31, 2021: None).

7. Information on provisions:

a. Information on provisions for employee rights:

Provisions for Group's employee benefits consist of reserve for employee termination benefits amounting to TL 13.161 (December 31, 2021: TL 8.170), TL 8.359 (December 31, 2021: TL 4.543), vacation pay liability amounting to TL - (December 31, 2021: TL 13.879) performance premium provision, the Group's total amount of provisions for employee rights is TL 21.520 (December 31, 2021: TL 26.592).

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

	Current Period	Prior Period
Discount rate (%)	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	4.991	4.011
Actuarial (gain) / loss	-	(106)
Balance at the end of the period	13.161	8.170

b. Other Provisions:

	Current Period	Prior Period
Provisions allocated from profit shares to be distributed to profit sharing accounts	105.903	52.475
Provisions for cases on trial	4.987	5.090
Impairment provision	16.628	1.871
Expected credit loss for Stage 1 and Stage 2 for non-cash loans	80.222	32.014
Expected loss provision for Stage 3 non-compensated and non-cash loans	8.891	197
Total	216.631	91.647

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

7. Information on provisions (continued):

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

None (December 31, 2021: None).

8. Information on taxes payable:

a. Information on Tax Liability

a.1. Explanations on current tax liability:

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

a.2. Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	207.310	38.994
BSMV	25.744	11.335
Income tax deducted from wages	7.941	9.571
Income Tax on Securities	13.341	8.068
Foreign Exchange Transaction Tax	24.137	2.230
Value Added Tax Payable	1.989	1.116
Real Estate Capital Gains Tax	652	480
Other	7.624	414
Total	288.738	72.208

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

8. Information on taxes payable (continued):

a.3. Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	4.412	4.840
Social security premiums-employer	6.465	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	631	480
Pension fund membership fees and provisions- employer	315	240
Other	-	137
Total	11.823	9.002

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

None (December 31, 2021: None).

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

Information on subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowing Instruments to be Included in Additional Capital Calculation	-	3.691.192	-	2.669.412
Subordinated Loans	-	3.691.192	-	2.669.412
Subordinated Debt Instruments	-	-	-	-
Debt Instruments to be Included in the Contribution Capital Calculation	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Total	-	3.691.192	-	2.669.412

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

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

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

None. (December 31, 2021: None).

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

12. Information on shareholders' equity:

a. Presentation of paid-in capital:

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

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

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

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

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 Group , of predictions to be made by taking into account previous period indicators regarding the Group's income, profitability and liquidity, and uncertainties regarding such indicators:

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

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

There is no privilege given to stocks representing the capital.

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

12. Information on shareholders' equity (continued):

h. Information on marketable securities valuation reserve:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference	1.490.818	(48.886)	56.776	(11.452)
Foreign exchange difference	-	-	-	-
Total	1.490.818	(48.886)	56.776	(11.452)

i. Information on other capital reserves:

As of September 30, 2022 the Group has an subordinated debt that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR) and a subordinated debt that creditor is Türkiye Varlık Fonu A.Ş. with an ISIN code of TRT250232F15, starting date of 9 March 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31,688.489 (Full Euro) which are been the financial liability is recorded at fair value and the difference between cost value and fair value is accounted under "Other Capital Reserves" in shareholders' equity at the date of initial acquisition.

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

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

1. Explanations on off balance sheet:

a. Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Forward Asset Purchase Commitments	3.152.760	1.121.875
Forward Asset Sale Commitments	3.113.793	640.535
Payment Commitments for Cheques	159.521	107.379
Tax and Fund Liabilities Arising from Export Commitments	-	-
Credit Cards Limit Commitments	-	-
Other Irrevocable Commitments	329.358	235.387
Total	6.755.432	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	9.010.430	4.880.620
Letters of credit	200.844	522.524
Bank loans	745.925	757.757
Other guaranties and sureties	-	-
Total	9.957.199	6.160.901

III. Explanations and notes related to consolidated 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	345.467	220.690
Advance letters of guarantees	936.575	494.061
Letters of guarantees given to customs	286.336	74.950
Definitive Letters of Guarantee	5.391.413	2.597.998
Letters of Guarantee Given for the Guarantee of Cash Loans	2.045.381	1.460.050
Other	5.258	32.871
Total	9.010.430	4.880.620

c. Within the Non-cash Loans:

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

	Current Period	Prior Period
Non-cash loans given against cash loans	2.045.381	1.460.050
With original maturity of 1 year or less	206.803	305.832
With original maturity of more than 1 year	1.838.578	1.154.218
Other non-cash loans	4.710.051	645.126
Total	6.755.432	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".

1. 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".

2. 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".

3. Explanations on contingent assets and liabilities:

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

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

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 consolidated the statement of income or loss:

1. Information on profit share income:

a. Information on profit share income received from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share received from loans				
Short Term Loans	1.608.004	121.081	434.948	15.190
Medium and Long Term Loans	1.499.588	218.440	712.999	96.474
Profit Share on Non-Performing Loans	2.157	13	-	-
Total	3.109.749	339.534	1.147.947	111.664

b. Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	18.732	-	36.521	-
Domestic Banks	210	-	119	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	18.942	-	36.640	-

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)	32.912	17.633	31.146	14.237
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	1.193.160	59.733	151.225	13.294
Financial Assets Measured at Amortized Cost	119.678	114.651	-	58.084
Total	1.345.750	192.017	182.371	85.615

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

None (December 31, 2021).

IV. Explanations and notes related to consolidated 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	2.314	77.914	-	-	-	-	-	80.228
Real persons' non-trading profit sharing accounts	18.309	298.126	34.823	-	804	22.253	-	374.315
Public sector profit sharing accounts	336.295	68.224	13.320	-	5.652	65	-	423.556
Commercial sector profit sharing accounts	200.333	638.941	149.730	-	5.292	48.083	-	1.042.379
Other institutions profit sharing accounts	6.757	72.303	5.079	-	-	-	-	84.139
Total	564.008	1.155.508	202.952	-	11.748	70.401	-	2.004.617
FC								
Banks	-	6.204	-	-	-	-	-	6.204
Real persons' non-trading profit sharing accounts	7.963	45.436	3.403	-	2.825	295	-	59.922
Public sector profit sharing accounts	-	1.896	-	-	-	-	-	1.896
Public sector profit sharing accounts	8.747	124.654	15.979	-	729	-	-	150.109
Other institutions profit sharing accounts	1.749	2.017	-	-	-	-	-	3.766
Precious metals deposits	2.024	-	-	-	-	-	-	2.024
Total	20.483	180.207	19.382	-	3.554	295	-	223.921
Grand Total	584.491	1.335.715	222.334	-	15.302	70.696	-	2.228.538

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

2. Explanations on profit share expenses (continued):

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

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	735	20.101	-	-	-	-	-	20.836
Real persons' non-trading profit sharing accounts	10.230	39.314	1.246	-	166	4.361	-	55.317
Public sector profit sharing accounts	45.938	56.421	6.420	-	1.661	-	-	110.440
Commercial sector profit sharing accounts	74.984	337.603	11.904	-	5.505	5.183	-	435.179
Other institutions profit sharing accounts	2.402	44.583	11.511	-	-	-	-	58.496
Total	134.289	498.022	31.081	-	7.332	9.544	-	680.268
FC								
Banks	-	539	725	-	-	-	-	1.264
Real persons' non-trading profit sharing accounts	1.262	11.229	620	-	97	61	-	13.269
Public sector profit sharing accounts	-	2	-	-	-	-	-	2
Public sector profit sharing accounts	1.866	42.106	3.850	-	263	-	-	48.085
Other institutions profit sharing accounts	24	487	-	-	-	-	-	511
Precious metals deposits	1.772	-	-	-	-	-	-	1.772
Total	4.924	54.363	5.195	-	360	61	-	64.903
Grand Total	139.213	552.385	36.276	-	7.692	9.605	-	745.171

IV. Explanations and notes related to consolidated 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	14.360	17.960	4.573	7.258
CBRT	-	-	-	-
Domestic banks	14.360	7.798	4.573	5.046
Foreign banks	-	10.162	-	2.212
Head offices and branches abroad	-	-	-	-
Other institutions	321	124.013	655	62.978
Total	14.681	141.973	5.228	70.236

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

None (September 30, 2021: None).

d. Information profit share expenses given to issued securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Dividend Expenses on Issued Securities	497.078	-	447.399	-
Total	497.078	-	447.399	-

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

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

Other Fees and Commissions Received	Current Period	Prior Period
Banking package commissions	62.007	7.249
Foreign trade package commissions	47.923	8.699
Remittance Commissions	45.948	7.252
Fees and commissions from correspondents	10.555	1.294
Appraisal fees	5.367	2.352
Advance import transfer commissions	4.485	2.514
Early closing commission income	4.098	1.659
Insurance and brokerage commissions	3.640	1.509
Import letter of credit commissions	3.157	715
Commercial customer credit limit allocation commission	1.946	813
Import commissions against documents	1.140	1.920
Fees and commissions from member merchant pos	914	181
Bill of collection/check commissions	829	507
Credit card fees and commissions	659	127
Mortgage release and facility fee income	583	274
Safe deposit box revenues	547	177
Collection and payment commissions	467	1.220
Other commission and service income	13.886	3.377
Total	208.151	41.839

Other Fees and Commissions Given	Current Period	Prior Period
Expenses and commissions given to correspondents abroad	14.253	8.529
Commissions and fees given for EFT	1.778	685
Commissions and fees given to the clearinghouse	641	297
Expense for Gold of Precious Metals	456	387
Commissions and fees given for credit cards	299	221
Commissions and fees given for card acceptor of p.o.s.	270	-
Commissions of collectable payments	165	91
Commissions given to credits used	143	104
Commissions given for Required reserve of TCMB FX	103	751
Expenses for Stock Market Registrations	72	4
Commissions of collection note / check	46	14
Commissions and fees given for Swift	29	229
Other commissions and fees	1.834	869
Total	19.924	12.090

4. Information on dividend income:

None (September 30, 2021: None).

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2022

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

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

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

	Current Period	Prior Period
Income	5.250.580	1.430.155
Income from capital market transactions	9.768	3.013
Income from derivative financial instruments	1.588.158	191.166
Foreign exchange income	3.652.654	1.235.976
Loss (-)	4.696.650	1.438.740
Loss on capital market transactions	1.356	1.180
Loss on derivative financial instruments	845.301	337.221
Foreign exchange losses	3.849.993	1.100.339
Trading income/loss (net)	553.930	(8.585)

6. Explanations related to other operating income:

	Current Period	Prior Period
Income from provisions made in previous years	32.153	84.568
Income from sales of assets	26.264	39.314
Revenues from provisions allocated in previous years	444	215
Lease income	6	6
Cancellation against communication expenses	128	1
Other income	7.740	4.597
Total	66.735	128.701

7. Expected loss provision expenses and other provision expenses:

	Current Period	Prior Period
Expected Credit Loss	326.016	46.084
12 month expected credit loss (stage 1)	276.537	36.555
Significant increase in credit risk (stage 2)	13.140	5.883
Non-performing loans (stage 3)	36.339	3.645
Marketable Securities Impairment Expense	2.075	4.535
Financial Assets at Fair Value through Profit or Loss	2.075	4.535
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	41.461	3.392
Total	369.552	54.011

(*) It consists of the amounts allocated from the profits to be distributed to the participation account of 40.264 TL and the lawsuit provisions of 1.197 TL.

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

8. Information on other operating expenses:

	Current Period	Prior Period
Provision for retirement pay liability	4.013	3.008
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	69.429	47.544
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	6.587	12.699
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	130.035	51.869
Lease expenses related to TFRS 16 exemptions	943	2
Operating Maintenance expenses	14.963	6.555
Advertisement expenses	40.712	8.243
Other expenses ⁽¹⁾	73.417	37.069
Loss on sale of assets	-	-
Other ⁽²⁾	58.285	31.853
Total	268.349	146.973

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

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

IV. Explanations and notes related to consolidated 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	15.504	9.852
Cleaning Expenses	12.521	6.615
Heating, Lighting and Water Expenses	11.024	3.997
Vehicle Expenses	6.981	2.057
Representation and Hospitality expenses	4.840	1.614
Securities insurance expenses	2.963	1.744
Stationary supplies expenses	1.645	713
Aid and donations	968	-
Participation on common expenses	943	540
Litigation and court expenses	383	531
Other Expenses	15.645	9.406
Total	73.417	37.069

⁽²⁾ Other balance details are as below table:

	Current Period	Prior Period
Taxes, Duties, Charges and Funds	29.534	18.560
Audit and Consultancy Fees	9.778	4.496
Participation Share Expenses	3.238	1.996
Saving Deposit Insurance Fund	7.837	2.533
Other	7.898	4.268
Total	58.285	31.853

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 September 30, 2022, the Group has deferred tax expense amounting to TL 237.285 (September 30, 2021: TL 52.193), deferred tax income amounting to TL 492.593 (September 30, 2021: TL 39.924. As of September 30, 2022, the Group has current tax provision amounting to TL 759.789 (September 30, 2021: None).

Since the Group does not have any discontinued operations, there is no tax provision for discontinued operations (September 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 consolidated 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 Group's performance for the period:

None.

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

None.

c. Profit / loss attributable to minority rights:

None.

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

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

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

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

VII. Explanations related to the risk group of the Parent Bank

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

a. Current Period

Risk Group of the Parent Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Parent Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the beginning of period	-	-	-	-	-	-
Balance at the end of period	-	-	2.061	-	-	-
Dividend and Commission Income Received	-	-	99	-	-	-

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

b. Prior Period

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

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

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

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

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

c.1. Information on forward and option agreements and other similar agreements with the risk group of the Parent Bank

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

d. Information on the benefits provided to the Parent Bank top management

The total amount of the remuneration and benefits provided to the top management of the Parent Bank for the accounting period ended September 30, 2022 is TL 6.022 (September 30, 2021: TL 4.470).

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

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

IX. Explanations and notes on matters after balance sheet:

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

- On October 6, 2022, 385-day maturity, TL 97.000 as allocated in the country
- On October 7, 2022, 90-day maturity, TL 70.000 for qualified domestic investors,
- On October 11 2022, 90- day maturity, TL 60.000 as allocated in the country,
- On October 12, 2022, 91-day maturity TL 377.230 for qualified domestic investors,
- On October 19, 2022, 98-day maturity TL 50.000 for qualified domestic investors,
- On October 25, 2022, 92-day maturity, TL 59.245 for qualified domestic investors,
- On October 27, 2022, 98-day maturity, TL 55.000 for qualified domestic investors,
- On November 3, 2022, 377-day maturity, TL 75.000 as allocated in the country
- On November 3, 2022, 104-day maturity, TL 525.000 for qualified domestic investors,
- On November 14, 2022, 430-day maturity, TL 200.000 for qualified domestic investors,
- On November 14, 2022, lease certificate issuance transactions were carried out for qualified domestic investors with a maturity of 430 days and amounting to TL 500.000.

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

According to the Board of Directors decision on October 3, 2022, the Bank will receive non-performing loans totaling TL 168.069 that will be excluded from the balance sheet.

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 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 consolidated financial statements of the Group for the nine months period ended September 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 November 24, 2022 is presented in the introduction of this report.

II. Explanations and Notes Prepared by Independent Auditors

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

The introduction of the New Economy Model has been a success from day one. This model's positive impact has helped Turkey effectively navigate the first half of 2022 while the world's other countries faced major economic problems, especially the energy crisis and recession. Taking a look at second quarter economic growth rates, Turkey expanded by 7.6%, ranking second globally after Slovenia among OECD and G20 countries.

In third quarter, the Turkish Central Bank showed a tendency to lower interest rates. With the 100 basis point reductions first in August and then in September, the overnight borrowing interest rate decreased to 12%. While this rate is at the lowest level since September 2020, the aim is for the entire real sector, especially SMEs, to reach credit resources at more affordable costs and to reduce inflation despite rising raw material and energy prices worldwide.

The largest social housing campaign in the history of the Turkish Republic was launched in September under the leadership of President Erdoğan to provide 250,000 new homes to the Turkish people. With 8 million applications for these new homes, Turkey's people showed their strong approval for this popular campaign.

The third quarter witnessed milestones for participation banking. The Participation Finance Strategy Document was issued with the support of the President and the Presidency Finance Office. This key document mentions the Participation Finance Ecosystem for the first time and uses the broader term "participation finance" to refer to interest-free financial transactions. More importantly, the strategy document states that participation finance should be treated differently from the existing banking system and shaped with an entirely new law. As a result, the Participation Finance Strategy Document created a road map to reach the 15% market share set as the strategic target. In addition, the highlighting of sustainability and project-based transactions within the strategy document signal that the spirit of participation finance is poised to grow in importance going forward.

The remaining quarterly activities were very productive for the Emlak Katılım family. During this period, we expanded further by adhering to our branching strategy and grew to 80 (including 1 e-branch) branch locations. We demonstrated a successful performance by boosting our asset size to over TL 90 billion.

This reporting period, we launched an innovative product: Fund Pool with Project Options. Our new offering provides savings customers with the opportunity to choose the industry they want their savings funds to finance. Fund Pool with Project Options attracted about 1,000 customers and collected about TL 230 million in funding in a short time.

We recorded another trailblazing move this quarter: Mediating the first green sukuk issuance of the recycling industry. This was Turkey's first real sector green sukuk transaction based on a management contract. Funding raised via the issuance will be used for purchasing, supplying, and collecting waste products, and the assets portfolio of these waste products will be used for activities like separating and recovering for recycle. Revenue from the sale of the recycled assets to the market will constitute the ROI of sukuk investors.

We expect the success from the previous nine months – both for Turkey and Emlak Katılım – to continue through the last quarter of the year. As a result, we expect both our country and our company to end 2022 with a successful performance.

Best regards,

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

In 2022, the Russian-Ukrainian war posed a major threat to the global economy, and still does. Higher energy prices have boosted inflation to historic peaks in many countries worldwide, especially in Europe. Meanwhile, successive rate hikes by the world's central banks under the leadership of the US Federal Reserve (the Fed) signal that a global recession may be on the horizon. The declaration of OPEC countries that they will restrict production until oil prices reach a reasonable and acceptable level indicates that energy costs will remain at the top of the global agenda for the foreseeable future.

Contrary to almost all central banks in the world, the Central Bank of the Republic of Turkey reduced its benchmark interest rates two months in a row, bringing the overnight borrowing rate down to 12%. In addition, the Turkish Central Bank increased the demand for government bonds with its tightening moves to bring loans closer to market rates.

According to the inflation report published by Turkey's Central Bank, domestic inflation is forecast to peak at 85% in September and October and then enter a downtrend. The same report stated a year-end inflation forecast of 60.4% for 2022, 19.2% for 2023, and 8.8% for 2024. The country's unemployment rate was announced as 9.6% at the end of August – a two year low.

In addition, second quarter economic growth rate figures show that the stable growth of our country is continuing. With 7.6% growth rate in the second quarter, Turkey has recorded positive growth for five periods, performing extremely successfully compared to other countries that posted consecutive quarters of contraction.

Recent days have witnessed developments that are major milestones for participation banking. The Participation Finance Strategy Document, created with the contributions of President Erdoğan and the Presidency Finance Office, will serve as key guide in the development of Islamic Finance in the country. Crucially, the strategy document sees the sector as a Participation Finance Ecosystem instead of traditional banking. As a result, participation banking goes beyond the scope of Banking Law No. 5411 and will be governed by a new regulation.

Emlak Katılım completed another very productive third quarter. During this period, we grew our branch network to 80 (including 1 e-branch) locations and further expanded our service area. Our asset size increased from TL 59.5 billion in the first half of the year to TL 93.1 billion in third quarter, a significant jump. Our funds collected amounted to TL 77.4 billion while our fund support to the markets totaled TL 40.4 billion. We contribute to the country's employment with our workforce of 1,231 employees. Under the Youth Participation program initiated by the Presidency Finance Office, we place great importance on employing new graduates.

We further expanded our customer base and product range with our innovative offerings. We attracted about 1,000 customers to our new Fund Pool with Project Options. This product launched in the last period enables fund owners to choose the area where they will invest their savings. In addition, Emlak Katılım is a stakeholder of the KAD-SIS (Jeweler's Gold Valuation System) initiative, launched under the leadership of the Ministry of Treasury and Finance with public banks as stakeholders. This effort is designed to accelerate the collection of scrap gold, reach wider masses of the population, and reintroduce "under-the-mattress" gold to the economy.

We strive to stand by our customers with our innovative products in line with the spirit of the participation finance sector. Emlak Katılım launched Turkey's first green sukuk project in the real sector in line with the concept of sustainability. With this groundbreaking transaction, we mediated in distributing revenue generated by the purchase, sorting, collection and recycling of waste of our stakeholders to sukuk investors.

At Emlak Katılım, we are building a road map focused on continuous development and growth. I would like to thank our employees and stakeholders who are driving us forward on our journey to achieve our ambitious goals.

Best regards,

İlker SIRTKEYA

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 – September 30, 2022

None.

e. Branch and Personal Information

The Parent Bank's total number of branches is 80(including 1 e-branch) and the total number of personnel is 1.231 at September 30, 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	-
İlker SİRTKAYA(*)	Member of BOD / General Manager	Master	-
Tuğba GEDİKLİ(**)	Assistant General Manager Responsible for Finance	Bachelor	-
Ali Kemal KÜÇÜKCAN(**)	Assistant General Manager Responsible for Treasury and International Banking	Master	-
Hüseyin Cahit BÜYÜKBAŞ(**)	Assistant General Manager Responsible for Sales and Marketing	Bachelor	-
Nihat BULUT	Assistant General Manager Responsible for Credits	Bachelor	-
Yusuf OKUR	Assistant General Manager Responsible for Operations	Bachelor	-
Uğur KARA	Assistant General Manager Responsible for Human Resources	Master	-

(*) İlker SİRTKAYA was appointed as a Member of the Board of Directors and General Manager with the Board Decision dated on September 16, 2022

(**) Tuğba Gedikli was appointed as a Assistant General Manager Responsible for Finance and Ali Kemal Küçükcan was appointed as a Assistant General Manager Responsible for Treasury and International Banking and Hüseyin Cahit Büyükbaş was appointed as a Assistant General Manager Responsible for Sales and Marketing with the Board Decision dated on November 19, 2022

Managers of Internal Systems

Name and Surname	Professional Experience	Seniority in the Field of Responsibility	Education	Area of Responsibility
Abdulkadir CEBECİ	16 year 6 month	16 year 6 month	Master	Head of Inspection Committee Head of Internal Control and Compliance
Halil İbrahim ÖZER	15 year 4 month	9 year 3 month	Master	Head of Risk Management
Erhan ŞANLI	15 year 11 month	1 year 9 month	Bachelor	

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(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 COMMITTEE

Abdullah Erdem CANTİMUR (Head)

Mehmet Nuri YAZICI

CREDIT COMMITTEE

Prof. Dr. Murat BALCI (Head)

Mustafa ERDEM (Original Member)

İlker SİRTKAYA (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

İlker SİRTKAYA

EXECUTIVE COMMITTEE

Prof. Dr. Mehmet Emin BİRPINAR (Head)

Prof. Dr. Murat BALCI

İlker SİRTKAYA

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NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 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. The Group's Selected Financial Indicators as of September 30, 2022

Assets	Current Period	Prior Period
Loans and Financial Leasing Receivables	40.405.234	21.907.324
Total Securites	10.001.795	7.971.939
Total of Selected Assets	50.407.029	29.879.263

Liabilities	Current Period	Prior Period
Funds Collected	77.345.365	26.665.328
Funds Borrowed	959.302	1.204.327
Shareholders' Equity	4.597.857	1.728.750
Total of Selected Liabilities	82.902.524	29.598.405

Income and Expense Items	Current Period	Prior Period
Profit Share Income	5.037.116	1.591.715
Profit Share Expense	2.978.405	1.309.620
Net Profit Share Income/Expenses	2.058.711	282.095
Net Fees and Commisions Income/Expenses	240.974	50.585
Personnel Expenses	314.347	188.562
Trading Income/Loss	553.930	(8.585)
Other Operating Income	66.735	128.701
Loans and Other Receivables from Provision for Losses	326.016	46.113
Other Operating Expenses	264.336	146.973
Profit Before Tax and Provisions	1.972.115	63.250
Tax Provisions	(505.888)	(12.305)
Net Profit/Losses	1.466.227	50.945

Ratios (%)	Current Period	Prior Period
Total Loans/Total Assets (*)	43,54	57,58
Total Loans/Total Deposits (*)	52,24	82,16
Capital Adequacy Ratio	22,62	27,91

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