

Türkiye Emlak Katılım Bankası Anonim Şirketi

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

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



**Building a better
working world**

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

Report on the Unconsolidated Financial Statements

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

Qualified Opinion

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

In our opinion, except for the effects of the matter on the unconsolidated financial statements described in the Basis for Qualified Opinion paragraph, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at December 31, 2022 and unconsolidated financial performance and unconsolidated its cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

Basis for Qualified Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

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

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

Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the BRSA Accounting and Reporting Legislation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

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

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

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with BRSA Independent Audit Regulation and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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



Emre Çelik SMMM
Partner

March 10, 2023
Istanbul, Turkey

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

Bank's headquarter address : Barbaros Mahallesi, Begonya Sk. No:9A,
34746 Ataşehir/İstanbul
Bank's phone number and facsimile : 00 90 216 266 26 26 - 00 90 216 275 25 25
Bank's website : www.emlakkatilim.com.tr
Electronic mail contact info : bilgi@emlakkatilim.com.tr

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

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- EXPLANATIONS ON THE FINANCIAL POSITION AND RISK OF MANAGEMENT OF THE BANK
- DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements and related disclosures and footnotes presented in **thousands of Turkish Lira** unless otherwise indicated; have been prepared in accordance with the Communiqué on Accounting Applications of Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related appendices and interpretations and in compliance with the records of our Bank, have been independently reviewed and presented as attached.

Prof. Dr. Mehmet Emin BİRPINAR

Chairman of the Board of Directors

Abdullah Erdem CANTİMUR

Chairman of the Audit
Committee

Mehmet Nuri YAZICI

Member of the Audit
Committee

İlker SİRTKAYA

General Manager

Hakan ULUS

Budget and Financial Reporting Manager

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

Name-Surname / Title : Hakan ULUS / Budget and Financial Reporting Manager
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SECTION ONE

General information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IV. Information on the Bank's qualified shareholders

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

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

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

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

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

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

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

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

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

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

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

SECTION TWO

The unconsolidated financial statements

- I. Balance sheet (Statement of financial position)
- II. Statement of off-balance sheet
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- V. Statement of changes in shareholders' equity
- VI. Statement of cash flows
- VII. Statement of profit distribution

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

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

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

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

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

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

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

STATEMENT OF OFF BALANCE SHEET	Note (Fifth Section-III)	THOUSAND TL			THOUSAND TL		
		CURRENT PERIOD (31/12/2022)			PRIOR PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)		13.582.886	17.334.633	30.917.519	6.343.425	8.723.299	15.066.724
I. GUARANTEES AND SURETIES	(1)	7.168.358	3.306.651	10.475.009	3.024.434	3.136.467	6.160.901
1.1 Letters of Guarantees		7.164.657	2.680.614	9.845.271	3.017.583	1.863.037	4.880.620
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		7.164.657	2.680.614	9.845.271	3.017.583	1.863.037	4.880.620
1.2 Bank Loans		3.701	196.736	200.437	3.500	754.257	757.757
1.2.1 Import Letter of Acceptances		3.701	196.736	200.437	-	-	-
1.2.2 Other Bank Acceptances		-	-	-	3.500	754.257	757.757
1.3 Letter of Credits		-	429.301	429.301	3.351	519.173	522.524
1.3.1 Documentary Letter of Credits		-	429.301	429.301	3.351	519.173	522.524
1.3.2 Other Letter of Credits		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Other Guarantees		-	-	-	-	-	-
1.7 Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	(1)	5.577.597	4.633.812	10.211.409	1.478.944	626.232	2.105.176
2.1 Irrevocable Commitments		5.577.597	4.633.812	10.211.409	1.478.944	626.232	2.105.176
2.1.1 Asset Purchase and Sale Commitments		67.720	4.301.368	4.369.088	249.690	390.845	640.535
2.1.2 Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3 Loan Granting Commitments		4.307.375	-	4.307.375	1.121.875	-	1.121.875
2.1.4 Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6 Payment Commitment for Cheques		170.002	-	170.002	107.379	-	107.379
2.1.7 Tax And Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.8 Commitments for Credit Card Expenditure Limits		-	-	-	-	-	-
2.1.9 Commitments for Promotions Related with Credit Cards and Banking Activities		-	-	-	-	-	-
2.1.10 Receivables From Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Other Irrevocable Commitments		1.032.500	332.444	1.364.944	-	235.387	235.387
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		836.931	9.394.170	10.231.101	1.840.047	4.960.600	6.800.647
3.1 Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1 Fair Value Hedge		-	-	-	-	-	-
3.1.2 Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2 Held for Trading Transactions	(3)	836.931	9.394.170	10.231.101	1.840.047	4.960.600	6.800.647
3.2.1 Forward Foreign Currency Buy/Sell Transactions		463.718	448.315	912.033	238.767	310.648	549.415
3.2.1.1 Forward Foreign Currency Transactions-Buy		225.427	231.190	456.617	119.578	144.670	264.248
3.2.1.2 Forward Foreign Currency Transactions-Sell		238.291	217.125	455.416	119.189	165.978	285.167
3.2.2 Other Forward Buy/Sell Transactions		373.213	8.945.855	9.319.068	1.601.280	4.649.952	6.251.232
3.3 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		329.532.626	27.260.409	356.793.035	150.618.208	14.709.182	165.327.390
IV. ITEMS HELD IN CUSTODY		22.338.186	7.653.917	29.992.103	8.701.960	5.821.602	14.523.562
4.1 Assets Under Management		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		5.748.785	679.660	6.428.445	2.615.342	664.085	3.279.427
4.3 Cheques Received for Collection		4.744.393	240.789	4.985.182	2.471.391	439.907	2.911.298
4.4 Commercial Notes Received for Collection		650.398	-	650.398	166.943	-	166.943
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		10.638	-	10.638	844	-	844
4.8 Custodians		11.183.972	6.733.468	17.917.440	3.447.440	4.717.610	8.165.050
V. PLEDGED ITEMS		307.194.440	19.606.492	326.800.932	141.916.248	8.887.580	150.803.828
5.1 Marketable Securities		572.427	-	572.427	207.150	-	207.150
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodity		5.801.967	377.970	6.179.937	2.432.206	22.511	2.454.717
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		37.477.419	-	37.477.419	13.002.677	-	13.002.677
5.6 Other Pledged Items		263.342.627	19.228.522	282.571.149	126.274.215	8.865.069	135.139.284
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		343.115.512	44.595.042	387.710.554	156.961.633	23.432.481	180.394.114

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

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

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

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

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		THOUSAND TL	THOUSAND TL
		CURRENT PERIOD	PRIOR PERIOD
		(01/01/2022- 31/12/2022)	(01/01/2021- 31/12/2021)
I.	CURRENT PERIOD PROFIT/LOSS	2.809.949	143.113
II.	OTHER COMPREHENSIVE INCOME	1.479.200	36.701
2.1	Other Income/Expense Items not to be Recycled to Profit or Loss	(17.703)	(156)
2.1.1	Revaluation Surplus on Tangible Assets	-	-
2.1.2	Revaluation Surplus on Intangible Assets	-	-
2.1.3	Defined Benefit Plans' Actuarial Gains/Losses	(23.722)	(195)
2.1.4	Other Income/Expense Items not to be Recycled to Profit or Loss	-	-
2.1.5	Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	6.019	39
2.2	Other Income/Expense Items to be Recycled to Profit or Loss	1.496.903	36.857
2.2.1	Translation Differences	-	-
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Financial Assets Measured at Fair Value through Other Comprehensive Income	1.966.717	38.284
2.2.3	Gains/losses from Cash Flow Hedges	-	-
2.2.4	Gains/Losses on Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Income/Expense Items to be Recycled to Profit or Loss	-	-
2.2.6	Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	(469.814)	(1.427)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	4.289.149	179.814

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2022

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

					Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss								
					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	
					Paid-in Capital	Share Premium	Share Cancellati on Profits	Other Capital Reserves ⁽¹⁾								
Current Period (01.01.2022- 31.12.2022)																
I.	Balances at Beginning Period	1.026.915	-	-	23.088	-	(1.411)	-	-	45.324	-	485.999	5.395	143.113	1.728.423	1.728.423
II.	Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Balances at Beginning of Period (I+II)	1.026.915	-	-	23.088	-	(1.411)	-	-	45.324	-	485.999	5.395	143.113	1.728.423	1.728.423
IV.	Total Comprehensive Income	-	-	-	-	-	(17.703)	-	-	1.496.903	-	-	-	2.809.949	4.289.149	4.289.149
V.	Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase from Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Other Changes	-	-	-	10.098	-	-	-	-	-	-	(3.796)	-	-	6.302	6.302
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	148.508	(5.395)	(143.113)	-	-
11.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	148.508	(148.508)	-	-	-
11.3	Others	-	-	-	-	-	-	-	-	-	-	-	143.113	(143.113)	-	-
Balances at end of the period (III+IV...+X+XI)		1.026.915	-	-	33.186	-	(19.114)	-	-	1.542.227	-	630.711	-	2.809.949	6.023.874	6.023.874

1. Revaluation surplus on tangible and intangible assets,
2. Defined Benefit Plans' Actuarial Gains/Losses,
3. Other (Accumulated amounts of share of investments accounted for by the equity method that can not be classified as profit / loss from other comprehensive income with other comprehensive income that will not be reclassified to other profit or loss),
4. Foreign Currency Translation Differences,
5. Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI,
6. Other (Accumulated amount of cash flow hedge gains / losses, equity attributable to equity holders of the Bank for profit or loss from other comprehensive income and other comprehensive income to be reclassified to other profit or loss),

(*) Includes the initial recognition effects of the subordinated loan provided by Türkiye Varlık Fonu Piyasa 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 s (Section 3 Note 6).

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2022

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

	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves(*)	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
					1	2	3	4	5	6				
Prior Period (01.01.2021 – 31.12.2021)														
I. Balances at Beginning Period(**)	1.026.915	-	-	28.591	-	(1.255)	-	-	(984)	-	396.085	9.317	80.597	1.539.266
II. Correction made as per TAS 8	-	-	-	(5.503)	-	-	-	-	5.503	-	-	5.395	-	5.395
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	5.395	-	5.395
2.2 Effect of Changes in Accounting Policies	-	-	-	(5.503)	-	-	-	-	5.503	-	-	-	-	-
III. Adjusted Balances at Beginning of Period (I+II)	1.026.915	-	-	23.088	-	(1.255)	-	-	4.519	-	396.085	14.712	80.597	1.544.661
IV. Total Comprehensive Income	-	-	-	-	-	(156)	-	-	36.857	-	-	-	143.113	179.814
V. Capital Increase in Cash	276.915	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Other Changes	-	-	-	-	-	-	-	-	3.948	-	-	-	-	3.948
2XI. Profit Distribution	-	-	-	-	-	-	-	-	-	89.914	(9.317)	(80.597)	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	89.914	(89.914)	-	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	80.597	(80.597)	-	-
Balances at end of the period (III+IV...+X+XI)	1.026.915	-	-	23.088	-	(1.411)	-	-	45.324	-	485.999	5.395	143.113	1.728.423

1. Revaluation surplus on tangible and intangible assets,

2. Defined Benefit Plans' Actuarial Gains/Losses,

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

4. Foreign Currency Translation Differences,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION THREE

Accounting policies

I. Explanations on basis of presentation

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

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

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

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

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

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

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

I. Explanations on basis of presentation (continued):

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

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

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

c. Comparative information and classifications

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

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

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

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

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

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

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

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

There are no foreign currency differences capitalized by the Bank.

III. Explanations on forward, option contracts and derivative instruments

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

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

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

IV. Explanations on profit share income and expenses

Profit share income

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

Profit share expense

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

V. Explanations on fees, commission income and expenses

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

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

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

VI. Explanations on financial assets and liabilities

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

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

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

Financial assets at fair value through profit or loss

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

Financial assets valued at fair value through other comprehensive income

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

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

Financial assets and liabilities measured at amortized cost

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

As of December 31, 2022 the Bank has two subordinated debts that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR) and with TRT250232F15 with the initial date March 9, 2022 with at least ten-year repayment option with no fixed term, amounting to 31.688.489 Euro (Full Euro), the financial liability is recorded at fair value and the difference between cost value and fair value is accounted under "Other Capital Reserves" in shareholders' equity at the date of initial acquisition (Section 5 Part 2 Note 9 and Note 11).

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

VII. Explanations on expected credit losses

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

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

Calculation of expected credit losses

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

VII. Explanations on expected credit losses (continued):

Parameters used in calculating expected loss provisions

Probability of Default (PD)

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

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

Loss Given Default (LGD)

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

Exposure at Default (EAD)

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

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

12-Month Expected Loss Provision (Stage 1)

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

Significant Increase in Credit Risk (Stage 2)

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

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

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

VII. Explanations on expected credit losses (continued):

Default (3rd Stage / Special Provision)

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

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

VIII. Explanations on offsetting of financial instruments

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

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

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

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

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

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

The Bank has no discontinued operations.

XI. Explanations on goodwill and other intangible assets

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

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

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

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

XII. Explanations on tangible assets

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

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

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

XII. Explanations on tangible assets (continued):

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

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

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

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

XIII. Explanations on leasing transactions

The Bank applies the TFRS 16 Leases standard.

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

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

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

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

XIII. Explanations on leasing transactions (continued):

Existence of right to use

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

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

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

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

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

The lease obligations

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

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

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

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

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

XIV. Explanations on provisions and contingent liabilities

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

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

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

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

XV. Explanations on liabilities regarding employee rights

i) *Defined benefit plans:*

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

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

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

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

ii) *Defined contribution plans:*

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

iii) *Short term benefits to employees:*

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

XVI. Explanations on taxation

Current tax:

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

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

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

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

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

XVI. Explanations on taxation (continued):

Deferred Taxes

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

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

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

Transfer pricing

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

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

XVII. Additional explanations on borrowings

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

XVIII. Explanations on issued share certificates

None.

XIX. Explanations on acceptances and availed drafts

The Bank aval and acceptances are carried out simultaneously with customers' payments and are shown in off-balance sheet obligations as possible debts and commitments.

XX. Explanations on government grants

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

XXI. Explanations on segment reporting

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

Segment reporting is disclosed in Section Four, Note X.

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

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

XXII. Information on other issues

None.

SECTION FOUR

Information on financial structure and risk management

I. Explanations on capital adequacy standard ratio

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

a) Information about total capital items

	Current Period December 31, 2022	Prior Period December 31, 2021
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1.026.915	1.026.915
Share issue premiums	-	-
Reserves	630.711	485.999
Gains recognized in equity as per TAS	1.440.881	35.873
Profit	2.809.949	148.508
Current Period Profit	2.809.949	143.113
Prior Period Profit	-	5.395
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	5.908.456	1.697.295
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1 st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	19.114	1.411
Leasehold improvements	85.314	76.233
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	100.413	22.692
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	204.841	100.336
Total Common Equity Tier 1 Capital	5.703.615	1.596.959

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

a) Information about total capital items (continued):

ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	3.498.078	2.359.569
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	3.498.078	2.359.569
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	3.498.078	2.359.569
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	9.201.693	3.956.528
TIER 2 CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	371.657	55.508
Contribution Capital Before Discounts	371.657	55.508
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	371.657	55.508
Total Capital (The sum of Tier I Capital and Tier II Capital)	9.573.350	4.012.036
Deductions from Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	17.869	5.360

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

In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)	9.555.482	4.006.677
Total Risk Weighted Amounts	34.146.697	14.398.597
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	16,10	11,09
Tier 1 Capital Adequacy Ratio (%)	26,95	27,48
Capital Adequacy Ratio (%)	27,98	27,83
BUFFERS		
Total buffer requirement (a+b+c)	2,5	2,5
a) Capital conservation buffer requirement (%)	2,5	2,5
b) Bank specific counter-cyclical buffer requirement (%)	-	-
c) Systemic important bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	12,20	6,59
Amounts Lower Than Excesses as per Deduction Rules		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Limits related to provisions considered in Tier II calculation	-	-
Amount arising from deferred tax assets based on temporary differences	-	92.494
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	371.657	55.508
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	371.657	55.508
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

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

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

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

Issuer	Türkiye Varlık Fonu Piyasa İstikrar Ve Denge Alt Fonu
Unique Identifier (CUSIP, ISIN etc.)	TRT240424F22
Governing Law(s) of the Instrument	Regulation on Banks"Equity Communique on Principles Regarding Borrowing Instruments to be Included in Bank"Equity Calculation
Special Consideration in the Calculation of Equity	
As of January 1, 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Subordinated Loan
Amount recognized in regulatory capital (as of most recent reporting date)	3.138.103
Par Value of Instrument	3.991.128
Accounting Classification	Subordinated Loan
Original date of Issuance	24.04.2019
Perpetual or dated	Undated
Maturity date	24.04.2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: 24.05.2024 Total Repayment Amount: EUR 200 million (full)
Subsequent call dates	-
Profit Share/Dividends	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Fully discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or Non-convertible	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy ratio falls below 5,125 %
If write-down, full or partial	At least to ensure that the core capital ratio exceeds 5,125 %
If write down, permanent or temporary	Permanent and Temporary
If temporary write-down, description of write-up mechanism	There is write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7
Details of incompliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7

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

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

Issuer	Türkiye Varlık Fonu Piyasa İstikrar Ve Denge Alt Fonu
Unique Identifier (CUSIP, ISIN etc.)	TRT250232F15
Governing Law(s) of the Instrument	Regulation on Banks"Equity Communique on Principles Regarding Borrowing Instruments to be Included in Bank"Equity Calculation
Special Consideration in the Calculation of Equity	
As of January 1, 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Subordinated Loan
Amount recognized in regulatory capital (as of most recent reporting date)	359.975
Par Value of Instrument	632.364
Accounting Classification	Subordinated Loan
Original date of Issuance	09.03.2022
Perpetual or dated	Undated
Maturity date	09.03.2022
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: 09.03.2032 Total Repayment Amount:EUR 31.688.489 million (full)
Subsequent call dates	-
Profit Share/Dividends	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Full discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or Non-convertible	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy falls below 5,125 %
If write-down, full or partial	At least to ensure that the core capital ratio exceeds 5,125 %
If write down, permanent or temporary	Permanent and Temporary
If temporary write-down, description of write-up mechanism	There is write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7
Details of incompliances with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7

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

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

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

II. Explanations on credit risk

1. Credit risk is defined as the probability of loss that the Bank may be exposed to due to the failure of the loan customer to fulfill its obligations partially or completely on time by not complying with the contractual requirements.

Credit allocation authority is mainly in the Board of Directors, and this authority can be delegated to subcommittees in accordance with the Banking Law. The Board of Directors determines the loan policies and loan extension limits at the macro level. It establishes policies regarding loan issuance, approval and other administrative principles. Monitors compliance with policies, concentrations and limits and takes the necessary measures. It creates a suitable environment for the healthy and efficient functioning of the credit function. Sufficient personnel and software are provided, authorities, roles and limits are clearly determined and necessary controls are established. Credit risk is measured periodically analyzed and reported.

Preparations are made to use rating scores and scoring and rating models that generate default probability in order to measure the credit risk of customers according to their segments. The rating grades produced are used in making the decision to work with the customer and in determining working conditions. Credit limit allocations are made separately for the customer or credit group according to financial analysis and intelligence reports, customer ratings and segment. The allocated limits are reviewed in the periods specified in the commercial and individual loan policies, and the customer's intelligence and rating report is renewed. Attention is paid to sectoral balanced distribution of loans and the use of TL resources as TL and FX resources as FX without any currency mismatch. Credit restrictions specified in the Banking Law and relevant legislation are complied with. Although the credibility of the customer is essential, attention is paid to collateralization for risk reduction. Maximum care is taken to ensure that the loan and collateral maturity, currency type and independent value appraisal are made. Guarantees received are periodically evaluated and insured.

Provision is made for loan receivables that are in default in accordance with TFRS 9 "Regulation on the Determination of the Qualifications of Loans and Other Receivables by Banks and the Procedures and Principles Regarding the Provisions to be Allocated for These".

II. Explanations on credit risk (continued):

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

Risk Categories		Current Period Risk Amount	Average Risk Amount(*)
1	Receivables from central governments or central banks	37.317.894	23.837.427
2	Receivables from regional or local governments	256.026	119.693
3	Receivables from administrative units and non-commercial enterprises	19.898	50.916
4	Receivables from multilateral development banks	-	-
5	Receivables from international organizations	-	-
6	Receivables from banks and brokerage houses	7.099.200	6.899.190
7	Receivables from corporates	27.376.591	19.780.051
8	Retail receivables	4.194.133	4.484.206
9	Receivables secured by mortgages on property	1.281.855	1.335.252
10	Past due receivables	9.573	11.892
11	Receivables defined in high risk category by BRSA	-	-
12	Securities collateralized by mortgages	-	-
13	Securitization positions	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-
15	Investments similar to collective investment funds	-	-
16	Equity security investments	-	-
17	Other Receivables	3.710.773	1.946.027
Total^(*)		81.265.943	58.464.654

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

Risk Categories		Prior Period Risk Amount	Average Risk Amount(*)
1	Receivables from central governments or central banks	9.589.054	6.331.937
2	Receivables from regional or local governments	88.578	81.890
3	Receivables from administrative units and non-commercial enterprises	908	40.065
4	Receivables from multilateral development banks	-	-
5	Receivables from international organizations	-	-
6	Receivables from banks and brokerage houses	1.093.531	1.616.421
7	Receivables from corporates	12.325.899	10.791.114
8	Retail receivables	3.250.086	1.519.446
9	Receivables secured by mortgages on property	998.207	628.131
10	Past due receivables	6.224	1.856
11	Receivables defined in high risk category by BRSA	-	-
12	Securities collateralized by mortgages	-	-
13	Securitization positions	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-
15	Investments similar to collective investment funds	-	-
16	Equity security investments	-	-
17	Other Receivables	1.277.497	1.195.095
Total^(*)		28.629.984	22.205.955

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

The Bank considers that long-term commitments are exposed to more credit risk than short-term commitments, and matters such as defining risk limits and obtaining collateral for long-term risks are addressed more extensively as compared to short-term risks.

The Bank has credit lines in different countries within the scope of its banking activity and due inquiries (economic, cyclical, etc.) are carried out during the allocation and revision of such credit lines.

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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

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

II. Explanations on credit risk (continued):

Geographical distribution of risk amounts disaggregated by significant risk classes in important regions; Distribution of risks, disaggregated by risk classes, by sectors or counterparties, and distribution of all risks by remaining maturities

Profile on significant risks in significant regions

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

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

- | | |
|--|--|
| 1 Conditional and unconditional receivables from central government or central banks | 10 Past due receivables |
| 2 Conditional and unconditional receivables from regional or local governments | 11 Receivables determined as high risk by the Board |
| 3 Conditional and unconditional receivables from administrative units and non-commercial enterprises | 12 Mortgage-backed securities |
| 4 Conditional and unconditional receivables from multilateral development banks | 13 Securitization positions |
| 5 Conditional and unconditional receivables from international organizations | 14 Short-term receivables and short-term corporate receivables from banks and brokerage houses |
| 6 Conditional and unconditional receivables from banks and brokerage houses | 15 Investments as collective investment enterprises |
| 7 Conditional and unconditional receivables from corporates | 16 Equity share investments |
| 8 Conditional and unconditional retail receivables | 17 Other receivables |
| 9 Receivables secured by mortgages on property | |

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

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

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

Profile on significant risks in significant regions

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

II. Explanations on credit risk (continued):

Profile on significant risks in significant regions

		Risk Categories*																			
Prior Period		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TL	FC	Total
1	Agriculture	-	-	-	-	-	-	46.041	23.790	444	-	-	-	-	-	-	-	-	65.400	4.875	70.275
1.1	Farming and stockbreeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2	Forestry	-	-	-	-	-	-	46.041	23.790	444	-	-	-	-	-	-	-	-	65.400	4.875	70.275
1.3	Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Manufacturing	-	-	-	-	-	-	4.103.547	923.687	151.061	1.723	-	-	-	-	-	-	346	2.555.119	2.625.245	5.180.364
2.1	Mining and quarrying	-	-	-	-	-	-	278.142	14.753	2.027	-	-	-	-	-	-	-	-	34.733	260.189	294.922
2.2	Production	-	-	-	-	-	-	3.667.924	879.188	129.019	1.723	-	-	-	-	-	-	13	2.346.148	2.331.719	4.677.867
2.3	Electricity, gas, water	-	-	-	-	-	-	157.481	29.746	20.015	-	-	-	-	-	-	-	333	174.238	33.337	207.575
3	Construction	-	-	-	-	-	-	2.386.504	394.713	458.727	279	-	-	-	-	-	-	34	2.696.624	543.633	3.240.257
4	Services	6.500.655	76.578	69	-	-	1.083.200	4.967.039	1.110.185	213.865	4.188	-	-	-	-	-	-	108.774	7.985.685	6.078.868	14.064.553
4.1	Wholesale and retail trade	-	-	-	-	-	-	2.166.299	815.376	148.654	2.734	-	-	-	-	-	-	104	2.363.944	769.223	3.133.167
4.2	Hotel, food and beverage services	-	-	-	-	-	-	43.491	23.471	4.959	-	-	-	-	-	-	-	4	71.925	-	71.925
4.3	Transportation and telecommunication	-	-	-	-	-	-	1.107.370	104.233	24.238	1.352	-	-	-	-	-	-	90	447.218	790.065	1.237.283
4.4	Financial institutions	886.915	-	-	-	-	1.083.200	746.362	4.363	645	-	-	-	-	-	-	-	108.563	1.416.933	1.413.115	2.830.048
4.5	Real estate and renting services	-	-	-	-	-	-	149.780	5.179	17.679	102	-	-	-	-	-	-	3	144.811	27.932	172.743
4.6	Self-employment services	-	-	-	-	-	-	695.163	130.532	15.300	-	-	-	-	-	-	-	4	622.674	218.325	840.999
4.7	Education services	-	-	69	-	-	-	10.146	1.854	-	-	-	-	-	-	-	-	6	12.075	-	12.075
4.8	Health and social services	5.613.740	76.578	-	-	-	-	48.428	25.177	2.390	-	-	-	-	-	-	-	-	2.906.105	2.860.208	5.766.313
5	Other	3.088.399	12.000	839	-	-	10.331	822.768	797.711	174.110	34	-	-	-	-	-	-	1.168.343	2.282.837	3.791.698	6.074.535
6	Total	9.589.054	88.578	908	-	-	1.093.531	12.325.899	3.250.086	998.207	6.224	-	-	-	-	-	-	1.277.497	15.585.665	13.044.319	28.629.984

(*) It refers to the risk classes included in the Regulation on Measurement and Assessment of Capital Adequacy of Banks.

- | | |
|---|--|
| 1 Conditional and unconditional receivables from central government and Central Banks | 10 Past due receivables |
| 2 Conditional and unconditional receivables from regional or local governments | 11 Receivables defined under high risk category by BRSA |
| 3 Conditional and unconditional receivables from administrative bodies and non-commercial enterprises | 12 Mortgage-backed securities |
| 4 Conditional and unconditional claims from multilateral development banks | 13 Securitization positions |
| 5 Contingent and unconditional receivables from international organizations | 14 Short-term receivables and short-term corporate receivables from banks and brokerage houses |
| 6 Conditional and unconditional receivables from banks and brokerage houses | 15 Investments that qualify as a collective investment institution |
| 7 Conditional and unconditional receivables from corporates | 16 Equity share investments |
| 8 Conditional and unconditional receivables from retail portfolios | 17 Other receivables |
| 9 Receivables secured by real estate mortgages | |

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

II. Explanations on credit risk (continued):

Distribution of risks with term structure according to remaining maturities

		Time to Maturity					
Risk Categories – Current Period		1 month	1–3 months	3–6 month	6–12 month	1 year and over	Undistributable
1	Conditional and unconditional receivables from central governments or central banks	18.149.078	79.854	37.875	1.689.802	17.361.285	-
2	Conditional and unconditional receivables from regional or local governments	14.532	-	-	74.879	166.615	-
3	Conditional and unconditional receivables from administrative units and non-commercial enterprises	4.765	41	-	904	14.187	-
4	Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
5	Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
6	Conditional and unconditional receivables from banks and brokerage houses	6.288.018	-	101.897	-	709.285	-
7	Conditional and unconditional receivables from corporates	12.612.875	3.181.192	2.096.693	4.002.733	5.475.440	7.659
8	Conditional and unconditional retail receivables	2.053.296	304.163	388.186	675.360	773.129	-
9	Receivables secured by mortgages on property	332.617	37.121	96.580	182.235	633.302	-
10	Past due receivables	8.454	208	242	436	232	-
11	Receivables defined in high risk category by BRSA	-	-	-	-	-	-
12	Securities collateralized by mortgages	-	-	-	-	-	-
13	Subject to the securitisation framework	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Equity share investments	-	-	-	-	-	-
17	Other receivables	3.710.773	-	-	-	-	-
Total		43.174.408	3.602.579	2.721.473	6.626.349	25.133.475	7.659

		Time to Maturity					
Risk Categories – Prior Period		1 month	1–3 months	3–6 month	6–12 month	1 year and over	Undistributable
1	Conditional and unconditional receivables from central governments or central banks	5.798.566	367.734	97.670	90.807	3.234.277	-
2	Conditional and unconditional receivables from regional or local governments	14.000	-	-	17.171	57.407	-
3	Conditional and unconditional receivables from administrative units and non-commercial enterprises	908	-	-	-	-	-
4	Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
5	Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
6	Conditional and unconditional receivables from banks and brokerage houses	1.081.942	9.224	2.365	-	-	-
7	Conditional and unconditional receivables from corporates	4.393.431	932.475	1.001.056	1.935.525	4.055.753	7.659
8	Conditional and unconditional retail receivables	1.430.274	179.279	282.322	421.386	936.825	-
9	Receivables secured by mortgages on property	440.372	23.124	41.490	77.108	416.113	-
10	Past due receivables	3.679	382	92	338	1.733	-
11	Receivables defined in high risk category by BRSA	-	-	-	-	-	-
12	Securities collateralized by mortgages	-	-	-	-	-	-
13	Securitization positions	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Equity share investments	-	-	-	-	-	-
17	Other receivables	1.277.497	-	-	-	-	-
Total		14.440.669	1.512.218	1.424.995	2.542.335	8.702.108	7.659

Explanations for risk classes specified in Article 6 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks;

Ratings given by Islamic International Rating Agency (IIRA) ratings are taken into account for whole risk category of receivables from governments or central banks. Turkey's long-term foreign currency credit rating (BBB-), is used for foreign currency securities issued by the Republic of Turkey's Treasury and for other foreign currency risks associated with the government of Republic of Turkey.

According to the capital adequacy regulations, in determining the risk weights of the risk classes of receivables from banks and intermediary institutions, the ratings given by the rating agencies authorized by the Board or directly recognized by the Board are used for the receivables whose counterparty is residents in abroad. Receivables whose counterparties are resident in the country are accepted as unrated and capital included in the qualification calculation.

II. Explanations on credit risk (continued):

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

Risk amounts according to risk weights

Risk Weights-- Current Period	%0	%10	%20	%35	%50	%75	%100	%150	%200	%250	Deductions from Shareholders' Equity
1 Amount before credit risk mitigation	38.413.589	-	7.024.868	440.876	2.088.526	4.187.095	23.923.116	1.170	5.168.499	18.209	222.710
2 Amount after credit risk mitigation	39.456.724	-	7.508.936	395.062	2.152.181	3.878.566	22.686.596	1.170	5.168.499	18.209	222.710
Risk Weights-- Prior Period	%0	%10	%20	%35	%50	%75	%100	%150	%200	%250	Deductions from Shareholders' Equity
1 Amount before credit risk mitigation	9.949.220	-	1.404.629	286.823	1.154.868	3.246.592	12.584.583	3.269	-	-	105.696
2 Amount after credit risk mitigation	10.454.793	-	1.565.879	280.109	1.256.170	3.106.944	11.962.820	3.269	-	-	105.696

Amounts of impaired loans and past due receivables, value adjustments and provisions, current period value adjustments and provisions according to sectors or counterparties individually

Loans that are delayed more than 90 days as of December 31, 2022 or that are deemed to be impaired based on the risk assessment are evaluated as impaired loans and a "Specific Provision" has been calculated for these loans.

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

		Loans (*)		Provisions(**)
Current Period		Impaired Credits (TFRS 9)		
Important Sectors/Counterparties		Significant increase in credit risk (Stage 2)	Non-performing (Stage 3)	Expected Loss Provisions (TFRS9)
1	Agriculture	-	-	-
1.1	Farming and stockbreeding	-	-	-
1.2	Forestry	-	-	-
1.3	Fishery	-	-	-
2	Manufacturing	21.648	47.477	61.285
2.1	Mining and quarrying	-	-	-
2.2	Production	20.032	47.090	60.857
2.3	Electricity, gas, water	1.616	387	428
3	Construction	9.417	17.845	14.812
4	Services	23.101	26.452	24.186
4.1	Wholesale and retail trade	18.700	22.785	19.909
4.2	Hotel, food and beverage services	-	-	-
4.3	Transportation and telecommunication	4.401	3.333	3.964
4.4	Financial institutions	-	-	-
4.5	Real estate and renting services	-	334	313
4.6	Self-employment services	-	-	-
4.7	Education services	-	-	-
4.8	Health and social services	-	-	-
5	Agriculture	3.524	1.602	1.322
Total		57.690	93.376	101.605

(*) The breakdown of cash loans is given.

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

II. Explanations on credit risk (continued):

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

(*) The distribution of cash loans is given.

Information about value adjustment and change in provisions

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

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

II. Explanations on credit risk (continued):

Risk involved in counter-cyclical capital buffer calculation

Current Period Country where risk is ultimately taken	Private sector loans in banking books	Risk weighted amount calculated within trading book	Total
Turkey	53.721.937	1.106.031	54.827.968
United Arab Emirates	11.697	-	11.697
Marshall Islands	1.169.125	-	1.169.125
Other Countries	57.985	-	57.985

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

III. Explanations on currency risk

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

- a) The Bank is exposed to currency risks as a market risk and pay attention to keep at a minimum level by avoiding keeping any positions. The Bank calculates the Value at Risk for the foreign currency position on a daily basis. All foreign currency assets, liabilities and foreign currency forward transactions are taken into consideration while capital requirement to be employed for foreign currency risk is calculated. Standard Method used in legal reporting and value at market risk is calculated on a monthly basis.
- b) The Bank does not have any derivative financial instruments held for hedging purposes.
- c) TL resources are used in TL and foreign currency resources are used in related currencies without causing any currency inconsistency in the use of loans. Due to uncertainty and volatility that may arise in the markets, foreign currency position limit that can be formed for strategic purposes is limited and monitored.
- d) Foreign exchange buying rates of the last five working days before the balance sheet date as publicly announced by the Bank are as follows:

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

- e) The simple arithmetical average of the major foreign exchange buying rates of the Bank for the thirty days before the balance sheet date is full TL 18,6587 for 1 USD (December 2021: full TL 13,6246), full TL 19,7536 for 1 Euro (December 2021: full TL 15,3855).

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

III. Explanations on currency risk (continued):

Information on the Bank's Currency Risk

	EURO	USD	Other FC	Total
Current Period				
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	5.346.226	18.744.043	316.140	24.406.409
Banks (****)	798.748	1.269.144	2.806.789	4.874.681
Financial assets at fair value through profit and loss	79.951	141.530	721.982	943.463
Money market placements	-	-	-	-
Financial Assets Valued At Fair Value Through Profit And Loss	621.450	1.893.165	-	2.514.615
Loans and financial lease receivables (*)	6.495.852	5.859.611	-	12.355.463
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	4.139.848	-	-	4.139.848
Derivative financial assets for hedging purposes(****)	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	2.782	1.092	-	3.874
Total Assets	17.484.857	27.908.585	3.844.911	49.238.353
Liabilities				
Current account and funds collected from banks via participation accounts	-	-	16.596	16.596
Other current and profit sharing accounts (**)	9.362.282	31.482.190	3.421.540	44.266.012
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	4.436.273	423.668	-	4.859.941
Marketable securities issued	-	-	-	-
Miscellaneous payables	-	-	-	-
Derivative financial liabilities for hedging purposes(****)	-	-	-	-
Other liabilities	146.305	342.100	85.280	573.685
Total liabilities	13.944.860	32.247.958	3.523.416	49.716.234
Net balance sheet position	3.539.997	(4.339.373)	321.495	(477.881)
Net balance sheet position	(3.555.105)	4.308.704	(319.605)	433.994
Derivative financial instruments assets	847.434	5.724.853	492.479	7.064.766
Derivative financial instruments liabilities	4.402.539	1.416.149	812.084	6.630.772
Non-cash loans (**)	1.368.835	1.921.118	16.698	3.306.651
Prior Period				
Total assets	11.996.492	8.011.515	1.235.185	21.243.192
Total liabilities	10.706.239	10.155.169	1.460.407	22.321.815
Net balance sheet position	1.290.253	(2.143.654)	(225.222)	(1.078.623)
Net off balance sheet position	(1.191.464)	2.218.808	258.800	1.286.144
Derivative financial instruments assets	5.987	2.617.311	500.074	3.123.372
Derivative financial instruments liabilities	1.197.451	398.503	241.274	1.837.228
Non-cash loans	1.405.454	1.731.014	-	3.136.468

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

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

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

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

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

III. Explanations on currency risk (continued):

Explanations on position risk of equity securities in banking book

None (December 31, 2021: None).

IV. Explanations on liquidity risk

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

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

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

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

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

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

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

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

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

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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

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

IV. Explanations on liquidity risk (continued):

Liquidity Coverage Ratio

Current Period	Rate of "Percentage to be taken into account " not Implemented Total value ^(*)		Rate of "Percentage to be taken into account " Implemented Total value ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 HIGH QUALITY LIQUID ASSETS			49.255.131	37.802.121
CASH OUTFLOWS				
2 Retail and Real Person Funds Collected	21.168.971	18.329.076	2.091.230	1.832.908
3 Stable Funds Collected	513.336	-	25.667	-
4 Less stable Funds Collected	20.655.635	18.329.076	2.065.563	1.832.908
5 Unsecured Funding other than Retail and Real Person	42.442.442	38.409.896	18.105.933	15.703.203
6 Customers Deposits	-	-	-	-
7 Operational Funds Collected	41.993.231	38.362.259	17.656.722	15.655.566
8 Non-Operational Funds Collected	449.211	47.637	449.211	47.637
9 Other Unsecured Funding			-	-
10 Secured funding	9.752.822	4.242.376	9.752.822	4.242.376
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	8.801.150	4.242.376	8.801.150	4.242.376
12 Debts related to the structured financial products	951.672	-	951.672	-
13 Commitment related to the structured financial markets and other off balance sheet liabilities	-	-	-	-
14 Unconditionally revocable off-balance sheet other liabilities and other contractual obligations	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	14.086.455	3.532.269	4.232.041	331.857
16 TOTAL CASH OUTFLOWS			34.182.026	22.110.344
CASH INFLOWS				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	20.616.866	13.917.043	18.485.976	13.269.279
19 Other contractual cash inflows	8.797.670	8.037.641	8.797.670	8.037.641
20 TOTAL CASH INFLOWS	29.414.536	21.954.684	27.283.646	21.306.920
Upper limit applied amounts				
21 TOTAL HQLA			49.255.131	37.802.121
22 TOTAL NET CASH OUTFLOWS			8.545.507	5.527.586
23 LIQUIDITY COVERAGE RATIO (%)			576,39	683,88

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

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

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

IV. Explanations on liquidity risk (continued):

Liquidity Coverage Ratio (continued):

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

⁽¹⁾ It is the average of the liquidity coverage ratio calculated by taking the simple monthly arithmetic average for the last three months.

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

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

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

IV. Explanations on liquidity risk (continued):

Liquidity coverage ratio (continued):

The Bank's high quality liquid assets are composed of 2,74% cash, 64,57% deposits in central banks and 32,70% securities considered as high quality liquid assets.

The Bank's main funding sources are funds collected, funds borrowed, borrowings from money market and subordinated loans. Funding source composition in report date is 87,55% funds collected, 4,54% funds borrowed and 7,91% subordinated debt instruments.

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated	Total
Current Period								
Assets								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	12.346.278	13.703.939	-	-	-	-	-	26.050.217
Banks	4.877.123	-	-	-	-	-	-	4.877.123
Financial Assets at Fair Value Through Profit and Loss	-	98.078	9.445	385.891	1.724.547	-	-	2.217.961
Money Market Placements	-	-	-	-	-	-	-	-
Financial assets valued at fair value through other comprehensive income	-	-	79.854	1.716.677	8.101.606	535.589	7.659	10.441.385
Loans	-	4.875.978	6.916.880	16.589.337	13.421.996	1.816.744	63.713	43.684.648
Financial assets valued at amortised cost	-	-	-	-	7.184.590	3.210.030	-	10.394.620
Other Assets (*)	-	-	-	-	-	-	2.560.981	2.560.981
Total Assets	17.223.401	18.677.995	7.006.179	18.691.905	30.432.739	5.562.363	2.632.353	100.226.935
Liabilities								
Current account and funds collected from banks via participation accounts	302.929	-	-	-	-	-	-	302.929
Other current and profit sharing accounts	44.187.869	20.697.462	8.882.652	4.986.764	166.189	-	-	78.920.936
Funds provided from other financial institutions and subordinated loans	-	1.520.462	3.001.547	1.448.155	1.182.889	-	4.110.376	11.263.429
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Other liabilities (**)	-	907.429	-	-	-	-	8.832.212	9.739.641
Total Liabilities	44.490.798	23.125.353	11.884.199	6.434.919	1.349.078	-	12.942.588	100.226.935
Liquidity Gap	(27.267.397)	(4.447.358)	(4.878.020)	12.256.986	29.083.661	5.562.363	(10.310.235)	-
Net Off-balance sheet Position	-	(7.959)	128	744	-	-	-	(7.087)
Financial Derivative Assets	-	4.943.606	60.879	107.522	-	-	-	5.112.007
Financial Derivative Liabilities	-	4.951.565	60.751	106.778	-	-	-	5.119.094
Non-cash Loans	-	298.864	959.878	3.880.727	1.615.240	21.397	3.069.165	9.845.271
Prior Period								
Total Assets	2.417.162	8.720.299	2.673.133	8.341.714	14.365.935	1.511.364	730.293	38.759.900
Total Liabilities	8.729.339	17.348.404	6.215.598	1.169.929	2.729.372	-	2.567.258	38.759.900
Liquidity Gap	(6.312.177)	(8.628.105)	(3.542.465)	7.171.785	11.636.563	1.511.364	(1.836.965)	-
Net Off-balance sheet Position	-	(31.071)	(56.149)	(1.175)	-	-	-	(88.395)
Financial Derivative Assets	-	2.508.922	756.035	91.169	-	-	-	3.356.126
Financial Derivative Liabilities	-	2.539.993	812.184	92.344	-	-	-	3.444.521
Non-cash Loans	1.354.438	1.108.447	343.855	1.578.062	495.818	-	-	4.880.620

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

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

V. Explanations on leverage ratio

As of December 31, 2022, leverage ratio of the Bank calculated from the arithmetic average of the last 3 months is 6,49% (December 31, 2021: 8,45%). Leverage ratio is required to remain minimum 3% as per "Communiqué on Measurement and Evaluation for Leverage Ratios of Banks".

Disclosure of Leverage ratio template:

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

(*) Amounts in the table show quarterly averages.

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

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

VI. Explanations regarding the fair value of financial assets and liabilities (continued):**b. Information on fair value measurements recognized in the financial statements**

According to TFRS 7 "Financial Instruments: Explanations" Standard, the accounts recognized with the fair value in the balance sheet should be presented and classified sequentially in the related footnotes.

- At level one, the financial instruments whose fair values are determined with the recorded prices in the active markets for the assets and liabilities with identical fair values,
- At level two, the financial instruments whose fair value is based on the directly or indirectly observable market indicators,
- At level three; the financial instruments whose fair value is not based on the directly or indirectly observable market indicators are considered.

The financial instruments which are recognized with their fair values at the Bank's balance sheet, are presented with respect to such basis of classification in the table below:

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

(*) The financial assets whose fair value difference is reflected in other comprehensive income, the realization price has been reflected in the financial statements for the securities worth 7.659 TL not being traded in an active market, and the related securities are not shown in this table.

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

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

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

VIII. Explanations on risk management

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

a. Risk management strategy and risk weighted amounts

a.1. Explanations on risk management

The aim of the Bank's Risk management system is basically to ensure identification, measurement, monitoring and controlling of risks exposed, through establishment of policies, implementation procedure and limits for monitoring, controlling and in case of need changing the risk/return structure of future cash flows, and accordingly nature and level of operations.

The Board of Directors has a responsibility of establishing and providing compatible, adequate and effective system on internal control, risk management and internal auditing as anticipated by the Banking Law for the purpose of monitoring and controlling risks emerging from operations.

The Board of Directors is responsible for establishing risk management policies and strategies. These policies are revised and evaluated periodically according to prevailing market conditions.

The general manager is responsible from ensuring that departments of the bank operate in accordance with the specified policies and strategies about risk management as determined by the Board of Directors.

The Board of Directors of the Bank takes an important part in the processes of risk management by following policies and strategies on consolidated and unconsolidated basis, setting up limit systems and procedures in the Bank.

The related limits are monitored, reported and maintained within the set limits by the units under the internal systems and the related departments in the bank. Risk Management Department, organized within the frame of Risk Management regulations, undertakes activities for measuring, monitoring, controlling and reporting of risks.

Ultimate goal of the bank's risk management system is to allocate capital in accordance with risks that functional activities have (economical capital), to maximize return on capital adjusted according to risk and to increase added value created.

In Asset and Liability Committee, asset-liability structure is managed via evaluating fund collection activities in line with risk management policies and domestic and foreign conditions regarding the bank's fund lending.

The risks that the Bank is exposed to or may be exposed to in the future are determined and the definition of these risks is made. Defined risks are measured and prioritized as far as possible. It is provided that all important risks are in the risk appetite considering the potential impact of the risks and the strategy arising from the bank's strategies to risk profile. The bank's strategies are integrated with risk profile and risk appetite. If it is expected that the risk profile is going to change in the future, this change is assessed with the degree of capital impact.

The bank's risk tolerance is the most comprehensive calculated risk amount which may be accepted in accordance with the determined mission and vision. In other words, before deciding on the necessity of taking measures, it is the bank's readiness to exposure of any risk amount. In this respect, the risk tolerance, in connection with the variety of services offered by the bank, is the level of risk it identifies as acceptable.

VIII. Explanations on risk management (continued):

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

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

The common feature of the bank's risk appetite and risk tolerance is to drive the lines regarding risk acceptance. However, risk tolerance is more comprehensive.

By means of "Risk Appetite Policy" approved by the board of directors, risk levels can be taken to implement risk strategies and to achieve the objectives of the Banks were identified. Limits, which are determined within the framework of risk profile of the bank in accordance with the bank's risk appetite and risk tolerance, and triggering functions, were described in detail.

Considering the bank's financial position, activity profile and the growth expectations of the future, the amount of capital needed for the strategic targets to be met have been calculated by the basis of static and dynamic stress tests and scenario analyses.

Considering the factors that may affect the bank operates market today and in the future, stress tests and scenario analysis studies on the financial structure of the bank have been assessed together with the other financial indicators; in this context, a coordination based on harmony was created between prepared capital plans and processes of the bank.

Aiming to ensure capital allocation compatible with the risks of its functional operations and increase the capital yield set according to these risks to the maximum level, the bank evaluates risks by classifying them as market risks, liquidity risk, credit risk, operational risk, strategic risk and credibility risk.

Market Risk

The Bank's market risk; refers to the probability of loss may be exposed to exchange rate risk, equity position risk, profit rate risk and commodity risk.

The Bank measures its market risks by using the standard method in accordance with the provisions of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks".

Whether the market risk of our Bank is in conformity with legal regulations and the determined limits is constantly monitored. Our foreign currency risk is discussed and evaluated at every Assets/Liabilities Committee meeting and our foreign currency strategy is based on holding this risk constant by holding to square foreign currency position (i.e. no short or long positions are taken).

Liquidity risk

The Bank's liquidity risk, consists of funding related liquidity risk and market-related liquidity risk.

The liquidity risk is the situation whereby, as a result of any imbalances in the cash flows, there is a potential for not being able to meet the Participation Funds which have matured or other due liabilities in a timely manner due to shortage of liquid funds.

Market liquidity risk is an expression of the likelihood of the bank's suffering a loss because the bank is unable to close or cover a particular position at the market price owing to insufficient market depth or to excessive market volatility.

Liquidity risk could be caused by such factors as maturity mismatch, deterioration in the quality of assets, unexpected funding outflows, erosion in profitability levels and economic crisis.

In order to manage liquidity risk, the Bank monitors the cash flows on a daily basis and takes preventive and improving measures taken so that commitments are met duly in time. The Liquidity risk is also evaluated by ALCO on a weekly basis.

The Bank applies a policy whereby liquid assets are kept in sufficient volumes and qualities in consideration of the minimum liquidity coverage ratios determined by the related regulations and the liquidity experiences of the past in order to meet any liquidity requirement that could arise with unexpected volatilities in the markets.

VIII. Explanations on risk management (continued):

Credit risk

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

The authority to approve credits belongs to the Board of Directors at our Bank. The Board of Directors determines the policies concerning the utilization, approval, risk management of the credits and other related management principles. It then ensures the implementation and supervision of these policies, taking required measures when necessary. The Board of Directors has transferred some of its authority in approving credit lines to the Credit Committee and General Management within the framework of the procedures and principles determined by the legal provisions. The General Management uses that authority to utilize credits by means of the credit departments and Bank branches. At our Bank, credit allocations are realized within those limits that are determined on the basis of each debtor and group of debtors.

It is systematically not possible for customers to exceed the predetermined and approved limit. Close attention is paid to prevent any sector concentration that might impair the health of the credit portfolio. Utmost care is given to the prevention of risks concentrating on a small number of customers. Credit risks are constantly monitored and reported by the internal systems units and risk management bodies. Credit risks are ensured to be in conformity to "Regulation on Credit Policies and Implementation Procedures".

Operational risk

Operational risk is a risk of loss caused by insufficient or unsuccessful internal processes, by persons and systems or external events, wherein the legal risks and compliance risks are included while the strategic (making wrong decisions at the wrong time) and reputational risk are excluded.

Operational risk is a type of risk present in all activities of the Bank. It could arise from errors of the staff or the system, from such transactions as may have been made based on insufficient or incorrect legal information or documents, due to impediments in the flow of information between the divisions in the organizational structure of the Bank, due to uncertainties in the definition of limits of authorities or from structural and/or operational changes, natural disasters, terror and frauds.

The Bank classifies operational risks into five groups according to their sources: staff risks, technological risks, organizational risks, legal and compliance risks and external risks.

The Bank also takes required measures to maintain operational risks at acceptable levels.

Other risks

The other risks that the Bank could encounter include strategic and reputational risk, counterparty credit risk, country risk, and concentration risk.

For the management of strategic risk, the Bank keeps a close watch on the domestic and international situation, on technological, financial, and social developments, on the legal and regulatory frameworks, and on the banking industry as a whole in order to make rational decisions and to change them as circumstances warrant.

The Bank regards reputational risk as anything that might lead to the Bank's suffering a loss on account of adverse developments such as a reduction in the confidence that is had in it or any impairment in its good standing due to unfavorable opinions that existing or potential customers, shareholders, competitors, regulatory agencies, or other outside or associated parties may have about it or due to any breach of existing laws and regulations. For the risk of reputation to be avoided and/or controlled by the Bank's Risk Management System, a proactive communication mechanism that gives the customer priority is established any time a condition that could detriment the Bank's reputation or image is detected.

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

In addition, the Bank's operations in accordance with the principles of participation banking are also considered as a component of the bank's specific reputation risk management.

Counterparty credit risk is an expression of the likelihood that the counterparty in any transaction that imposes an obligation on two parties will default on the obligation before the final payment in the transaction's cash flow sequence. The Bank manages its counterparty credit risk exposure as required by laws and regulations, taking best practices into consideration, and compatibly with the volume, nature, and complexity of its operations.

Country risk is an expression of the likelihood that the bank will suffer a loss because debtors in another country fail to fulfill or avoid fulfilling their obligations owing to uncertainties in the economic, social, and/or political conditions of that country. The Bank enters into business relationships with foreign financial institutions and/or the agencies of foreign countries taking legal and regulatory restrictions, market conditions, and customer satisfaction into consideration and on the basis of feasibility studies that take the country's economic conditions into account.

Concentration risk is defined as the likelihood that a single risk or several risks that have some attribute in common may, if realized, cause losses that are capable of endangering the bank itself or its ability to carry out its essential activities. Policies aimed at managing concentration risk are formulated so as to deal with particular aspects of it such as sectoral concentration, collateral concentration, market risk concentration, types of loss concentration, and creditor concentration.

a.2 General overview of risk weighted amounts

		Risk weighted assets		Minimum Capital Requirements
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	32.027.595	12.883.029	2.562.208
2	Of which standardised approach (SA)	32.027.595	12.883.029	2.562.208
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	28.930	26.820	2.314
5	Of which standardised approach for counterparty credit risk (SA-CCR)	28.930	26.820	2.314
6	Of which internal model method (IMM)	-	-	-
7	Equity positions in banking book under market-based approach	-	-	-
8	Equity investments in funds – look-through approach	-	-	-
9	Equity investments in funds – mandate-based approach	-	-	-
10	Equity investments in funds – fall-back approach (1250% risk weight)	-	-	-
11	Settlement risk	-	-	-
12	Securitisation exposures in banking book	-	-	-
13	Of which IRB ratings-based approach (RBA)	-	-	-
14	Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15	Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	1.106.031	763.786	88.482
17	Of which standardised approach (SA)	1.106.031	763.786	88.482
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	984.141	724.962	78.731
20	Of which Basic Indicator Approach	984.141	724.962	78.731
21	Of which Standardised Approach	-	-	-
22	Of which Advanced Measurement Approach	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	34.146.697	14.398.597	2.731.736

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

Current Period	Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)	Carrying values of items in accordance with Turkish Accounting Standards (TAS)				Not subject to capital requirements or deducted from capital
		Subject to credit risk	Subject to counterparty credit risk	Securitization positions	Subject to market risk ^(*)	
Assets						
Cash and balances at central bank	26.082.280	26.082.580	-	-	-	-
Banks	4.853.496	4.853.496	-	-	-	-
Receivables from Money markets	-	-	-	-	-	-
Expected Loss Provisions (-)	43.071	43.071	-	-	-	-
Financial assets at fair value through profit or Loss	2.217.961	-	-	-	2.217.961	-
Financial assets at fair value through other comprehensive income	10.441.385	10.441.385	-	-	-	-
Derivative financial assets	17.597	-	17.597	-	17.597	-
Loans	43.806.339	43.806.339	-	-	-	-
Leasing receivables	486.282	486.282	-	-	-	-
Financial assets measured at amortized cost	10.440.441	10.440.441	-	-	-	-
Expected loss provisions	653.794	653.794	-	-	-	-
Assets held for sale and discontinued operations (net)	5.242	5.242	-	-	-	-
Partnership investments	100	100	-	-	-	-
Tangible fixed asset (net)	432.288	432.288	-	-	-	-
Intangible asset (net)	100.413	100.413	-	-	-	100.413
Investment properties (net)	-	-	-	-	-	-
Current tax asset	-	-	-	-	-	-
Deferred tax assets	663.317	663.317	-	-	-	-
Other assets	1.376.359	1.376.359	-	-	-	122.297
Total Assets	100.226.935	97.991.377	17.597	-	2.235.558	222.710
Liabilities						
Funds collected	79.170.901	-	-	-	-	-
Funds borrowed	7.153.053	-	-	-	-	-
Debt to Money markets	-	-	-	-	-	-
Debt securities in issue	-	-	-	-	-	-
Financial liabilities at fair value through profit and loss	-	-	-	-	-	-
Derivative financial liabilities	13.797	-	13.797	-	13.797	-
Liabilities from leases	278.248	-	-	-	-	-
Provisions	1.045.704	-	-	-	-	-
Current tax liability	1.368.458	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
Non-current assets held for sale and discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	4.110.376	-	-	-	-	-
Other liabilities	1.062.524	-	-	-	-	-
Equity	6.023.874	-	-	-	-	-
Total Liabilities	100.226.935	-	13.797	-	13.797	-

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

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

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

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

VIII. Explanations on risk management (continued):

b. Financial statements and regulatory exposures reconciliation (continued):

b.2. Main reasons of the differences between the risk amounts and Carrying Value in accordance with Turkish Accounting Standards (TAS)

	Current Period	Total	Subject to credit risk	Securitisation position	Subject to counterparty credit risk	Subject to market risk ^(*)
1	Carrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	100.226.935	97.991.377	-	17.597	2.235.558
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	13.797	-	-	13.797	13.797
3	Total net amount within the scope of legal consolidation	100.213.138	97.991.377	-	3.800	2.221.761
4	Off balance sheet amounts	30.917.519	6.789.748	-	64.757	64.757
5	Repo and similar transactions ^(**)	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	(30.910.786)	-	-	-
10	Risk amounts	131.130.657	73.870.339	-	68.557	2.286.518

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

^(**) In accordance with "Regulation on Measurement and Assessment of Capital Adequacy of Banks", it is counterparty credit risk amount calculated for repurchase agreements and similar transactions.

	Prior Period	Total	Subject to credit risk	Securitisation position	Subject to counterparty credit risk	Subject to market risk ^(*)
1	Carrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	38.759.900	36.894.706	-	65.158	1.865.194
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	109.990	-	-	109.990	109.990
3	Total net amount within the scope of legal consolidation	38.649.910	36.894.706	-	(44.832)	1.755.204
4	Off balance sheet amounts	15.066.724	4.434.395	-	3.599.735	3.599.735
5	Repo and similar transactions ^(**)	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	(8.479.729)	-	-	-
10	Risk amounts	53.716.634	32.849.372	-	3.554.903	5.354.939

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

^(**) In accordance with "Regulation on Measurement and Assessment of Capital Adequacy of Banks", it is counterparty credit risk amount calculated for repurchase agreements and similar transactions.

VIII. Explanations on risk management (continued):**b. Financial statements and regulatory exposures reconciliation (continued):****b.3. Explanations on differences between carrying values in accordance with Turkish Accounting Standards (TAS) and risk amounts**

There is no significant difference between the financial statement amounts of assets and liabilities and the amounts included in capital adequacy calculation.

c. Credit risk**c.1. General information on credit risk****c.1.1. General qualitative information on credit risk**

This information is already included in (II). Explanations on Credit Risk and (IX.a.I) The Bank's risk management approach.

c.1.2. Credit quality of assets:

Current Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ amortisation and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	93.376	44.292.621	410.484	43.975.513
2 Debt securities	-	23.099.787	94.510	23.005.277
3 Off-balance sheet exposures	28.711	9.816.560	84.428	9.760.843
4 Total	122.087	77.208.968	589.422	76.741.633

Prior Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ amortisation and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	195.529	21.711.795	332.857	21.574.467
2 Debt securities	-	8.686.763	9.487	8.677.276
3 Off-balance sheet exposures	450	6.160.451	29.342	6.131.559
4 Total	195.979	36.559.009	371.686	36.383.302

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

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

c.1.4. Additional information on credit quality of assets

The scope and definitions of past due receivables and the methods used by the bank to determine the provisions are mentioned in the Explanations on Credit risk. The Bank may restructure not only non-performing credits but also the first and the second stage credits. Restructuring for the first and the second stage credits are made to improve the customer's ability to repay the credit or for changes in contractual terms upon the customer request regardless of the customer's credit risk.

VIII. Explanations on risk management (continued):

c. Credit risk (continued):

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

Restructuring for non-performing credits are made for providing collection possibility by establishing a new payment plan. Breakdowns for receivables in terms of sectors are mentioned in the footnote numbered II (Explanations on Credit Risk). Breakdowns according to the remaining maturity for past due receivables and in terms of geographic locations receivables that specific provisions are set are represented below.

There are no financial assets that are overdue but not impaired by class of financial instruments. (December 31 2021: None).

Receivables that provisions are set in terms of geographical region

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

^(*) Represents amounts for cash loans.

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

^(*) Represents amounts for cash loans.

Breakdown according to sector:

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

VIII. Explanations on risk management (continued):

c. Credit risk (contiuned):

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

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

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

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

a) Financial Collaterals (Treasury Bills, Government Bonds, Cash, Deposit or Participation Fund Pledge, Gold, Stock Pledge)

b) Guarantees

The credibility of guarantors is monitored and evaluated within the framework of credit revision periods. Collaterals obtained by the Bank are reviewed and appraised in accordance with related legislation as long as the credit relationship is outstanding.

If there are indicators on significant decreases of real estate's value in comparison to general market prices, the real estate's valuation is performed by the authorised valuation corporations authorised by Banking Regulation and Supervision Agency or Capital Markets Board of Turkey.

The Bank monitors other banks' guarantees that are evaluated as risk mitigators within the framework of BRSA regulations on a regular basis and reviews the credibility of banks periodically.

The volatility in real estate market is monitored closely by the Bank and the market fluctuations are considered in credit activities

c.2.2. Credit risk mitigation techniques

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

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

c.3. Credit risk under standardised approach**c.3.1. Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk**

Explanations on rating grades that the banks use for calculation of credit risk by the standardised approach are mentioned in the footnote numbered (II) for Explanations on Credit Risk.

VIII. Explanations on risk management (continued):

c. Credit risk (continued):

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

c.3.2. Credit risk exposure and credit risk mitigation techniques

Current Period	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Receivables from central governments or central banks	37.311.333	-	37.348.816	272	-	-
Receivables from regional or local governments	241.494	14.532	73.501	8.797	40.287	48,95%
Receivables from administrative units and non-commercial enterprises	15.133	4.765	25.372	4.772	15.052	49,93%
Receivables from multilateral development banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and brokerage houses	6.997.303	-	7.227.877	-	2.297.744	31,79%
Receivables from corporates	15.574.635	11.795.506	15.479.760	5.604.036	24.872.261	117,97%
Retail receivables	2.245.737	1.948.396	2.230.534	995.769	2.280.653	70,69%
Receivables secured by mortgages on property	361.721	79.156	361.496	38.147	130.846	32,74%
Receivables secured by mortgages on commercial property	612.889	228.089	612.889	137.955	499.358	66,51%
Past due receivables	9.573	-	9.573	-	4.916	51,35%
Receivables defined in high risk category by BRSA	-	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-
Other receivables	3.710.773	-	3.710.773	-	1.885.946	50,82%
Equity share investments	-	-	-	-	-	-
Total	67.080.591	14.070.444	67.080.591	6.789.748	32.027.063	43,36%

Prior Period	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Receivables from central governments or central banks	9.545.746	43.308	9.552.334	43.446	-	-
Receivables from regional or local governments	74.578	14.000	12.466	7.015	9.741	%50,00
Receivables from administrative units and non-commercial enterprises	-	908	16.372	2.925	19.297	%100,00
Receivables from multilateral development banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and brokerage houses	1.039.558	53.973	1.225.378	53.973	340.890	%26,65
Receivables from corporates	7.867.116	4.458.782	7.725.201	2.662.046	9.725.964	%93,63
Retail receivables	1.769.226	1.480.862	1.764.471	683.811	1.770.649	%72,32
Receivables secured by mortgages on property	247.268	39.555	247.268	25.628	93.446	%34,24
Receivables secured by mortgages on commercial property	310.930	400.453	310.930	222.805	337.217	%63,18
Past due receivables	6.224	-	6.224	-	4.508	%72,43
Receivables defined in high risk category by BRSA	-	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-
Other receivables	1.277.497	-	1.277.497	-	580.357	%45,43
Equity share investments	-	-	-	-	-	-
Total	22.138.143	6.491.841	22.138.141	3.701.649	12.882.069	%49,85

VIII. Explanations on risk management (continued)

c. Credit risk (continued):

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

c.3.3. Exposures by asset classes and risk weights

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

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

VIII. Explanations on risk management (continued)**d. Counterparty credit risk****d.1. Qualitative disclosure on counterparty credit risk**

Derivatives and repurchase transactions in the calculation of counterparty credit risk are calculated according to the fair value in accordance with "Appendix-2 of Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette dated October 23, 2015 and numbered 29511. The sum of potential future exposures and positive replacement costs is taken in the calculation of the risk amount related to derivative transactions.

The Bank prepared "Charter on the Counterparty Credit Risk Management Policy and Implementation Procedures" in order to determine the basic principles that manage the counterparty credit risk and this regulation was approved by the Board of Directors. The Board of Directors periodically reviews and assesses the related policy.

d.2. Counterparty credit risk (CCR) approach analysis

Current Period		Replacement cost	Potential Future exposure	EEPE ^(*)	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	(254)	64.757		-	114.908	28.929
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						28.929

(*) Effective Expected Positive Exposure

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

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

(*) Effective Expected Positive Exposure

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

		Current Period		Prior Period	
		EAD post-CRM	RWA	EAD post-CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation		-	-	-	-
1	(i) VaR component (including the 3×multiplier)		-		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-		-
3	All portfolios subject to the Standardised CVA capital obligation	114.908	28.929	98.334	26.820
4	Total subject to the CVA capital obligation	114.908	28.929	98.334	26.820

VIII. Explanations on risk management (continued)

d. Counterparty credit risk (continued):

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

Current Period										
Risk Classes	Risk Weighted									Total credit exposure(*)
	%0	%10	%20	%50	%75	%100	%150	Other		
Receivables from central governments or central banks	6.561	-	-	-	-	-	-	-	-	6.561
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses	-	-	94.896	7.001	-	-	-	-	-	101.897
Receivables from corporates	-	-	-	-	-	6.450	-	-	-	6.450
Retail receivables	-	-	-	-	-	-	-	-	-	-
Receivables secured by mortgages on property	-	-	-	-	-	-	-	-	-	-
Past due receivables	-	-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	6.561	-	94.896	7.001	-	6.450	-	-	-	114.908

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

Prior Period										
Risk Classes	Risk Weighted									Total credit exposure(*)
	%0	%10	%20	%50	%75	%100	%150	Other		
Receivables from central governments or central banks	43.308	-	-	-	-	-	-	-	-	43.308
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses	-	-	12.042	31.493	-	-	-	-	-	43.535
Receivables from corporates	-	-	1.322	-	-	3.096	-	-	-	4.418
Retail receivables	-	-	-	-	7.073	-	-	-	-	7.073
Receivables secured by mortgages on property	-	-	-	-	-	-	-	-	-	-
Past due receivables	-	-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	43.308	-	13.364	31.493	7.073	3.096	-	-	-	98.334

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

VIII. Explanations on risk management (continued):

d. Counterparty credit risk (continued):

d.5. Used collaterals for counterparty credit risk

None (December 31, 2021:None).

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

None (December 31, 2021:None).

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

None (December 31, 2021:None).

e. Information to be announced to public on Securitization

None (December 31, 2021:None).

f. Market risk

f.1. Qualitative disclosure on market risk

The Bank measures market risk by using the standard method in accordance with "Regulation on the Measurement and Assessment of the Capital Adequacy of Banks" dated October 23, 2015 and numbered 29511 and allocates legal capital on this basis. On the other hand, the market risk is also calculated by using the internal model for testing (Value at Risk) and the results found are supported by considering backtesting results. The market risk value (Value at Risk) calculated by using the internal model is calculated on a daily basis by using Variance-Covariance, EWMA, Monte Carlo and Historical Simulation methods and is reported to the top management.

The Board of Directors sets limits for these risks by considering the main risks and revises these limits periodically in line with market conditions and Bank's strategies. In addition, the Board of Directors ensures that the risk management unit and senior management take all necessary measures to identify, measure, prioritize, and reduce at an acceptable level and to manage the various risks that the Bank is exposed to.

Risks that positions held by the Bank under on-balance sheet and off-balance sheet accounts may occur due to fluctuations in financial markets are measured. Information about the market risk considered in the calculation of legal capital as follows.

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

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

g. Operational risk

Capital requirement for operational risk is calculated annually by using the Basic Indicator Method in accordance with Article 24 of the Regulation on the Measurement and Assessment of Capital Adequacy of Banks.

Current Period	2 PP Value	1 PP Tutar	CP Value	Total number of years for which gross income is positive	Rate (%)	Total
Gross Income	500.377	801.333	6.232.412	2.511.374	%15	376.706
Amount subject to Operational Risk (Total*12,5)						4.708.826

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

h. Qualitative disclosure on profit rate risk arising from banking books**h.1. Important assumptions including the nature of profit rate risk arising from banking books and the early repayment of loans and movements in deposits other than time deposits with measurement frequency of the profit rate risk**

Profit rate risk arising from banking books measures profit rate risk arising from on-balance sheet and offbalance sheet positions in the Bank's banking books by standard shock method.

The Bank calculates and measures legal ratio for profit rate risk arising from banking books on a monthly basis in accordance with "Regulation on Measurement and Assessment of Interest Rate Risk arising from Banking Books by Standard Shock Method" that have been published in Official Gazette numbered 28034 and dated August 23, 2011.

VIII. Explanations on risk management (continued):

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

h.2. Economic value differences arising from profit rate fluctuations in accordance with Regulation on Measurement and Assessment of Profit Rate Risk arising from Banking Books by Standard Shock Method

Current Period

Currency	Applied Shock (+/-x basis point)	Gains/ (Losses)	Gains/Equity (Losses/Equity) (%)
TRY	(+) 500bp	(529.967)	(5,55)
TRY	(-) 400bp	499.974	5,23
USD Dolar	(+) 200bp	(49.947)	(0,52)
USD Dolar	(-) 200bp	64.836	0,68
EUR	(+) 200bp	101.384	1,06
EUR	(-) 200bp	(107.421)	(1,12)
Total (For Negative Shocks)	-	457.389	4,79
Total (For Positive Shocks)	-	(478.530)	(5,01)

Prior Period

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

IX. Explanations on business segments

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

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

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

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

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

SECTION FIVE

Explanations and notes on the unconsolidated financial statements

I. Explanations and notes related to assets

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

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

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

b) Information related to CBRT:

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

c) Explanations on implementing requested reserves :

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

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

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

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

c) Explanations on implementing requested reserves (continued):

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

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

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

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

2. a) Information on banks

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

b) Information on Foreign Bank Accounts

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

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

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

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

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

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

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

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

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

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

Financial assets valued at fair value through other comprehensive income subject to repurchase transactions assets, which are subjected to repurchase agreements as of December 31, 2022: None (December 31, 2021: 2.073.137). As of December 31, 2022, amount subject to guaranteed/blocked is TL 2.184.200 (December 31, 2021: 326.675).

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

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

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

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

5. Information on derivative financial assets

a. Positive differences related to the derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Swap Transactions	3.264	12.406	29.633	419
Forward Transactions	1.652	275	32.245	2.861
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	4.916	12.681	61.878	3.280

6. Information on loans

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

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

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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**
 - 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			Loans with Revised Contract Terms	Refinance
Loans	43.578.249	35.147	95.567	-
Export loans	-	-	-	-
Import loans	3.335.018	307	-	-
Business loans	26.375.121	15.166	95.567	-
Consumer loans	1.163.239	783	-	-
Credit cards	-	-	-	-
Loans given to financial sector	6.631.080	-	-	-
Other (*)	6.073.791	18.891	-	-
Other receivables	-	-	-	-
Total	43.578.249	35.147	95.567	-

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

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

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

6. Information on loans (continued):

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

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

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

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

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

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

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

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

6. Information on loans (continued):

c. Maturity analysis of cash loans

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

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

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

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

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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):

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

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

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

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

6. Information on loans (continued):

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

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

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

6. Information on loans (continued):

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

Current Period	Short-Term	Medium and Long-term	Total
Commercial installment loans-TL	1.562.386	2.944.839	4.507.225
Business loans	99.111	418.452	517.563
Vehicle loans	1.152.172	1.253.937	2.406.109
Consumer loans	311.103	1.272.450	1.583.553
Other	-	-	-
Commercial installment loans-FC indexed	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	9.256	314.997	324.253
Business loans	-	16.111	16.111
Vehicle loans	9.256	135.535	144.791
Consumer loans	-	163.351	163.351
Other	-	-	-
Corporate credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	3.111	-	3.111
Overdraft account-FC(Legal Entity)	53.880	-	53.880
Total	1.628.633	3.259.836	4.888.469

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

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

6. Information on loans (continued):

f. Loans according to types of borrowers

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

g. International and domestic loans:

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

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

h. Loans granted to subsidiaries and participations

None (December 31, 2021: None).

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

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

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

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

None (December 31, 2021: None).

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period			
Closing balance of prior period	8.312	13.071	174.144
Additions in the current period (+)	86.909	12.753	5.199
Transfers from other categories of non-performing loans (+)	-	41.874	24.418
Transfers to other categories of non-performing loans (-)	41.874	24.418	-
Collections in the current period (-)	17.397	14.020	3.526
Write offs (-)	-	-	168.069
Sales (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	35.950	29.260	32.166
Provision (-)	35.433	18.045	26.393
Net balance at the balance sheet	517	11.215	5.773
(*) Non-performing loans totaling TL 168,069 were de-recognized on October 3, 2022, in accordance with the Board of Directors' Decision. TFRS 9 accounting write-off The transaction has a 376 basis point impact on the NPL ratio.			
	III. Group	IV. Group	V. Group
	Loans an receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Prior Period			
Closing balance of prior period	-	12	172.685
Additions in the current period (+)	24.057	305	100
Transfers from other categories of non-performing loans (+)	-	15.647	1.403
Transfers to other categories of non-performing loans (-)	15.647	1.403	-
Collections in the current period (-)	96	1.490	44
Write offs (-)	-	-	-
Sales (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	8.314	13.071	174.144
Provisions (-)	4.162	7.835	173.683
Net balance at the balance sheet	4.152	5.236	461

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

None (December 31, 2021: None).

I. Explanations and notes related to assets (continued):**6. Information on loans (continued):****i. Information on non-performing loans and receivables (net) (continued):****i.4. Gross and net non-performing loans and other receivables per customer categories**

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

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

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

j. Liquidation policy for uncollectible loans and receivables

The Bank initiates a legal process for the collection of receivables arising from credit transactions. The debtor's and debtor related's assets' together with process of cash conversion of the collaterals which constitute of the Bank receivables will be processed by the Bank and in addition to this process the Bank will try to collect and liquidate its receivables through administrative ways.

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

6. Information on loans (continued):

k. Information on "Write-off" policies

In accordance with Article 8 of the "Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Reserved for them", loans classified under "Fifth Group Loans of Loss" and which does not have reasonable expectations regarding the recovery of loans with a lifetime expected due to the default of the debtor or the provision of special provisions can be deducted from the records within the scope of TFRS 9 as of the first reporting period following their classification in this group.

It is an accounting practice to deduct loans that do not have the possibility to collect from the records within the scope of the above provision, does not mean that result in giving up the right to receivable.

The general policy of the Bank is to write-off the receivables which are deemed to be impossible to collect during the legal follow-up process from the assets in accordance with the decision taken by the top management of the bank. The amount of TL 168.069 for loans deemed impossible to collect in 2022 has been written-off due to the decision taken by the bank's management (December 31, 2021: 15.707).

7. Information on Financial Assets Measured at Amortized Cost

a. Information on government debt securities measured at amortized cost

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities (*)	10.440.441	2.713.586
Total	10.440.441	2.713.586

(*) The Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. Subordinated debt instrument with the ISIN code TRT240424F22, starting date of April 24, 2019, with the earliest five-year repayment option and a demand deposit of 200.000.000 Euro (Full Euro) and the Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. It consists of subordinated debt instruments with an ISIN code of TRT250232F15, starting date of March 9, 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31.688.489 (Full Euro).

b. Information on investment securities measured at amortized cost

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

(*) The Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. Subordinated debt instrument with the ISIN code TRT240424F22, starting date of April 24, 2019, with the earliest five-year repayment option and a demand deposit of 200.000.000 Euro (Full Euro) and the Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. It consists of subordinated debt instruments with an ISIN code of TRT250232F15, starting date of March 9, 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31.688.489 (Full Euro).

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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

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

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

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

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

	Current Period	Prior Period
Balance at beginning of period (*)	2.713.586	1.568.929
Foreign currency differences on monetary assets (**)	1.533.167	1.128.426
Purchases during period	6.209.920	16.231
Disposals through sales and redemptions	(16.232)	-
Impairment provision (-)	-	-
Closing Balance	10.440.441	2.713.586

(*) The Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. Subordinated debt instrument with the ISIN code TRT240424F22, starting date of April 24, 2019, with the earliest five-year repayment option and a demand deposit of 200.000.000 Euro (Full Euro) and the Bank's Creditor Institution Türkiye Varlık Fon Yönetimi A.Ş. It consists of subordinated debt instruments with an ISIN code of TRT250232F15, starting date of March 9, 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31.688.489 (Full Euro).

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

8. Information on lease receivables (net)

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	61.869	58.166	8.922	8.799
1 to 4 years	460.014	377.536	141.131	118.381
More than 4 years	55.961	50.580	62.322	55.664
Total	577.844	486.282	212.375	182.844

b. Information on net investments through finance lease

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

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

8. Information on lease receivables (net) (continued):

c. General explanation on finance lease contracts

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

Information on leasing receivables:

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

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

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

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

10. Information on associates

a. Associates (net)

a.1. Information on unconsolidated associates

None (December 31, 2021: None).

a.2 Information on consolidated associates

None (December 31, 2021: None).

b. Information on subsidiaries (net)

b.1 Information on unconsolidated subsidiaries

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

I. Explanations and notes related to assets (continued):**10. Information on associates (continued):****b. Information on subsidiaries (net) (continued):****b.2 Information on consolidated subsidiaries**

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

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

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

The values stated in the table below are taken from financial statements in audited report of Emlak Varlık Kiralama A.Ş. and Emlak Katılım Varlık Kiralama A.Ş.'s dated December 31, 2022.

Name	Total Assets	Shareholders equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income /loss	Prior period income /loss	Fair Value
Emlak Varlık Kiralama A.Ş.	1.248.483	347	-	42.403	-	298	-	-
Emlak Katılım Varlık Kiralama A.Ş.	3.577.353	50	-	569.706	-	-	-	-

b.2.1 Movement information on subsidiaries

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

c. Information on investments in joint-ventures

None (December 31, 2021: None).

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

11. Information on tangible assets

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

(*) As of December 31, 2022, historical value of movables and real estates that are accounted for as a right of use is amounting to TL 274.238 (December 31, 2021: TL 199.754), in accordance with the "TFRS 16 Leases" standard, and the depreciation amount is TL 67.955. (December 31, 2021: TL 32.190)

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

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

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

12. Information on intangible assets

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

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

13. Information on investment property:

None (December 31, 2021: None).

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

14. Information related to deferred tax assets

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

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

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

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

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

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

II. Explanations and notes related to liabilities

1. Information on funds collected

a. Information on maturity structure of funds collected

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts									
Non-Trade TL	603.060	-	-	-	-	-	-	-	603.060
II. Real Persons Participation Accounts Non-Trade TL(*)									
	-	2.753.986	4.186.617	1.396.878	176.120	85.103	166.189	-	8.764.893
III. Current Account other-TL	5.520.675	-	-	-	-	-	-	-	5.520.675
Public Sector	94.986	-	-	-	-	-	-	-	94.986
Commercial Institutions	5.119.251	-	-	-	-	-	-	-	5.119.251
Other Institutions	-	-	-	-	-	-	-	-	-
Commercial and Other Institutions	20.105	-	-	-	-	-	-	-	20.105
Banks and Participation Banks	286.333	-	-	-	-	-	-	-	286.333
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	286.333	-	-	-	-	-	-	-	286.333
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	13.033.699	3.444.170	1.497.705	1.366.908	123.474	-	-	19.465.956
Public Sector	-	5.865.629	949.950	1.056.924	3.117	-	-	-	7.875.620
Commercial Institutions	-	6.898.559	2.344.662	373.842	1.359.274	123.474	-	-	11.099.811
Other Institutions	-	125.552	31.418	2.034	-	-	-	-	159.004
Commercial and Other Institutions	-	143.959	118.140	64.905	4.517	-	-	-	331.521
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
V. Real Persons Current Accounts Non-Trade FC	13.656.496	-	-	-	-	-	-	-	13.656.496
VI. Real Persons Participation Accounts Non-Trade FC	-	2.497.226	350.410	20.179	35.765	28.097	-	-	2.931.677
VII. Other Current Accounts FC	23.413.338	-	-	-	-	-	-	-	23.413.338
Residents in Turkey-Corporate	9.819.271	-	-	-	-	-	-	-	9.819.271
Residents Abroad-Corporate	13.583.612	-	-	-	-	-	-	-	13.583.612
Banks and Participation Banks	10.455	-	-	-	-	-	-	-	10.455
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	10.455	-	-	-	-	-	-	-	10.455
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	1.701.301	275.985	152.140	24.115	519	-	-	2.154.060
Public sector	-	3.670	74	-	-	-	-	-	3.744
Commercial institutions	-	696.248	177.986	152.140	24.115	519	-	-	1.051.008
Other institutions	-	6.842	-	-	-	-	-	-	6.842
Commercial and Other Institutions	-	994.541	97.925	-	-	-	-	-	1.092.466
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
IX. Precious Metals Deposits	1.297.229	602.867	198.260	12.683	14.023	1.975	-	-	2.127.037
X. Participation Accounts Special Fund Pools TL	-	108.383	427.210	503	50.577	-	-	-	586.673
Residents in Turkey	-	108.383	427.210	503	50.577	-	-	-	586.673
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	44.490.798	20.697.462	8.882.652	3.080.088	1.667.508	239.168	166.189	-	79.223.865

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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

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

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

1. Information on funds collected (continued):

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

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts									
Non-Trade TL	261.953	-	-	-	-	-	-	-	261.953
II. Real Persons Participation Accounts Non-Trade TL	-	640.189	149.084	72.343	916	3.254	2.288	-	868.074
III. Current Account other-TL	838.053	-	-	-	-	-	-	-	838.053
Public Sector	49.965	-	-	-	-	-	-	-	49.965
Commercial Institutions	780.195	-	-	-	-	-	-	-	780.195
Other Institutions	-	-	-	-	-	-	-	-	-
Commercial and Other Institutions	7.893	-	-	-	-	-	-	-	7.893
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	4.949.969	1.186.818	97.408	15.291	796	-	-	6.250.282
Public Sector	-	931.137	314.755	39.644	-	-	-	-	1.285.536
Commercial Institutions	-	3.106.700	827.738	57.764	15.291	796	-	-	4.008.289
Other Institutions	-	357.165	44.325	-	-	-	-	-	401.490
Commercial and Other Institutions	-	-	-	-	-	-	-	-	-
Banks and Participation Banks	-	554.967	-	-	-	-	-	-	554.967
V. Real Persons Current Accounts Non- Trade FC	1.127.672	-	-	-	-	-	-	-	1.127.672
VI. Real Persons Participation Accounts Non-Trade FC	-	2.405.228	288.573	17.012	21.082	47.266	-	-	2.779.161
VII. Other Current Accounts FC	5.814.741	-	-	-	-	-	-	-	5.814.741
Residents in Turkey-Corporate	5.146.221	-	-	-	-	-	-	-	5.146.221
Residents Abroad-Corporate	668.520	-	-	-	-	-	-	-	668.520
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	5.376.311	1.995.286	3.063	133	-	-	-	7.374.793
Public sector	-	149.763	-	-	-	-	-	-	149.763
Commercial institutions	-	4.775.270	1.966.786	3.063	133	-	-	-	6.745.252
Other institutions	-	215.860	3.976	-	-	-	-	-	219.838
Commercial and Other Institutions	-	208.883	24.524	-	-	-	-	-	233.407
Banks and Participation Banks	-	26.535	-	-	-	-	-	-	26.535
IX. Precious Metals Deposits	686.920	445.566	185.224	32.389	320	1.711	-	-	1.352.130
X. Participation Accounts Special Fund Pools TL	-	-	-	46.890	27.800	51.800	-	-	126.490
Residents in Turkey	-	-	-	46.890	27.800	51.800	-	-	126.490
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	8.729.339	13.817.263	3.804.985	269.105	65.542	104.827	2.288	-	26.793.349

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

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

1. Information on funds collected

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

b.1 Exceeding the limit of Insurance Fund

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

	Under the guarantee of Insurance		Exceeding the guarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Real persons' current and participation accounts not subject to trading transactions	1.872.374	706.887	26.084.753	5.170.627
Turkish Lira accounts	1.054.203	316.828	8.785.745	813.201
Foreign currency accounts	818.171	390.059	17.299.008	4.357.426
Foreign branches' deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

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

	Under the guarantee of Insurance		Exceeding the guarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Legal persons' current and participation accounts	967.011	-	41.922.324	-
Turkish Lira accounts	553.920	-	16.227.368	-
Foreign currency accounts	413.091	-	25.694.956	-
Foreign branches' deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

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

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

1. Information on funds collected:

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

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

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

	Current Period	Prior Period
Foreign Branches' Profit Sharing Accounts and Other Accounts	-	-
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board Of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	9.763	1.651
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Turkey in order to engage solely in Off-Shore Banking Activities	-	-

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

	Current Period	Prior Period
Foreign Branches' Profit Sharing Accounts and Other Accounts	-	-
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board Of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	50.577	1.651
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Turkey in order to engage solely in Off-Shore Banking Activities	-	-

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

2. Information on borrowings

a.1 Information on the type of borrowed loans

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

a.2 Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	6.403.488	364.003	3.550.900	799.706
Loans from foreign banks, institutions and funds	-	385.562	-	303.325
Total	6.403.488	749.565	3.550.900	1.103.031

a.3 Maturity analysis of funds borrowed

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

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

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

3. Information on derivative financial liabilities

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

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

4. Information on Finance Lease Payables (Net)

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

5. Information on hedging derivative financial liabilities

None (December 31, 2021: None).

6. Information on provisions

a. Information on provisions for employee rights

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

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

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

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

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

b. Other Provisions:

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

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

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

6. Information on provisions (continued):

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

None (December 31, 2021: None).

7. Information on taxes payable

a.1. Explanations on current tax liability

a.1. Explanations on the provision for money

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

a.2. Information on taxes payable

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

a.3. Information on premiums

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

8. Liabilities for assets held for sale and discontinued operations

None (December 31, 2021: None).

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

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

Information on subordinated loans:

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

As of December 31, 2022 the Bank has a subordinated debt that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR) and a subordinated debt that creditor is Türkiye Varlık Fonu A.Ş., starting date of March 9, 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31.688,489 (Full Euro). The related borrowing instrument has no option to pay dividends and convert to share certificates.

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

None (December 31, 2021: None).

11. Information on shareholders' equity

a. Presentation of paid-in capital

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

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

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

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

None.

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

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

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

11. Information on shareholders' equity (continued):

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

There are no capital commitments (December, 31 2021: None).

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

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

g. Information on privileges given to stocks representing the capital

There is no privilege given to stocks representing the capital.

h. Information on marketable securities valuation reserve

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference	1.520.003	22.224	56.776	(11.452)
Foreign exchange difference	-	-	-	-
Total	1.520.003	22.224	56.776	(11.452)

i. Information on other capital reserves

As of December 31, 2022 the Bank has an subordinated debt that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR) and a subordinated debt that creditor is Türkiye Varlık Fonu A.Ş. with an ISIN code of TRT250232F15, starting date of March 9, 2022, with the earliest ten-year repayment option and a demand deposit amounting to EUR 31.688.489 (Full EUR) which are been the financial liability is recorded at fair value and the difference between cost value and fair value is accounted under "Other Capital Reserves" in shareholders' equity at the date of initial acquisition.

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

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

1. Explanations on off balance sheet:

a. Type and amount of irrevocable loan commitments:

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

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

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

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

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

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

c. Within the Non-cash Loans:

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

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

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

1. Explanations on off balance sheet (continued):

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

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

	Current Period			
	TL	(%)	FC	(%)
Agricultural	154.962	2,16	1.795	0,05
Farming and stockbreeding	300	-	-	-
Forestry	154.662	2,16	1.795	0,05
Fishery	-	-	-	-
Manufacturing	1.603.247	22,37	1.408.056	42,58
Mining	58.961	0,82	-	-
Production	1.452.500	20,26	1.335.765	40,40
Electricity, gas and water	91.786	1,28	72.291	2,19
Construction	2.308.052	32,20	399.337	12,08
Services	2.513.432	35,06	1.134.294	34,30
Wholesale and retail trade	1.657.571	23,12	531.343	16,07
Hotel, food and beverage services	44.996	0,63	-	-
Transportation and telecommunication	265.923	3,71	459.846	13,91
Financial Institutions	2.748	0,04	16.070	0,49
Real estate and renting services	15.725	0,22	4.241	0,13
Self-employment services	82.786	1,15	-	-
Education services	225.191	3,14	74.659	2,26
Health and social services	218.492	3,05	48.135	1,46
Other	588.665	8,21	363.169	10,98
Total	7.168.358	100,00	3.306.651	100,00

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

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

1. Explanations on off balance sheet (continued):

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

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

Current Period	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	2.993.110	3.136.467	30.874	-
Letters of guarantee	7.131.703	2.680.614	4.243	-
Bank loans	3.701	196.736	-	-
Letters of credit	-	429.301	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	-	-	-	-

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

2. Explanations on derivative transactions

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

III. Explanations and notes related to off-balance sheet (continued):**3. Explanations on credit derivatives and risk beared due to these**

None (December 31, 2021: None).

4. Explanations on contingent assets and liabilities

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

5. Explanations on services rendered on behalf of third parties

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

IV. Explanations and notes related to the statement of income or loss:**1. Information on profit share income:****a. Information on profit share income received from loans:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share received from loans				
Short Term Loans	2.497.502	244.533	624.070	35.777
Medium and Long Term Loans	2.234.902	299.835	1.019.648	150.686
Profit Share on Non-Performing Loans	2.389	28	456	-
Total	4.734.793	544.396	1.644.174	186.463

b. Information on profit share income received from banks:

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

c. Information on profit share income received from marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	88.026	24.977	44.376	20.595
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	2.052.998	94.343	249.306	29.416
Financial Assets Measured at Amortized Cost	452.189	160.753	-	86.046
Total	2.593.213	280.073	293.682	136.057

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

1. Information on profit share income (continued):

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

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

2. Explanations on profit share expenses:

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

Current Period		Profit Sharing Accounts						
Account Name	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 year	More than 1 year	Accumulated participation accounts	Total
TL								
Funds collected from banks through current and profit sharing accounts	4.534	80.875	-	-	-	-	-	85.409
Real persons' non-trading profit sharing accounts	27.241	514.730	109.435	-	1.181	40.814	-	693.401
Public sector profit sharing accounts	479.517	96.766	60.927	-	5.868	195	-	643.273
Commercial sector profit sharing accounts	285.590	910.833	189.831	-	8.262	104.180	-	1.498.696
Other institutions profit sharing accounts	7.989	85.391	5.538	-	-	-	-	98.918
Total	804.871	1.688.595	365.731	-	15.311	145.189	-	3.019.697
FC								
Banks	-	6.204	-	-	-	-	-	6.204
Real persons' non-trading profit sharing accounts	11.177	54.868	4.559	-	5.046	392	-	76.042
Public sector profit sharing accounts	-	2.693	-	-	-	-	-	2.693
Public sector profit sharing accounts	11.088	151.118	35.165	-	1.616	-	-	198.987
Other institutions profit sharing accounts	1.761	2.680	-	-	-	-	-	4.441
Precious metals deposits	2.855	-	-	-	-	-	-	2.855
Total	26.881	217.563	39.724	-	6.662	392	-	291.222
Grand Total	831.752	1.906.158	405.455	-	21.973	145.581	-	3.310.919

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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

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

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

2. Explanations on profit share expenses (continued):

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

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

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

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

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

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

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

2. Explanations on profit share expenses (continued):

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

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

c. Profit share expense paid to associates and subsidiaries:

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

d. Profit share expenses paid to marketable securities issued:

None (December 31, 2021 :None)

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

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

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

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

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

4. Information on dividend income:

None (December 31, 2021: None).

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

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

6. Explanations related to other operating income:

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

7. Expected loss provision expenses and other provision expenses:

	Current Period	Prior Period
Expected Credit Loss	787.594	110.213
12-month expected credit loss (stage 1)	690.040	96.440
Significant increase in credit risk (stage 2)	22.259	549
Non-performing loans (stage 3)	75.295	13.224
Marketable Securities Impairment Expense	3.065	6.024
Financial Assets at Fair Value through Profit or Loss	3.065	6.024
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Investments Held to Maturity	-	-
Other	685.663	9.087
Total	1.476.322	125.324

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

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

8. Information on other operating expenses:

	Current Period	Prior Period
Provision for severance pay liability	6.356	3.709
Impairment expenses of tangible assets	95.790	65.438
Impairment expenses of intangible assets	8.517	16.987
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and assets of discontinued operations	-	-
Other operating expenses	209.578	71.377
Lease expenses related to TFRS 16 exemptions	1.898	13
Operating Maintenance expenses	22.438	9.633
Advertisement expenses	73.151	10.052
Other expenses ⁽¹⁾	112.091	51.679
Other ⁽²⁾	101.404	45.582
Total	421.645	203.094

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

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

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

8. Information on other operating expenses (continued):

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

(2) Other balance details are as below table:

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

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

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

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

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

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

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

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

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

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

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

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

12. Explanations on net income/ loss

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

None.

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

None.

c. Profit / loss attributable to minority shares

None.

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

The Bank has not notified amount of profit shares notified after the balance sheet date but before the announcement of the financial statements.

The dividend distribution will be decided at the General Assembly meeting and the General Assembly has not been held as of the date of the attached financial statements. In the current period, the Bank has compensated TL 750.000 of the previous year's loss of TL 1.026.915 from other profit reserves with the decision of the General Assembly dated December 7, 2020.

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

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

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

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

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

b. Information on increases in cash flow hedging items

None (December 31, 2021: None).

c. Increase after revaluation of tangible assets

None (December 31, 2021: None).

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

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

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

b. Information on decreases in cash flow hedging items

None (December 31, 2021: None).

3. Information about dividends

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

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

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

None.

4. Information on share issuance

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

None (December 31, 2021: None).

b) Explanations on other capital increase items in the statement of changes in equity

None.

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

1. Components of cash and cash equivalents and accounting policy applied in their determination

"Cash" is defined as cash in vault and foreign currency cash, money in transit, cheques purchased, unrestricted balance with the Central Bank and demand deposits at banks. "Cash equivalents" is defined as money market placements and time deposits at banks with original maturities less than three months.

Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
Cash	1.729.354	812.166
Cash in TL/foreign currency	275.301	135.297
Cash in transit	610.394	449.875
CBRT	843.659	226.994
Cash equivalents	1.533.115	910.842
Domestic banks	256.446	730.588
Foreign banks	1.276.669	180.254
Total cash and cash equivalents	3.262.469	1.723.008

VI. Explanations and notes related to the statement of cash flows (continued):**1. Components of cash and cash equivalents and accounting policy applied in their determination (continued):**

Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
Cash	12.359.982	1.729.354
Cash in TL/foreign currency	295.171	275.301
Cash in transit	1.207.795	610.394
CBRT	10.857.016	843.659
Cash equivalents	4.887.831	1.533.115
Domestic banks	484.464	256.446
Foreign banks	4.403.367	1.276.669
Total cash and cash equivalents	17.247.813	3.262.469

2. Cash and cash equivalent items which are restricted for the usage of the Bank by legal or other limitations:

Restricted time deposits held at the Central Bank of Turkey and blockaged amount arising from POS are not considered as cash and cash equivalent items.

3. Explanation about other cash flow items and the effect of the changes in foreign exchange rates on cash and cash equivalents

Included in "Banking activity subject to assets and liabilities prior to change in operating profit" Other item amounting to TL 8.015.918 (December 31, 2021: TL 1.538.557) mainly consists of general provisions expense and other operating expenses.

The "net increase / decrease in other liabilities" item in the "change in assets and liabilities subject to banking activities" amounting to TL 1.045.750 (December 31, 2021: TL 90.615) consists of changes in lease payables, other foreign resources and taxes, duties, fees and premiums.

The effect of the change in foreign exchange rate on cash and cash equivalents was determined to be approximately TL 1.017.920 (December 31 2021: TL 661.570) in the accounting period ended on December 31, 2022.

VII. Explanations related to the risk group of the Bank**1. The volume of transactions related to the risk group that the Bank belongs to, credit and fund transactions collected at the end of the period, income and expenses for the period****a. Current Period**

Risk Group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of period	714.824	-	973	-	-	-
Balance at the end of period	1.273.002	-	2.355	-	-	-
Profit Share and Commission Income	37.480	-	200	-	-	-

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

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

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

b. Prior Period

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of period	95.629	-	-	-	-	-
Balance at the end of period	714.824	-	973	-	-	-
Profit Share and Commission Income	4.116	-	41	-	-	-

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

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and profit sharing accounts						
Balance at the beginning of period	128.021	94	-	-	-	-
Balance at the end of period	51.265	128.021	-	-	-	-
Profit share expense	14.180	318	-	-	-	-

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

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

d. Information on benefits provided to the top management of the Bank:

The total amount of wages and benefits provided to the top management of the Bank for the period ended December 31, 2022 is TL 13.061 (December 31, 2021: TL 6.317).

VIII. Explanations related to domestic, foreign and offshore branches or investments and foreign representative offices**1. Information on the domestic and foreign branches and representative offices of the Bank:**

	Number	Number of personnel			
Domestic Branches(*)	81	1.297			
			Country		
Foreign Representation Office	-	-			
Foreign Branches	-	-	-	Total Assets (Thousand TL)	Statutory Share Capital
Off-Shore Branches	-	-	-		

(*) The number of personnel in

VIII. Explanations related to domestic, foreign and offshore branches or investments and foreign representative offices (continued):

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure

The Bank has not open branches abroad in 2022. The Bank has opened 10 branches in different regions in the country.

IX. Explanations related to subsequent events

The Bank will be a resource institution / fund user, and by Emlak Katılım Varlık Kiralama A.Ş., domestically, limited to TL 20.000.000, orderly, in Turkish Lira, Based on the lease certificate structure based on the Management Contract foreseen in the terms of 1-60 months and the Communiqué on Lease Certificates (III-61.1), the application to the Capital Markets Board (CMB) regarding the issuance of lease certificates to be sold to the allocated and / or qualified investor was approved by the CMB's decision dated February 3, 2022 and numbered 6/166. Within the scope of the relevant lease certificate issue ceiling, by Emlak Katılım Varlık Kiralama A.Ş., in February 3, 2022, within the scope of the approval of a consistent regular issuance of TL 20.000.000 from the CMB for sale to qualified investors,

- On January 3, 2023, TL 107.000 with 91 days maturity for domestic qualified investors,
- On January 4, 2023, TL 50.000 with 99 days maturity, for domestic qualified investors,
- On January 4, 2023, TL 230.000 with 92 days maturity, for domestic qualified investors,
- On January 4, 2023, TL 300.000 with 92 days maturity, for domestic qualified investors,
- On January 4, 2023, TL 270.000 with 92 days maturity, for domestic qualified investors,
- On January 5, 2023, TL 115.000 with 90 days maturity, for domestic qualified investors,
- On January 12, 2023, TL 400.000 with 90 days maturity, for domestic qualified investors,
- On February 1, 2023, TL 140.000 with 371 days maturity, for domestic qualified investors,
- On February 6, 2023, TL 55.000 with 92 days maturity, for domestic qualified investors,
- On February 9, 2023, TL 270.000 with 92 days maturity, for domestic qualified investors,
- On February 14, 2023, TL 110.000 with 92 days maturity, for domestic qualified investors,
- On February 15, 2023, TL 750.000 with 91 days maturity, for domestic qualified investors,
- On February 16, 2023, TL 250.000 with 95 days maturity, for domestic qualified investors,
- On February 20, 2023, TL 94.000 with 379 days maturity, for domestic qualified investors,
- On February 22, 2023, TL 163.000 with 99 days maturity, for domestic qualified investors,
- On February 22, 2023, TL 500.000 with 98 days maturity, for domestic qualified investors,
- On March 3, 2023 in domestic market for qualified investors with 370 days maturity TL 300.000 worth of lease certificate were issued.

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

Tax Procedure Law No. 547, numbered 32073, was published in the Official Gazette on January 14, 2023. With the Communiqué Amending the Communiqué (order no. 537), real estate and depreciable economic assets are now prohibited. The procedures and principles of the articles of law that permit asset revaluation edited. As a result, the Bank collects the depreciable real estate and economic assets in its balance sheet. To meet the requirements of Provisional Article 32 of the Tax Procedure Law and Repeated Article 298/ç. subject to revaluation. Thus, corporate tax, real estate tax, and depreciable tax will be paid based on the values discovered following the revaluation of economic assets.

An earthquake struck Turkey's southeastern region, affecting many of our cities. Thousands of people The ultimate magnitude of this earthquake, which caused death and injury, is currently unknown; however, studies to assess the impact on the Bank's operations and financial position are currently in progress.

It was published in the Official Gazette a regulation removing the retirement age requirement for employees who began working before September 8, 1999, and ending on March 3, 2023. As a result of the number of premium days and insurance coverage from the relevant employees who have completed their term, those who have completed their term are eligible to retire. This regulation's severance pay is expected to have an impact on the timing and probability of completion. The aforementioned studies to assess the effects of regulation on the Bank's financial position or performance continue.

SECTION SIX

Other explanations

I. Other explanations on operations of the Bank

None.

SECTION SEVEN

Independent Auditor's Report

I. Explanations on the Independent Auditor's Report

The unconsolidated financial statements of the Participation Bank for the year-ended December 31, 2022 were audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst & Young Global Limited) and Auditors' Report dated March 10, 2023 is presented in the introduction of this report.

II. Explanations on the Independent Auditor's Report

None.