



KOOPBANK

ANNUAL REPORT 2022

**CYPRUS TURKISH
COOPERATIVE CENTRAL BANK LTD.**

CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LIMITED

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CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LİMİTED

BOARD OF DIRECTORS

Ahmet Özorun	Chairman
Mustafa Akyön	Asst.Chairman
Prof.Dr.Veclal Gündüz	Member (Responsible for Internal Systems)
Bülent Arkın	Member
Mehmet Osman Safa	Member
Çiğdem Arslan	Member
Kemal Ataman	Member (General Manager)

SENIOR MANAGEMENT

Kemal Ataman	General Manager
Orhan Bürüncük	Asst.General Manager
Mehmet Öksüzoğluları	Asst.General Manager
Nevzat Üstün	Asst.General Manager
Öztan Güröz	Asst.General Manager
Kemal Özçınar	Asst.General Manager (a)

CHIEF ACCOUNTANT

Banu Moralı	Manager
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INTERNAL SYSTEMS

Mustafa Atagül	Internal Audit Unit Officer
Hasan Uysal	Risk Management Unit Officer
Canan Özkıran	Internal Control Unit Officer
Şerife Korucan	Compliance Unit Officer

EXTERNAL AUDITORS

ERDAL & CO.	Chartered Accountants
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CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LIMITED

BOARD OF DIRECTORS' REPORT

We present our Board of Director's Report and Auditors' Report together with Balance Sheet as at 31 December 2022 and Profit and Loss Statement for the year ended 2022 to the Registrar of Co-operative Companies.

Profit for the year 2022 is satisfactory. Our business volume is satisfactory.

All administrative and other expenses have been deducted and provisions have been made in the accounts for doubtful debts in accordance with the Provisions Decree issued under the Banking Law. As the Board of Directors, we submit and recommend the distribution of the Bank's net profit for 2022, amounting to 484.954.260. -TL after the provision of 54.251.400.-TL for Corporate and Income Taxes in the accounts, as shown below, and the audited financial statements for the approval of the Council of Ministers through the Registrar of Cooperative Companies.

Statutory Reserve	48.495.426 TL
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General Reserves	436,458,834 TL
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Approved by the Board of Directors on 28.04.2023.

On Behalf of the Board of Directors,

Kemal Ataman
General Manager and Member of the Board of Directors

Nicosia.

CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LIMITED

BOARD OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

As per the Banking Law, the Board of Directors is responsible for;

- Carrying out the Bank's activities within the framework of corporate governance principles and complying with applicable laws and other regulations in reliable manner,
- Compliance with procedures and principles and the Uniform Chart of Accounts set out by the TRNC Central Bank and maintaining complete and accurate accounting records in due course,
- Preparation of financial reports to meet information needs in a clear, concise, reliable, accurate, comparable and timely manner and ensure that they are convenient to audit, analysis and interpretation,
- Establishment and fair presentation of financial reporting system in line with Bank's operations, as well as the establishment of the necessary internal control system to prevent occurrence of significant errors and fraud during preparation of financial reporting,
- Evaluation of the validity of going concern basis and maintaining the continuity of going concern assumption.

The Board of Directors select accounting policies appropriate to the Bank's structure and apply them consistently to make reasonable and prudent decisions and estimates.

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

The Board of Directors is responsible for the establishment of the financial reporting system including the setting up of the accounting process of the operations of financial statements, their approval, audit, submission to the competent authorities and publication of the reports, establishment of financial reporting systems and determine their duties and responsibilities, rendering sufficient information systems and oversight of their overall execution in accordance with methods and provisions specified in Accounting systems and Retention of Documents Decree enacted under the Banking Law. In connection with the aforesaid obligations, with regards to the accounting and reporting systems, the Board of Directors is responsible for taking measures required for the determination of the key policies, the clear preparation of job descriptions in accordance with the workflow diagram of duties, authorities, and responsibilities, the rendering of sufficient internal and external information systems, the clear definition of authorities and responsibilities, and the oversight of execution in this regard.

Registrar of Co-operative Companies requires the Administrative Officers each year, at the earliest and at the time to be determined by the Chapter 114 Co-operative Companies Law:

- a) To prepare Bank's Balance Sheet as at 31 December, and the detailed Profit and Loss account by the Secretary of the General Manager and sent to the Registrar
- b) To prepare a report on the Bank's activities during the year to be presented at the Annual General Meeting.

Pursuant to the Cyprus Turkish Co-operative Central Bank Limited Articles of Association, the Board of Directors is obliged to act prudently and reasonably. Otherwise, Co-operative Companies will be liable for any loss and damage that may occur as a result of their actions contrary to the Law and Regulation and the provisions of this Articles.

On Behalf of the Board of Directors,

Ahmet Özorun
Chairman

Kemal Ataman
Member (General Manager)

Prof.Dr.Veclal Gündüz
Member (Responsible for Internal Systems)

Orhan Bürüncük
Asst.General Manager
Responsible for Financial Reporting

Banu Morali
Chief Accountant

CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LIMITED
INDEPENDENT AUDITORS' REPORT FOR THE ACCOUNTING PERIOD ENDED
31 DECEMBER 2022

We have audited the financial statements on pages 6 to 34 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 9.

Responsibilities of Board of Directors and Auditors

As described on page 3, the Directors of the Bank are responsible for the financial statements. Our responsibility is to express an opinion on the financial statements based on our audit.

Basis of our opinion

We have conducted our audit in accordance with independent auditing principles and with provisions of the Independent Auditor Institutions Decree published under the 62/2017 Banking Law. Audit includes planning and conducting so as to obtain reasonable assurance as to whether the financial statements are free from material misstatement. The independent audit procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessment of the accounting principles used, significant accounting estimates made by the Board of Directors and the overall presentation of the financial statements. These procedures are determined according to the professional judgment of the auditor which includes consideration of the risk of material misstatement whether caused by error or fraud in the financial statements. Independent audit also include the assessment of the operation of the Bank's internal systems, whether sufficiently used and the infrastructure of the system in use is appropriate for the Bank's structure and whether the Bank has effective internal control system. We believe that audit evidence we have obtained during the audit is sufficient and appropriate to provide reasonable basis for our opinion.

Opinion in Accordance with the 62/2017 Banking Law

The 2022 financial report of Cyprus Turkish Cooperative Central Bank Limited has been examined in accordance with the Banking Law No. 62/2017 and all other relevant legislation published under this Law and except for the effects of the matters noted below, and matters explained in IB-14 section of the report, is true in all material respects.

- The total of loans with government guarantee exceeds the maximum limit stated in the Banking Law by 6,484,986,412 Turkish Liras.

Opinion in Accordance with the Companies Law, Chapter 114

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion, proper books of account, have been kept by the Bank, so far as appears from our examination of those books. The Bank's audited balance sheet and profit and loss account are in agreement with the books of account.

In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by Chapter 114 the Co-operative Companies Law in the manner so required and, except for the effects of the matters noted in the opinion in Accordance with the 62/2017 Banking Law, the Bank's Balance Sheet give a true and fair view of the state of the Bank's affairs as at 31 December 2022 and in the case of the Profit and Loss account, of the profit for the year 2022 in all material respects.

Doğan Çakır
Responsible Auditor

ERDAL & CO.

Eral Erdal BSc FCA
Responsible Audit Partner

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CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LİMİTED

THE BOARD OF DIRECTORS' AND SENIOR MANAGEMENT'S DECLARATION REGARDING FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2022

The financial statements and the related disclosures and notes on pages 6 to 34 are in compliance with the provisions of the Accounting Systems and Retention of Documents Decree enacted under the Banking Law and with the accounting records.

Kemal Ataman
Member (General Manager)

Ahmet Özorun
Chairman

Orhan Bürüncük
Asst. General Manager
Responsible for Financial Reporting

Prof.Dr.Veclal Gündüz
Member (Responsible for Internal Systems)

Banu Moralı
Chief Accountant

**CYPRUSTURKISH CO-OPERATIVE CENTRAL BANK LTD
COMPARATIVE BALANCE SHEET**

ASSETS	Note	CURRENT PERIOD (31/12/2022)			PREVIOUS PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
I - CASH BALANCES		55.685.365	51.955.141	107.640.506	35.353.315	42.398.386	77.751.701
A. Cash-TL balances		55.685.365		55.685.365	35.353.315		35.353.315
B. Cash-foreign currency			51.783.177	51.783.177		42.270.332	42.270.332
C. Other liquid assets			171.964	171.964		128.054	128.054
II - BANK BALANCES	(1)	900.506.208	5.461.546.754	6.362.052.962	244.001.643	3.890.703.412	4.134.705.055
A. TRNC Central Bank		438.432.382	4.535.340.936	4.973.773.318	77.623.453	3.239.993.138	3.317.616.591
B. Other Banks		462.073.826	926.205.818	1.388.279.644	166.378.190	650.710.274	817.088.464
1) Domestic Banks		8		8	8		8
2) Foreign Banks		462.073.818	926.205.818	1.388.279.636	166.378.182	650.710.274	817.088.456
3) Reverse Repo Receivables							
III - SECURITIES PORTFOLIO (NET)	(2)	44.765.571	2.299.712.309	2.344.477.880	41.069.331	1.361.049.049	1.402.118.380
A. Treasury Bills							
B. Other bills							
C. Equity shares							
D. Other securities		44.765.571	2.299.712.309	2.344.477.880	41.069.331	1.361.049.049	1.402.118.380
IV - LOANS AND ADVANCES	(3)	5.325.709.177	4.580.761.368	9.906.470.545	4.520.010.834	3.032.993.905	7.553.004.739
A. Short term		257.992.761	300.481.406	558.474.167	109.980.819	318.374.732	428.355.551
B. Medium and long term		5.067.716.416	4.280.279.962	9.347.996.378	4.410.030.015	2.714.619.173	7.124.649.188
V - LOANS IN ARREARS (NET)	(4)	858.079	5.890.230	6.748.309	584.068	2.929.468	3.513.536
A. Loans and other receivables with limited repayment capacity (Net)		450.528		450.528	249.158	872.777	1.121.935
1) Gross receivable balances		612.018		612.018	363.792	896.094	1.259.886
2) Specific provision		-161.490		-161.490	-114.634	-23.317	-137.951
B. Doubtful debts and other receivables (Net)		407.551	5.890.230	6.297.781	334.910	2.056.691	2.391.601
1) Gross receivable balances		472.106	9.940.074	10.412.180	394.284	2.234.553	2.628.837
2) Specific provision		-64.555	-4.049.844	-4.114.399	-59.374	-177.862	-237.236
C. Bad debts and receivables (Net)		0	0	0	0	0	0
1) Gross receivable balances		9.394.975	115.812.554	125.207.529	11.768.636	135.002.668	146.771.304
2) Specific provision		-9.394.975	-115.812.554	-125.207.529	-11.768.636	-135.002.668	-146.771.304
VI - PREPAYMENTS AND ACCRUED INCOME		25.047.477	14.783.110	39.830.587	23.712.079	17.599.090	41.311.169
A. Loans and advances		17.219.064	11.023.620	28.242.684	20.491.888	16.149.104	36.640.992
B. Securities portfolio		1.990.951	2.824.011	4.814.962	1.826.561	1.184.038	3.010.599
C. Other		5.837.462	935.479	6.772.941	1.393.630	265.948	1.659.578
VII - FINANCIAL LEASING RECEIVABLES (NET)							
A. Financial leasing receivables							
B. Unearned income							
VIII - RESERVE DEPOSITS AT THE CENTRAL BANK		319.516.153	988.841.960	1.308.358.113	274.025.314	687.295.935	961.321.249
IX - SUNDRY RECEIVABLES	(5)	29.425.450	10.343.349	39.768.799	77.166.762	7.750.814	84.917.576
X - PARTICIPATIONS (NET)	(6)						
A. Financial participations							
B. Other participations							
XI - SUBSIDIARIES (NET)	(6)	119.525.216		119.525.216	114.408.947		114.408.947
A. Financial subsidiaries		35.914.319		35.914.319	33.804.976		33.804.976
B. Other subsidiaries		83.610.897		83.610.897	80.603.971		80.603.971
XII - LONG TERM INVESTMENTS	(7)	74.942		74.942	74.942		74.942
A. Equity shares							
B. Other pledged securities		74.942		74.942	74.942		74.942
XIII - FIXED ASSETS	(8)	45.539.886		45.539.886	43.510.684		43.510.684
A. Book value		81.565.730		81.565.730	75.734.779		75.734.779
B. Accumulated depreciation		-36.025.844		-36.025.844	-32.224.095		-32.224.095
XIV - OTHER ASSETS	(9)	211.519.130	13.978.135	225.497.265	74.398.500	9.246.132	83.644.632
TOTAL ASSETS		7.078.172.654	13.427.812.356	20.505.985.010	5.448.316.419	9.051.966.191	14.500.282.610

(*) Used by banks authorized by law.

Ahmet Özorun
Chairman

Kemal Ataman
Member (General Manager)

Prof.Dr.Veclal Gündüz
Member (Responsible for Internal Systems)

Orhan Bürüncük
Asst.General Manager
Responsible for Financial Reporting

Banu Moralı
Chief Accountant

CYPRUSTURKISH CO-OPERATIVE CENTRAL BANK LTD
COMPARATIVE BALANCE SHEET

LIABILITIES	Note	CURRENT PERIOD (31/12/2022)			PREVIOUS PERIOD (31/12/2021)		
		TL	FC	TOTAL	TL	FC	TOTAL
I - DEPOSITS	(10)	5.371.112.890	12.960.579.008	18.331.691.898	4.262.619.119	8.949.988.232	13.212.607.351
A. Saving deposits		3.318.720.032	8.929.071.305	12.247.791.337	2.732.130.636	6.485.693.966	9.217.824.602
B. Official deposits		768.145.137	534.185.801	1.302.330.938	660.110.592	246.114.876	906.225.468
C. Commerical deposits		953.785.821	2.905.226.667	3.859.012.488	683.425.014	1.773.056.901	2.456.481.915
D. Other institution deposits		272.572.703	214.154.974	486.727.677	178.492.563	164.796.427	343.288.990
E. Bank deposits		57.889.197	377.940.261	435.829.458	8.460.314	280.326.062	288.786.376
F. Gold reserve accounts							
II - FUNDS OBTAINED FROM REPOS	(11)						
III - FUNDS BORROWED	(12)						
A. TRNC Central Bank							
B. Other funds borrowed							
1) Domestic bank and institutions							
2) Foreign bank and institutions							
3) Capital loans							
IV - FUNDS	(13)	356.864		356.864	361.952		361.952
V - SECURITIES ISSUED (NET)	(14)						
A. Bonds							
B. Asset backed securities							
C. Debentures							
VI - EXPENSE ACCRUALS AND DEFERRED INCOME		33.516.283	21.650.721	55.167.004	26.947.151	19.944.488	46.891.639
A. Deposits		33.121.883	21.650.721	54.772.604	26.744.151	19.944.488	46.688.639
B. Borrowed funds							
C. Other		394.400		394.400	203.000		203.000
VII - FINANCIAL LEASING PAYABLES (NET)							
A. Financial leasing payables							
B. Deferred financial leasing expenses							
VIII - TAXES, DUTIES AND SOCIAL SECURITY PREMIUMS PAYABLE		113.847.991	2.319.592	116.167.583	73.623.536	1.608.765	75.232.301
IX - IMPORT TRANSFER ACCOUNTS							
X - SUNDRY LIABILITIES	(15)	514.079.812	39.102.032	553.181.844	249.043.751	35.897.165	284.940.916
XI - PROVISIONS		120.895.715		120.895.715	55.609.917		55.609.917
A. Retirement pay compensation							
B. General provision for loans		14.618.261		14.618.261	9.050.356		9.050.356
C. Corporation and Income Tax provisions		88.601.775		88.601.775	28.290.208		28.290.208
D. Other provisions		17.675.679		17.675.679	18.269.353		18.269.353
XII - OTHER LIABILITIES	(16)	48.943.739	11.438.423	60.382.162	42.055.174	5.105.201	47.160.375
XIII - SHAREHOLDERS FUNDS	(17)	783.187.680		783.187.680	536.608.734		536.608.734
A. Share capital paid-up		27.251.201		27.251.201	26.657.950		26.657.950
1) Nominal share capital		50.000.000		50.000.000	50.000.000		50.000.000
2) Unpaid share capital		-22.748.799		-22.748.799	-23.342.050		-23.342.050
B. Statutory reserves		65.397.253		65.397.253	41.310.311		41.310.311
1) Statutory reserves		65.397.253		65.397.253	41.310.311		41.310.311
2) Share premium							
3) Other legal reserves							
C. General reserves		581.153.928		581.153.928	364.371.444		364.371.444
D. Statutory revaluation fund		7.718		7.718	7.718		7.718
E. Revaluation balances	(18)	109.377.580		109.377.580	104.261.311		104.261.311
F. Loss							
1) Current period loss							
2) Previous period losses							
XIV - PROFIT		484.954.260		484.954.260	240.869.425		240.869.425
A. Current period profit		484.954.260		484.954.260	240.869.425		240.869.425
B. Previous period profits							
TOTAL LIABILITIES		7.470.895.234	13.035.089.776	20.505.985.010	5.487.738.759	9.012.543.851	14.500.282.610
COMMITMENTS AND CONTINGENT LIABILITIES	(1)						
I - GUARANTEES AND ACCEPTANCES	(2)	54.536.466	41.773.198	96.309.664	34.427.645	30.026.429	64.454.074
II - COMMITMENTS	(3)	738.238.685	282.703.291	1.020.941.976	470.641.126	115.048.991	585.690.117
III - FOREX & INTEREST RATES OPERATIONS	(4)						
IV - ASSETS HELD UNDER TRUST AND PLEDGED ASSETS		281.526.129	3.497.645.586	3.779.171.715	267.721.636	2.433.779.722	2.701.501.358
TOTAL		1.074.301.280	3.822.122.075	4.896.423.355	772.790.407	2.578.855.142	3.351.645.549

Ahmet Özorum
Chairman

Kemal Ataman
Member (General Manager)

Prof.Dr.Veclal Gündüz
Member (Responsible for Internal Systems)

Orhan Bürüncük
Asst.General Manager
Responsible for Financial Reporting

Banu Moralı
Chief Accountant

CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD
COMPARATIVE PROFIT AND LOSS STATEMENT

		CURRENT PERIOD Note (31/12/2022)	PREVIOUS PERIOD (31/12/2021)
I - INTEREST INCOME		(1) 1.367.744.792	1.112.704.975
A. Interest income from loans		1.233.684.110	1.013.178.210
1) Interest income from TL loans		866.764.617	784.061.759
a - Short term		838.203.236	758.541.550
b - Medium and long term		28.561.381	25.520.209
2) Interest income from foreign currency loans		334.733.168	222.470.228
a - Short term		311.653.004	211.842.476
b - Medium and long term		23.080.164	10.627.752
3) Interest income from loans in arrears		32.186.325	6.646.223
B. Interest income from reserve deposits at the Central Bank		19.372.447	22.339.597
C. Interest income received from banks		98.213.680	70.004.040
1) TRNC Central Bank		47.147.800	26.837.654
2) Domestic banks			
3) Foreign banks		51.065.880	43.166.386
4) Interest income from reverse repos			
D. Interest income from securities portfolio		16.474.032	6.730.349
1) TRNC Development Bank securities		4.584.066	3.075.329
2) Other securities		11.889.966	3.655.020
E. Other interest income	(3)	523	452.779
II - INTEREST EXPENSES		(1) 814.551.186	730.972.299
A. Interest expense payable to deposits		689.368.686	633.074.950
1) Saving deposits		443.972.750	457.210.740
2) Official deposits		125.189.809	61.021.758
3) Commercial deposits		108.190.187	110.488.411
4) Other institution deposits		6.886.350	4.218.569
5) Bank deposits		5.129.590	135.472
B. Interest expense payable to foreign currency deposits		122.298.456	97.332.001
1) Saving deposits		78.601.901	66.177.976
2) Official deposits		7.291.000	4.976.088
3) Commercial deposits		27.858.434	19.535.537
4) Other institution deposits		0	543.222
5) Bank deposits		8.547.121	6.099.178
6) Gold reserve accounts			
C. Repo Interest Expense			
D. Interest expense payable on borrowings		2.884.044	565.348
1) TRNC Central Bank		2.869.444	540.556
2) Domestic banks			
3) Foreign banks			
4) Other institutions		14.600	24.792
E. Interest on debentures and securities issued			
F. Other interest expense	(3)		
III - NET INTEREST INCOME [I - II]		553.193.606	381.732.676
IV - OTHER INCOME		(1) 3.483.091.107	4.105.959.665
A. Fees and commissions received		43.907.136	23.855.962
1) From cash loans		10.476.712	5.905.342
2) From non-cash loans		1.058.288	793.552
3) Other		32.372.136	17.157.068
B. Profit from capital market operations			
C. Foreign exchange profits		3.348.151.759	4.052.603.100
D. Dividends received from subsidiaries and participations			
E. Extraordinary income			
F. Other non-interest income	(3)	91.032.212	29.500.603
V - OTHER OPERATING EXPENSES		(1) 3.497.079.053	4.219.898.139
A. Fees and commissions paid		2.438.980	1.913.442
1) On cash loans			265.465
2) On non-cash loans			
3) Other		2.438.980	1.647.977
B. Loss on capital market operations			
C. Foreign exchange losses		3.072.974.758	3.995.114.223
D. Personnel expenses		156.975.007	89.840.955
E. Retirement pay compensation			
F. Rental expenses		3.127.618	1.708.380
G. Depreciation		3.855.605	3.113.712
H. Taxes and duties		3.035.205	1.285.501
I. Extraordinary expenses			
J. Provision for doubtful debts	(2)	5.028.089	7.089.903
K. Other provisions	(2)	7.047.635	5.902.826
L. Other non-interest expenses	(3)	242.596.156	113.929.197
VI - NET OTHER INCOME [IV - V]		-13.987.946	-113.938.474
VII - PROFIT BEFORE TAXATION [III + VI]		539.205.660	267.794.202
VIII - TAXATION		54.251.400	26.924.777
IX - NET PROFIT AFTER TAXATION [VII - VIII]		484.954.260	240.869.425

Ahmet Özörun
Chairman
Systems)

Kemal Ataman
Member (General Manager)

Prof.Dr.Veclal Gündüz
Member (Responsible for Internal

Orhan Bürüncük
Asst.General Manager
Responsible for Financial Reporting

Banu Moralı
Chief Accountant

I - NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE FINANCIAL STRUCTURE OF THE BANK:

A) ACCOUNTING POLICIES:

(1) **General information about the bank should be included.**

Accounts other than subsidiaries are prepared on the basis of the Historical Cost Convention and Subsidiaries are prepared according to the equity method.

(2) Depreciation is provided for using the following rates.

Building	%3,03-20
Fixtures and fittings	%10-25
Information technology devices and systems	%10-33.33
Vehicles	%15
Leasehold improvements	%20

(3) Except for the non-performing loans as stated in the Bank's Loans and Other Receivables Qualities and Provisions Decree published by the Central Bank of the TRNC, all accounts have been prepared according to the accruals principle.

(4) In accordance with Article 7(4) of the Decree on the Qualities of Banks' Loans and Other Receivables and Provisions, the Bank has made a specific provision for the bad loans regardless of the value of collateral for entire amount of non-performing loans.

(5) **Foreign Currency Transactions:**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities other than non-performing loans have been translated at the rates of exchange ruling as at 31 December 2022. Foreign currency non-performing loans have been translated at the exchange rate on the date they were classified as non-performing loan.

B) NOTES AND DISCLOSURES RELATED TO THE CURRENT PERIOD:

(1) Date of approval of the balance sheet is 28 April 2023.

(2) **LEGAL STRUCTURE OF THE BANK:**

a) Cyprus Turkish Co-operative Central Bank Limited is a co-operative Company registered under Chapter 114 Co-operative Companies Law and is subject to the TRNC Banking Law No. 62/2017 with regard to its banking activities. It operates with a Head Office, 5 main branches in Nicosia, Kyrenia, Famagusta, Güzelyurt and İskele, and 15 sub-branches affiliated to them.

b) The term of office service of the Administrative Officers appointed to the Board of Cyprus Turkish Cooperative Central Bank Limited was extended by the Council of Ministers for 2 (two) years on March 15, 2022 by the recommendation of the Deputy Registrar of Cooperative Companies.

c) The Bank's Board of Directors and senior executives and internal system managers are stated on page 1 of the financial report. Changes in board members and senior managers during the year are stated below;

- The Board memberships of Hüseyin Çavuş on October 04, 2022, Nuri Erhat on October 24, 2022, Fatma Kınış on November 1, 2022, and Şerife Kanan on December 29, 2022, were terminated. Çiğdem Arslan was appointed on 4 October 2022, Vecdal Gündüz on 03 November 2022, Mehmet Osman Safa on 11 November 2022 and Ahmet Özorun on 06.01.2023 as Board Members and were approved by the Central Bank of the TRNC.

- On February 1, 2022, Şerife Korucan was appointed as the Compliance Unit Officer, replacing Özlem Alemdar Aksu.

- On November 24, 2022, Vecdal Gündüz was appointed as the Member of the Board of Directors responsible for Internal Systems, replacing Fatma Kınış.

d) The qualifications of bank executives and auditors are in accordance with by the TRNC Banking Law No. 62/2017.

e) Administrative Officers, who are appointed in accordance with the Co-operative Companies Law are stated as the Board of Directors in the financial report.

f) The external auditor of the bank is a firm approved by the Central Bank for carrying out audit.

(3) **Changes in accounting policies and their monetary effects, if any, should be explained.**

No changes have been made in the accounting policies.

(4) **The opinion of the independent audit firm on the validity of the concepts of continuity of the business, periodicity and consistency, which are considered as the going concern, matching and consistency the basic assumptions of accounting, should be included.**

The Bank fully complies with the going concern, matching and consistency concepts that are considered the fundamental principles of accounting.

(5) **There have been no changes in the valuation methods applied.**

(6) **Securities portfolio (Including participations, subsidiaries, long term investments) valuation methods:**

Securities are valued at the acquisition cost or by taking into account the realized value losses, however the premium paid or the discount received at the purchase of the securities is calculated on an accrual basis and included in the acquisition cost.

- TRNC Development Bank Bonds are not registered in any stock exchange and banks are legally required to acquire these bonds equivalent to %2 of their commitments.

- **Affiliates, Subsidiaries and Securities/Investments**

-The subsidiary values of Şeker Sigorta (Cyprus) Ltd, the sole financial subsidiary of the bank, and its non-financial subsidiaries Milk and Oil Products Production and Marketing Cooperative (Koop-Süt) Limited, Mixed Animal Feed, Harup Products and LP Gas Production and Marketing Cooperative Limited and Agricultural Supplies, Makine ve Gıda Pazarlama Kooperatifi Limited's have been valued according to the equity method.

The depreciation method used, the change in the method in the current period and its monetary impact should be explained.

The Straight Line Depreciation method has been used. No changes have been made in the method.

- (7) Currency risk exposure due to foreign currency transactions and what the hedging strategies consist of should be explained. In order to protect against the exchange rate risk that may arise from foreign currency accounts consisting of different types and different amounts included in the assets and liabilities of the balance sheet, the Bank implements foreign currency asset-liability management; position, exchange rate, price, liquidity, maturity risks and the position limits that should be kept according to the foreign currency types specified in the Banking Law. The Bank has a long position in USD of 2.855.731.111 TL due to the conversion of a certain amount of government-guaranteed TL loans into USD in 1998.
- (8) USD and GBP Foreign exchange rates used in the preparation of the Balance Sheet and the bid rates published by the bank on the last five working days of the current accounting period.

	<u>Current Period</u>	<u>Previous period</u>
	TL	TL
US Dollar :	18,5500	13,2000
<u>Preceding the Balance Sheet date:</u>		
1. Day Bid Rate	18,5500	12,4370
2. Day Bid Rate	18,5885	11,9250
3. Day Bid Rate	18,6000	11,2410
4. Day Bid Rate	18,6000	10,6650
5. Day Bid Rate	18,5600	10,8335
	<u>Current Period</u>	<u>Previous period</u>
	TL	TL
STG :	22,4320	17,8000
<u>Preceding the Balance Sheet date:</u>		
1. Day Bid Rate	22,4320	16,9500
2. Day Bid Rate	22,4250	16,1800
3. Day Bid Rate	22,5000	15,2900
4. Day Bid Rate	22,3850	14,4750
5. Day Bid Rate	22,4350	14,7600

- (9) Total insurance value of the asset values:

	<u>Book Value</u>	<u>Current Period 31.12.2022</u>	<u>Insurance Value</u>
	TL	TL	TL
Assets	81.603.710	36.025.844	117.034.719
Fixtures fittings and equipment	30.565.466	22.065.370	31.683.253
Immovable Properties	47.357.567	10.479.713	85.351.466
Leasehold improvements costs	3.642.698	3.480.761	
Assets To Be Disposed of	37.979		
	<u>Book Value</u>	<u>Previous Period 31.12.2021</u>	<u>Insurance Value</u>
	TL	TL	TL
Assets	75.772.758	32.224.095	104.744.159
Fixtures fittings and equipment	24.734.514	19.621.575	40.505.359
Immovable Properties	47.357.567	9.188.004	64.238.800
Leasehold improvements amount	3.642.698	3.414.516	
Assets To Be Disposed of	37.979		

- (10) Material, contingent, and conditional losses and gains the value of which could not be estimated.
None.
- (11) An up to date explanation need to be made in case of new information obtained post balance sheet with regard to a matter existing at the balance sheet date.
- a) Post balance sheet matters and transactions not yet completed and their effects on the financial statements.
None.
- b) The effect on foreign currency transactions and items and financial statements of material changes to the exchanged rates occurring after the balance sheet date and that non-disclosure would affect the evaluation and decision making by the users of financial statements over the financial statements.
None.
- (12) Material items affecting the balance sheet in a significant way that need to be disclosed in order to make the balance sheet more clear explainable and understandable:
Unless otherwise specified, amounts are expressed in Turkish Lira.

(13) Bank's Capital Adequacy Standard Ratio: % 14,62

a) Information on Risk-Weighted Assets;

Risk Weighed Assets, Liabilities and Non-Cash Loans	Current Period
I.MARKET RISK	2.911.850
II. OPERATIONAL RISK	1.044.600
III. CREDIT RISK (a+b+c+ç)	3.089.861
a. 20% RISK-WEIGHTED ASSETS	1.515.449
b.50% RISK-WEIGHTED ASSETS	600.237
c.100% RISK-WEIGHTED ASSETS	974.175
ç.COUNTERPARTY CREDIT RISK	
IV.TOTAL RISK-WEIGHTED ASSETS (I + II + III)	7.046.311

b) Information on Capital and Reserves;

	Current Period
I.TOTAL TIER I CAPITAL (II + III)	970.396
II. CORE TIER I CAPITAL	970.396
III. ADDITIONAL TIER I CAPITAL	
IV. TIER II CAPITAL	59.716
V. CAPITAL (I + IV)	1.030.112

c) Summary Details of Capital Adequacy Standard Ratio;

	TL, %	TL, %
	Current Period	Previous period
Total Risk-Weighted Assets	7.046.311	4.815.439
Capital	1.030.112	717.653
Capital / RWA (CAR (%))	% 14,62	% 14,90

(14) Opinion of the Independent Audit firm auditing the financial statements (as per the legislation):

A. Legal structure of the bank:

Cyprus Turkish Co-operative Central Bank Ltd. (Koopbank) was established on 09 September 1959 under Chapter 114 Co-operative Companies Law and started its activities subject to the TRNC Banking Law in force at that time. The Bank is an institution subject to the "TRNC Banking Law" number 62/2017, published in the Official Gazette No. 193 dated November 17, 2017.

B. Information on the Bank's capital structure and shareholders holding more than 10% are as stated in notes to the balance sheet III (17) (e). Total issued capital of the Bank is 27.251.201 TL. % 88.24 of the paid share capital amounting to 24.046.460 TL. is owned by individuals and %11.76 of amounting to 3.204.741 TL is owned by Cooperative Companies.

C. The Board of Directors and senior executives and internal systems officers are listed on page 1 of the financial report.

Changes in senior executives and board members during the year, are ;

- The Board memberships of Hüseyin Çavuş on October 04, 2022, Nuri Erhat on October 24, 2022, Fatma Kınış on November 1, 2022, and Şerife Kanan on December 29, 2022, were terminated. Çiğdem Arslan was appointed on 4 October 2022, Veclal Gündüz on 03 November 2022, Mehmet Osman Safa on 11 November 2022 and Ahmet Özorun on 06.01.2023 as Board Members and were approved by the Central Bank of the TRNC.

- On November 21, 2022, Veclal Gündüz was appointed as the Member of the Board of Directors responsible for Internal Systems, replacing Fatma Kınış.

- On February 1, 2022, Şerife Korucan was appointed as the Compliance Unit Officer, replacing Özlem Alemdar Aksu.

C. To the best of our knowledge, there has been no significant change or development post balance sheet date that may affect the Bank's position.

D. Accounting policies have not changed compared to the previous year.

E. The Bank's management representation on the reliability of the Bank's internal control system is satisfactory and the opinion expressed as a result of our audit is explained in article (S).

F. Within the scope of the protocol signed with the Ministry of Finance, the related loan account was written-off by an interest reduction of 14,476,578 Turkish Liras on 31 December 2022 for the loan of Chemical Fertilizers for the 1997-1998 Period. The relevant discount was made according to the letters from the Ministry of Finance and the Central Bank.

G. Within the scope of the protocol signed with the Ministry of Finance, an interest reduction of 35,523,436 Turkish Liras (US\$ 1,915,010) was made on 31 December 2022 for the loan of the Soil Products Authority. The relevant reduction was made according to the letters from the Ministry of Finance and the Central Bank.

H. The warranty bonds of the total loans amounting to 208,456,821 Turkish Liras that belong to Soil Products Authority for the year 2022 were renewed on February 8, 2023, and the warranty bond of the 4,804,849,708 Turkish Liras loan that belong to the Telecommunication Department was renewed on March 2, 2023.

I. In Accordance with the temporary Article 6 of 62/2017 Banking Law, the loans with government guarantee shall be paid annually, with a minimum amount of 20% (twenty percent) of the balance as at the effective date of the Law and the within five years at the latest, and the total of annual interest accrued. It has been determined that the collections realized for government-guaranteed loans are below the minimum payment amounts specified in this article.

İ. 8.636.200.294 TL of the total cash loan receivables of 10,042,702,272 TL included in the financial statements are loans given to State Institutions with government guarantee. 136.231.727 TL of the remaining 1.406.501.978 TL loan receivables are non-performing loans. Therefore, in accordance with the 62/2017 Banking Law, 129,483,418 TL, a total of 97.67% special provision has been made.

J. Based on the protocol signed with the Ministry of Finance, the settlement with the State for the months of November - December 2022 was made in February 2023.

K. 4 Subsidiaries valued by the Equity Method are based on their Financial Reports. Subsidiaries are not audited by us. Interim financial reports of Zirai Supply, Makine ve Gıda Pazarlama Koop Ltd. and Binboğa Mixed Animal Feed Carob Product and LP Gaz Üretim ve Pazarlama Kooperatif Ltd. were available.

L. In accordance with 62/2017 Banking Law Article 25 "Rules relating to Goods and Services", the efforts to dispose immovable property acquired amounting to TL 37,979 is still ongoing as at the date of this report.

M. The Bank has a long position of TL 2,855,735,111 in USD currency.

N. According to the Loans Decree the limit of 30% of the shareholders' equity, on the bank accounts with term up to three months, is exceeded by TL 45,495,696 due to the interest reductions dated 31.12.2022, retrospectively, within the scope of the protocol signed with the TRNC Ministry of Finance. This has been corrected on the date of this report.

- O. It has been determined that the loans amounting to TL 7,129,994 accounted as live loans with installment delays of 90 days or more, total of TL 6,659,070 were paid-up at the time this report. while the installment delays of the loans amounting to TL 470,924 decreased to 30-90 days.
- Ö. It has been determined that included in the loans are TL 136,781 with installments in arrears of 90 days or more. They have been resolved as at the date of this report.
- P. All transactions with the Bank's risk group and employees and the persons forming the risk group with them were carried out subject to the Bank's internal controls. Loans given to the bank's shareholders, employees, subsidiaries and affiliates are stated in note 3 of disclosures to the assets.
- R. No significant differences have been identified between the market rates and conditions and rates and conditions given to Bank's risk group, its employees and persons posing risks, and other customers.

S. Establishment of Internal Systems

- i. The member of the Board of Directors, who does not have any executive duties, has been appointed as the member responsible for internal systems. The qualifications, duties and powers of this member are in compliance with the Communiqué on Internal Audit, Risk Management, Internal Control and Management Systems in Banks issued by the Central Bank of the TRNC.

The Bank maintains its Internal Systems in the TRNC under the Internal Audit, Risk Management and Internal Control and Compliance units. The qualifications of the employees in the Internal Systems Units comply with the Decree.

ii. Internal Audit

- Internal Audit has planned, performed audits and reported in accordance with the Decree.
- The Internal Audit Unit has submitted its reports to the member responsible for Internal Systems, in accordance with the Decree.
- Internal Audit personnel participated in the establishment of control processes.

iii. Compliance Unit

It carried out its activities and reports in accordance with the Decree. The Bank has established the necessary structure and implemented appropriate procedures in order to ensure compliance with legal regulations.

iv. Internal Control Department

- An Internal Control Unit has been established in line with the bank's structure, strategies and policies regarding activities and implementation procedures have been identified in writing, and effective control of implementation and operation has been achieved.
- The scale of the information systems of the bank is designed according to the nature and complexity of its activities and products offered.
- Emergency and contingency plan has been put into practice.
- The effectiveness of internal controls, especially in terms of compliance controls, needs to be strengthened.
- Internal controls on loans need to be strengthened.

v. Risk Management

- Scenario Analysis Technique and Assumption Analysis Technique are used in the risk management model. Periodically, the contextual structures of scenario is updated.
- The Bank has monitored and evaluated the risk compositions in the matrix approved by the Decree.
- The bank carried out stress tests and scenario analysis, made simulations.
- The assessment of the loans extended by the Bank and their classification according to the appropriate risk categories were reported to the Central Bank.
- Penetration testing was carried out and finalised by scheduling the improvements.

Thus, in accordance with Article 11 of the Independent Audit Decree.

- The procedures and principles determined in the legislation regarding internal systems have been complied with.
- Personnel in charge of internal audit and compliance participated in the establishment of control processes.
- The bank has appropriate control activities to manage its own risks.
- Risk management models, methodologies and assumptions used for risk measurement and management are regularly evaluated and updated.
- Necessary updates are made in the accounting and related internal audits of the organisation for a new financial product or a new service developed by the Bank.
- Except for the matters stated above, the bank has reliable information systems that provide sufficient financial, operational and appropriate information in a timely and consistent manner. Bank management has a risk management system that is easy to understand and allows them to assess the changing nature of the bank's risk profile.
- Anti Money Laundering Law and other regulations that the Bank required to comply has not been breached.

II-NOTES AND EXPLANATIONS ABOUT INTERNAL SYSTEMS

Internal Systems :

Established within the scope of the Decree on Internal Audit, Risk Management, Internal Control and Management Systems in Banks" dated August 12, 2008 and consisting of internal audit, internal control, risk management and compliance units, the internal systems are structured in a way that is compatible with the diversity of the Bank's activities and can respond to changing conditions. .

This restructuring aims to maintain banking activities in compliance with the strategies determined by the senior management, to provide reliable financial and administrative reporting, and to minimize, monitor and control unexpected risks that may adversely affect the Bank's reputation.

Prof. Dr. Vecfal Gündüz was appointed as the Member of the Board of Directors in charge of Internal Systems on 24 November 2022, pursuant to the second paragraph of the 4th article of the relevant Communiqué.

Internal Audit Unit Officer: Mustafa Atagül

Risk Management Unit Officer: Hasan Uysal

Internal Control Unit Officer: Canan Özkıran

Compliance Unit Officer: Şerife Korucan

Units responsible have the qualifications specified in the relevant communiqué. The reports prepared by the Internal System Unit responsible for the activities carried out, in progress and planned to be carried out are submitted to the Board of Directors by the Member of the Board Responsible for Internal Systems within the periods specified in the communiqué.

Functioning of the Internal Audit System

The Bank's Internal Audit Unit carries out its activities under the Bank's Board of Directors in accordance with the communiqué "Internal Audit, Risk Management, Internal Control and Management Systems in Banks" regulated under the 3rd paragraph of Article 15 of the Banks Law No. 39/2001.

The Internal Audit Unit audits within the framework of a risk-focused audit approach, whether the activities carried out by all Head Office units, Bank branches and subsidiaries are carried out inline with the law and other relevant legislation as well as internal strategies, policies, principles and targets. The Internal Audit Unit continues its activities that will contribute to the decision-making processes of the senior management by informing the Bank's senior management. The Unit, which has six inspectors in its staff and operates in accordance with the "Internal Audit, Risk Management, Internal Control and Management Systems in Banks" decree, in addition to auditing the compliance of the Bank's activities with the business processes to which they are subject, as well as the effectiveness, efficiency and effectiveness of the transaction steps that make up the essential processes. It also evaluated the secondary processes by inspecting it. The suggestions that the inspectors included in the audit reports or conveyed in relation to any transaction/application were shared with the relevant Branch and Department, and the progress of the proposal was followed.

In the upcoming period, the Internal Audit Unit will carry out the activities of executing the internal audit plan which will be prepared inline with the targets and policies determined by the Bank's Senior Management and within the framework of the modern audit approach, reporting the results to the Board of Directors through the Internal Systems Officer, and monitoring the measures to be taken based on the audit reports, with a high responsibility and duty awareness will continue.

Functioning of Internal Control Systems

Internal Control activities at the Bank are structured to cover all branches and head office units of the Bank and all activities within the framework of the decree on Internal Audit, Risk Management, Internal Control and Management Systems in Banks".

Control programs for branches are prepared in such a way as to ensure that all branches are subject to periodic controls, and systematic and other deficiencies are identified and suggestions for improvement are made.

Controls carried out in branches and Head Office units; In order to ensure that the Bank is in a fast and up-to-date structure in line with its objectives in every respect, it is tried to be constantly reviewed and renewed in parallel with technological developments.

It is aimed to make a significant contribution to the healthier execution of the Bank's activities and to increase the service quality with the studies and suggestions developed to increase the efficiency of Internal Control activities.

Operation of the Risk Management System

The basic approach of the Bank in risk management activities is to establish a risk culture throughout the Bank and to identify, measure, monitor and control the risks that are or will be exposed.

Bank's risk management activities; It includes balance sheet risks such as credit risk, market risk, operational risk and liquidity risk. These risks are defined and controlled by creating risk matrices.

The Bank's currency risk and liquidity risks are tried to be kept under control through scenario analyzes and stress tests prepared by the risk management unit.

The activities of the risk management unit, the results of risk analyzes and risk indicators are reported to the Board of Directors in semi-annual periods.

As a result of the bank's risk management activities;

-The Bank's senior management showed the necessary sensitivity in terms of compliance with both internal and external legislation during the year. As a result the capital adequacy ratio was 14.41% and the liquidity ratio was approximately 15.25%, inline with the criteria of the TRNC Central Bank.

-Studies on the collection of state-guaranteed loans continued throughout 2022. Due to the interests of the bank and the sector, it is important to collect the said loans within a certain plan.

-From the point of view of currency risk, the bank's long position in dollar currency is tried to be minimized by increasing both on-balance sheet short positions in Sterling and Euro and by off-balance sheet transactions. In the Bank's Asset-Liability Management process, interest rate risk and market risk reports are prepared with the "Present Value" approach, with the reports created as a result of the service received from the Risk Turk software company, by calculating the cash flows of all interest-sensitive financial assets and liabilities, taking into account the time to maturity, and the resulting maturity. Measures are developed and various limit adjustments are made to prevent possible damages due to gaps (Gap). As a result, all units, which were reestablished and/or restructured in accordance with the Internal Systems Decree, continued to comply with internal and external legislation and to manage the risks arising from Bank's activities with increasing sensitivity in 2022. In this way, the increase in the trust and reputation of the Bank had a positive impact on the deposit and asset size figures in the Bank's balance sheet.

Functioning of the Compliance System

Within the scope of the Decree on the Internal Systems of Banks, the compliance of new transactions and products related to all activities carried out or planned to be carried out by the Bank, and the internal policies and rules are monitored by the Compliance Unit.

The accounts held at the bank and the transactions related to these accounts are examined supported by various reports.

Suspicious Transaction Reports and Cash Transaction Reports over €10,000 and equivalent have been made to the relevant authorities in accordance with the Law. Trainings, were organized in order to raise awareness of the Bank's personnel on the Law. Developments on the Law will continue to be announced to the personnel through new trainings.

Evaluations Regarding Risk Categories:

Credit Risk: Credit risk which may adversely affect the bank, arising from the partial and/or complete failure of the credit customer to fulfill its obligations pursuant to the contract signed; With the decision of the Board of Directors, it is aimed to gradually reduce the credit risk with the scoring works to be carried out at the customer as a result of the entry into force of the credit regulation. State-backed loans which are included in the bank's assets and have not yet started to be repaid, also negatively affect the credit risk. Apart from this, loans extended to the Bank's Risk Group and large loans are followed in accordance with legal restrictions.

Operational Risk: The Basic Indicator Method is used for operational risk which expresses the losses that may arise due to external factors such as inadequacy in internal transactions and controls, bank management, employees, computer system or natural disasters, in accordance with the legal regulations.

Currency Risk: The exchange rate risk, which expresses the possibility of loss that the Bank may be exposed to due to the mismatch in foreign currency assets and liabilities as a result of changes in foreign exchange rates, has reached high levels due to the government-guaranteed dollar shield in USD at the Bank. This situation, which creates a favorable outcome for the bank as long as there is an increase in the exchange rates, will have an adverse effect on the bank accounts if there is a decrease in the exchange rates. Increases in exchange rates will adversely affect the Bank's GBP position.

Liquidity Risk: Cash flows are controlled daily and necessary adjustments are made in positions in order to minimize the liquidity risk, which is defined as the risk of not having enough cash or cash inflows to meet the cash outflows fully and on time as a result of imbalance and insufficiency in cash flows.

III - NOTES AND DISCLOSURES TO THE BALANCE SHEET AND MEMORANDUM ACCOUNTS:

i) NOTES AND DISCLOSURES TO THE ASSETS:

1. Information relating to Bank Accounts:

a) Balances with TRNC Central Bank;

	Current Period		Previous Period	
	TL	FC	TL	FC
Current Account	38.432.382	346.999.936	62.623.453	874.969.138
Deposit Account				
Interbank Money Market Transactions	400.000.000	4.188.341.000	15.000.000	2.061.000.000
Blocked Amounts				304.024.000
TOTAL	438.432.382	4.535.340.936	77.623.453	3.239.993.138

b) Information Relating to Overseas Bank Accounts;

	Unpledged Balances		Blocked Balances	
	Current Period	Previous Period	Current Period	Previous Period
Turkey	1.236.299.590	639.535.535	144.524.319	171.611.527
EU Countries			7.455.727	5.941.394
USA and Canada				
OECD Countries' *				
Offshore Banking Zone				
Other				
TOTAL	1.236.299.590	639.535.535	151.980.046	177.552.921

* OECD Countries other than Turkey, EU Countries, USA and Canada.

c) Reverse Repo Receivables: None

	Current Period		Previous Period	
	TL	FC	TL	FC
Domestic Transactions				
TRNC Central Bank				
Banks				
Other Financial Institutions and Corporations				
Other Institutions and Corporations				
Real Persons				
Overseas Transactions				
Central Banks				
Banks				
Other Financial Institutions and Corporations				
Other Institutions and Corporations				
Real Persons				
TOTAL				

2. Securities Portfolio;

a) 340.988.235 TL of the securities portfolio balance is held due to legal requirements at TRNC Development Bank.

b) Analysis of securities portfolio:

Types of Securities	Current Period		Previous Period	
	TL	FC	TL	FC
TRNC Central Bank Securities		2.003.489.645		1.112.000.000
TRNC Development Bank Securities	44.765.571	296.222.664	41.069.331	249.049.049
Turkish Treasury Bills				
Turkish Government Bonds				
Other OECD Countries Bonds and Bills				
Other Countries Bonds and Bills				
Other				
TOTAL	44.765.571	2.299.712.309	41.069.331	1.361.049.049

3. Information related to Loans account:

a) Loans given to bank personnel and shareholders:

	Current Period		Previous Period	
	Cash	Non-Cash	Cash	Non-Cash
Loans directly given to shareholders				
Loans given to legal entity shareholders	71.097.356	10.072.926	5.182.388	5.094.756
Loans given to individual shareholders				
Indirect loans given to shareholders				
Loans given to personnel	15.213.561		10.390.055	
TOTAL	86.310.917	10.072.926	15.572.443	5.094.756

* Co-operatives are taken into account as legal entity partners.

b) Group I and Group II loans, other receivables and restructured and/or rescheduled loans and other receivables:

Loans	Standard Performing Loans and Other Receivables		Loans and Other Receivables Under Follow-up	
	Loans and Other Receivables	Rescheduled Loans and Other Receivables	Loans and Other Receivables	Rescheduled Loans and Other Receivables
Bills Discounted	4.230.166			
Export Loans				
Import Loans				
Export Guarantee Investment Loans				
Other Investment Loans				
Business Loans	863.169.056		8.649.775.626	
Special Loans	66.047.254			
Funded Loans				
Consumer Loans	196.264.695	2.397.565	14.852.366	
Credit Cards	109.637.489			
Security Purchase Loans For Customers				
TRNC Central Bank Funded Loans				
Loans Given Through TRNC Central Bank				
Other Loans	96.328			
TOTAL	1.239.444.988	2.397.565	8.664.627.992	

c) Loan Classification by Users:

	Current Period	Previous Period
Public	8.649.775.627	6.791.156.453
Private	1.256.694.918	761.848.286
TOTAL	9.906.470.545	7.553.004.739

d) Loan Classification-Domestic and Overseas:

	Current Period	Previous Period
Domestic Loans	9.906.470.545	7.553.004.739
Overseas Loans		
TOTAL	9.906.470.545	7.553.004.739

e) Loans Given to Investments and Subsidiaries:

	Current Period	Previous Period
Direct Loans to Investments and Subsidiaries	113.537.531	33.479.915
Indirect Loans to Investments and Subsidiaries	36.686.156	
TOTAL	150.223.687	33.479.915

f) The share of the bank's top 100 cash loan customers in the total cash loans portfolio and the number of cash loan customers that make up 50% of the loan portfolio,

The first hundred largest cash loan customers make up 95,96% of the total cash loan portfolio and 2 (two) cash loan customers make up 50% of the cash loan portfolio.

g) The share of the bank's top 100 non-cash loan customers in the total non-cash loan portfolio and the number of non-cash loan customers constituting 50% of the loan portfolio,

The first hundred largest non-cash loan customers make up 89,58% of the total non-cash loan portfolio and 4(four) customers holds 50% thereof.

h) The share of cash and non-cash receivables from the Bank's top 100 loan customers in total on-balance sheet and off-balance sheet assets and the number of customers constituting 50% of the cash and non-cash loan portfolio are disclosed.

The first hundred largest cash and non-cash loan customers make up 38,20% of the total assets (including off-balance-sheet items) and 2 (two) customers make up 50% of the total cash and non-cash loan portfolio of the bank.

4. Non-performing Loans:

a) Total Non-performing Loans -Movements in the Year:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Repayment	Doubtful Debts and Other Receivables	Bad Debts and Other Receivables
Balances Brought Forward	1.259.886	2.628.837	146.771.304
Additions in the Year (+)	8.394.912		
Transfer from Other Non-Performing Loans		7.945.567	96.558
Transfer to Other Non-Performing Loans	-7.945.567	-96.558	
Collections in the Period (-)	-1.097.213	-65.666	-21.660.333
Write Offs (-)			
Balances at the end of Period	612.018	10.412.180	125.207.529
Specific provision (-)	-161.490	-4.114.399	-125.207.529
Net Book Value	450.528	6.297.781	

b) Foreign Currency Non-Performing Loans-Movements in the Year:

	III. Group Loans and Other Receivables with Limited Repayment Capacity	IV. Group Doubtful Debts and Other Receivables	V. Group Bad Debts and Other Receivables
Current Period:			
Balances Brought Forward		9.940.074	115.812.554
Specific Provision (-)		-4.049.844	-115.812.554
Net Book Value		5.890.230	
Previous Period:			
Balance Brought Forward	896.094	2.234.553	135.002.668
Specific Provision (-)	-23.317	-177.862	-135.002.668
Net Book Value	872.777	2.056.691	

c) Bad Debts and Other Receivables Analyzed By Types of Securities and Provisions Made:

Security Group	Loans Given	Provision
Unsecured	6.117.756	6.117.756
Group I - Cash Security	69.788	69.788
Group II - Immovable Security	114.779.960	114.779.960
Group III - Movable Security	4.240.025	4.240.025
Group IV - Other Security		
TOTAL	125.207.529	125.207.529

* In accordance with Article 7(4) of the Decree on the Qualifications of Banks' Loans and Other Receivables and Provisions, the Bank has set aside special provisions for the total non-performing loan amount, regardless of the collateral amount, for the loans that are in the nature of loss.

d)Bad Loans and other Receivables Policy of the Bank:

Before taking any legal action, a final notice is sent to the user of the loan and a 15-day period is given, after which legal action is initiated for the loss loans that are non-performing. As a result of the court action, after the completion of the execution phase specified in the orders of the Court, the collection of the receivables from the debtors and the guarantors is made for the remaining balance of loans and receivables.

5. Details of receivables from sales of assets with instalments included in the Other Receivables account: None

	Current Period	Previous Period
Sale of investments, subsidiaries and joint ventures		
Sale of immovable property		
Other asset sales		

6. Details Regarding Investments, Subsidiaries:

a) 0 (Zero) TL balance of the investments and subsidiaries account consists of the increase in value resulting from the valuation of these assets at the stock market price.

b) Analysis and Book Values of investments and subsidiaries by sector:

	Participations		Subsidiaries	
	Current Period	Previous Period	Current Period	Previous Period
Banks				
Insurance Companies			35.914.319	33.804.976
Finance Companies				
Other financial investments				
Other non-financial investments and subsidiaries			83.610.897	80.603.971

c) The Bank's Share in Investments and Subsidiaries:

Title	Address	Banks Share of Investment and Voting	Group Holding (%)	Current Year Profit	Market Value
Şeker Sigorta (Kıbrıs) Ltd	Lefkoşa	%100	%100	2.107.554	35.914.319
Süt ve Sıvı Yağ Üretim Pazarlama Koop Ltd.	Lefkoşa	%79.41	%100	2.308.627	70.774.837
Karma Hayvan Yemi, Harup Ürünleri ve LP Gaz Üretim ve Pazarlama Kooperatifi Ltd.	Gönyeli	%97.78	%100	1.383.195	12.836.060
Zirai Makine ve Gıda Pazarlama Koop Ltd.	Lefkoşa	%97.78	%100	160.356	
Vaka Ltd	Lefkoşa	%40	%40		
Ada Havacılık ve Taşımacılık A.Ş.	Lefkoşa	%15	%15		

d) Investments Quoted on Stock Exchange; None

	Current Period	Previous Period
Quoted on local Stock Exchange		
Quoted on overseas Stock Exchange		

e) Subsidiaries quoted on Stock Exchange; None

	Current Period	Previous Period
Quoted on local Stock Exchange		
Quoted on overseas Stock Exchange		

f) Number of bonus shares received from investments and subsidiaries as a result of capitalization of reserves; None

Number of bonus shares received	Current Period	Previous Period
Investments		
Subsidiaries		

g) Details of receivables from and debts due to investments and Subsidiaries;

	Financial investments and Subsidiaries Balance	Non-Financial investments and Subsidiaries Balance
RECEIVABLES		
- Banks and Other Financial Institutions		
- Debentures and Similar Securities		
- Loans (Including Doubtful Debts)		113.537.531
- Interest and Income Accruals		9.358.896
- Financial Leasing Receivables (NET) (*)		
- Other Receivables		7.106
BORROWINGS		
- Deposits	26.118.253	76.156.444
- Borrowed Funds		
- Securities Issued		
- Interest and expense prepayments	78.499	39.163
- Financial leasing liabilities		
- Other liabilities		
OFF-BALANCE-SHEET COMMITMENTS AND LIABILITIES	284.000	37.195.656

*To be used by banks, authorized by law.

7.) Details about Long-Term Investments;

	Current Period	Previous Period
1 -Debt securities, Turkish Treasury Bonds		
2 - Repo related items		
3 - Other	74.942	74.942
4 -Provision for loss in value (-)		
TOTAL	74.942	74.942

8. a) Details Regarding Fixed Assets of The Bank;

	Immovable Property	Vehicles	Other Fixed Assets	Total
Balance from previous year:				
Cost	51.000.264	2.636.775	22.097.740	75.734.779
Accumulated depreciation (-)	12.602.520	1.435.931	18.185.644	32.224.095
Net Book Value	38.397.744	1.200.844	3.912.096	43.510.684
Current Period:				
Net book value at the beginning of the year	38.397.744	1.200.844	3.912.096	43.510.684
Purchases		360.300	5.614.628	5.974.928
Sales and disposals - Net (-)		-31.022	-59.099	-90.121
Diminution in value				
Depreciation charge (-)	-1.357.954	-325.281	-2.172.370	-3.855.605
Net Exchange differences (-)				
Closing Net Book Value	37.039.790	1.204.841	7.295.255	45.539.886

b) According to the current TRNC Banking Law, the total amount of assets acquired and to be disposed of is TL 37,979.

9. Details of Other Assets;

a) If the other assets item of the balance sheet exceeds 10% of the balance sheet total (excluding off-balance sheet commitments), the names and amounts of the sub-accounts that make up at least 20% of these are disclosed;

Other assets do not exceed 10% of total assets of the Bank.

b) Information on prepaid expenses, taxes and similar transactions are additionally disclosed.

The amount of prepaid expenses of the bank in 2022 is 204,729 TL. This amount consists of insurance expenses.

The Bank is subject to Corporation Tax.

The withholding tax breakdown that the bank paid in 2022 is given below.

1. Withholding tax of 3,974,039 TL deposited to the TRNC Income and Tax Office as part of interest accrued on balances held at banks in TRNC and rental income.

2. A total of 2,781,701 TL of withholding tax paid 6,760,826 TL of which was withheld from the interest accrued to the bank by bank balances held in Turkey which was paid to the relevant Tax Office in Turkiye.

3. The total of prepaid advance taxes is 116,571,994 TL.

ii) NOTES AND DISCLOSURES TO THE LIABILITIES:

10. Breakdown of Deposits ;

a) Details of Deposits Analyzed By Residual Maturity

Current Period	On Demand	7 Days Notice	Within 1 Month	Within 3 Months	Within 6 Months	Within 1 Year	Over 1 Year
Resident Accounts							
1) Savings Accounts	414.593.560		2.850.197.959	13.274.036	367.372	28.149.591	
2) Official, Commercial and Other Institutions Deposits	415.049.829		1.537.791.352	39.644.821	23.330	1.232.166	
3) Foreign Currency Savings	258.956.738		7.134.069.951	144.568.822	73.442.920	1.170.183.109	
4) Foreign Currency Official, Commercial and Other institutions Deposits	151.881.388		2.694.165.188	36.609.872	27.081.999	743.828.994	
Non-Resident Accounts							
1) Savings Accounts	1.655.741		10.166.243	291.651	13.824	10.055	
2) Official, Commercial and Other Institutions Deposits	762.164						
3) Foreign Currency Savings	2.706.929		104.218.237	1.459.817	51.483	39.413.299	
4) Foreign Currency Official, Commercial and Other institutions Deposits							
Banks Deposit							
Local Banks	5.917.785		49.833.509	11.138.329		368.939.835	
Overseas Banks							
Off-Shore Banks							
Other							
TOTAL	1.251.524.134		14.380.442.439	246.987.348	100.980.928	2.351.757.049	

Previous Period	On Demand	7 Days Notice	Within 1 Month	Within 3 Months	Within 6 Months	Within 1 Year	Over 1 Year
Resident Accounts							
1) Savings Accounts	170.900.454		2.513.768.545	12.502.955	1.956.684	20.333.932	
2) Official, Commercial and Other Institutions Deposits	201.450.377		1.241.297.699	44.636.670	33.515.120	1.101.631	
3) Foreign Currency Savings	244.006.462		4.997.888.308	79.192.543	59.740.635	994.270.456	
4) Foreign Currency Official, Commercial and Other institutions Deposits	4.658.091		1.614.159.304	26.729.266	20.442.950	517.978.592	
Non-Resident Accounts							
1) Savings Accounts	834.125		11.523.337	289.203	12.342	9.059	
2) Official, Commercial and Other Institutions Deposits	26.674						
3) Foreign Currency Savings	5.112.174		78.169.294	2.145.091	128.923	25.040.079	
4) Foreign Currency Official, Commercial and Other institutions Deposits							
Banks Deposit							
Local Banks	14.469.184		4.370.130			269.947.062	
Overseas Banks							
Off-Shore Banks							
Other							
TOTAL	641.457.541		10.461.176.617	165.495.728	115.796.654	1.828.680.811	

b) Deposits covered by the Savings Insurance Fund Scheme;

Savings Accounts	Current Period		Previous Period	
	TL	FC	TL	FC
Savings Accounts	3.312.224.863	7.521.254.038	2.726.162.338	6.475.352.483
Other Covered Accounts	792.258.663	330.592.588	638.180.472	167.741.287
TOTAL	4.104.483.526	7.851.846.625	3.364.342.810	6.643.093.770

As per clause 11 (4) of the Law 32/2009, deposit totalling 6,482,530 TL and FX 13,715,769 are exempt and are deducted from savings accounts totals.

11) Funds Derived From Repo Transactions:None

	Current Period		Previous Period	
	TL	FC	TL	FC
Local Transactions				
Financial Institutions and Corporations				
Other Institutions and Corporations				
Real Persons				
Overseas Transactions				
Financial Institutions and Corporations				
Other Institutions and Corporations				
Real Persons				

12. Funds Borrowed:

a. Funds Borrowed From Central Bank; None

	Current Period		Previous Period	
	TL	FC	TL	FC
Central Bank Loans				
Interbank Money Market Transactions				
TOTAL				

b. Other Funds Borrowed; None

	Current Period		Previous Period	
	TL	FC	TL	FC
Short-Term				
Medium and Long-Term				

c) Additional explanations regarding the areas where the liabilities of banks are concentrated should be made on the basis of customers and sector groups providing funds.

13. Disclosures relating to funds;

a) Current Period

Term of Borrowing		Interest Details		Currency		
Short	Medium and Long	Fixed-Rate	Variable	USD	TL	Other
	66.108	%5			66.108	
	290.756	%12			290.756	

b) Previous Period

Term of Borrowing		Interest Details		Currency		
Short	Medium and Long	Fixed-Rate	Variable	USD	TL	Other
	67.038	%5			67.038	
	294.914	%12			294.914	

14. The Bank has not issued any securities.

a) Current Period

Term of Borrowing		Interest Details		Currency		
Short	Medium and Long	Fixed-Rate	Variable	USD	TL	Other

b) Previous Period

Term of Borrowing		Interest Details		Currency		
Short	Medium and Long	Fixed-Rate	Variable	USD	TL	Other

15. a) Details of Sundry Liabilities; None

	Current Period	Previous Period
Cash Value of the Securities Obtained		

b) The nature of the cash guarantees received is explained.

None

16. Details of Other Liabilities;

If the other liabilities item account in the balance sheet exceeds 10% of the balance sheet total (excluding off-balance sheet commitments), their the names and amounts of the sub-accounts constituting at least 20% of them;

Other liabilities do not exceed 10% of the total assets of the bank.

17. Details of Shareholders' Funds;

a) Paid-up capital;

	Current Period	Previous Period
Ordinary Share Capital	27.251,201	26.657.950
Preferential, Privileged Share Capital		

b) Whether the registered capital system is applied in the bank and if so, the ceiling of the authorized capital:

Capital System	Paid-up Capital	Ceiling of Authorized Capital
Variable registered capital system	27.251.201	50.000.000

c) Details of increase made to the authorized and paid-up capital in the current period:

Date of Increase	Value of Increase	Cash Issue	Capitalised Reserves	Capitalised Revaluation Funds
1.1.22-31.12.22	593.251	593.251		

According to the bank's articles of association and bylaws, customers who will use a loan from the bank must be a member of the bank. In accordance with this rule, deflection costs sold to loan customers are added to the paid-in capital as a capital increase for that year.

d) Details of capitalized revaluation fund in the current period: None

Fixed Assets Revaluation	Revaluation of Participations	Profit on Sale of Immovable Property	Profit on Sale of Participations	Revaluation of Intangible Assets

e) Disclosure of Institutions and persons who have 10% or more voting rights and/or share in the capital:

None.

Name/Title	Value of Holding	Ratio of Holding	Paid-up Holding	Unpaid Holding

f) No call has been made on the unissued shares of the bank since the year-end to date.

g) There are no preference shares.

18. Disclosures Relating to Securities Revaluation Fund:

	Current Period		Previous Period	
	TL	FC	TL	FC
Investments and Subsidiaries	109.377.580		104.261.311	
Long-Term Securities				

19. a) Determining the sources of liquidity risk and steps taken, if any, to manage the risk; whether or not constraints have been placed on the the board of directors' limiting the usage of funds in order to meet urgent liquidity needs, and pay maturing liabilities:

The best practices as required by the Basel III directives for banks have been accepted as the basic policy for the Bank's liquidity risk management.

In addition, the system of monitoring and managing the liquidity adequacy known as the Liquidity Coverage Ratio used in international practices has been implemented as a standard in our Bank, and the Liquidity Coverage Ratio table has been started to be created according to bank data at the end of each month. The purpose of the liquidity coverage ratio table is to maintain a stock of high quality liquid assets that can meet the net cash outflows in order to determine the minimum liquidity level while carrying out banking activities. Liquidity risk management is the responsibility of the board of directors. It is fulfilled through ALCO, which also includes senior management. This task; The Asset-Liability Committee (ALCO) is tasked with creating an effective liquidity risk management structure, which includes the strategies, policies and procedures required while maintaining its banking activities. Due to competitive pressures, our Bank takes all measures to prevent practices that will reduce the reliability and effectiveness of liquidity risk management and control, and pays attention to avoid products and practices that may pose a liquidity risk.

b) Bank's Policy on interest rate risk and whether there is harmony between assets' and liabilities' interest rates and whether cost of mismatching is measured.

The Bank is effectively managed by the Asset-Liability Management Committee in order to maintain the balances in assets and liabilities that can be affected by interest rates due to the volatility in the economy.

The Basel Criteria, which are internationally accepted, take into account bank-specific, market-wide or both situations in order to identify the sources of possible liquidity weaknesses and to ensure that the current on- and off-balance sheet position acts in line with the determined liquidity risk appetite. They should regularly perform liquidity stress tests using various stress test scenarios that take into account the market in general or both situations together. Stress test results should be taken into account when determining the liquidity risk management strategy, policies and positions, and emergency and contingency plans should be prepared within this framework. Our bank conducts stress tests periodically. By producing various scenarios, asset liability and profitability analyzes are performed.

c) The Bank's Policy regarding funding of short and long term liquidity needs and untapped liquid sources:

The main sources of financing the bank's short and long term liquidity needs are deposits.

d) Maturity breakdown of certain balance sheet items:

	On Demand	Within 1-3 Months	Within 3-6 Months	Within 6-12 Months	Over 1 Year	Total
Current Period						
Assets						
Liquid Funds (Foreign Exchange, Cash in Transit)						
Yoldaki Paralar, Satın Alınan Çekler)	5.081.413.824					5.081.413.824
ve KKTC Merkez Bankası						
Bank Balances	389.125.686	178.421.541	820.732.417			1.388.279.644
Securities Portfolio	839.050.000	1.195.189.382	120.132.001	190.034.639	71.858	2.344.477.880
Loans	9.064.711.174	14.547.883	41.264.883	70.275.194	715.671.411	9.906.470.545
Long Term Investments	74.942					74.942
Other Assets *	265.228.085					1.785.268.175
Total Assets	15.639.603.711	1.388.158.806	982.129.301	260.309.833	715.743.269	20.505.985.010
Liabilities						
Bank Deposits	5.917.785	13.667.192	72.913.520	175.709.687	167.621.274	435.829.458
Other Deposits***	15.982.844.440	415.804.834	381.344.419	1.115.868.747		17.895.862.440
Funds obtained from other financial institutions						
Securities issued						
Sundry Liabilities	553.181.844					553.181.844
Other Liabilities **	225.256.193					1.621.111.268
Total Liabilities	16.767.200.262	429.472.026	454.257.939	1.291.578.434	167.621.274	20.505.985.010
Net Asset Liquidity Gap	-1.127.596.551	958.686.780	527.871.362	-1.031.268.601	548.121.995	
Previous Period						
Total Assets	5.097.253.856	73.509.415	779.170.704	176.955.746	7.209.289.325	14.500.282.610
Total Liabilities	11.907.305.541	348.030.120	333.117.432	1.006.531.195	127.820.172	14.500.282.610
Net Asset Liquidity Gap	-6.810.051.685	-274.520.705	446.053.272	-829.575.449	7.081.469.153	

* NPL (net), interest and income accruals and discounts, deposit legal provisions, affiliates-subsiidiaries, assets to be disposed of and fixed assets are not classified and only included in the total of other assets.

** Equity amount has not been reclassified, only included in the total of other liabilities.

*** Deposit required reserves are included in the other deposit demand amount. The statutory saving reserve is included in the other deposits on demand total.

e) Disclosures and notes regarding other matters:

None.

iii) NOTES AND DISCLOSURES TO THE MEMORANDUM ACCOUNTS.

1. If there are areas where the bank's off-balance sheet liabilities are particularly concentrated, these are indicated. These explanations can be made according to the status of the bank, on the basis of customer or sector, and geographical region distinction can be made according to different country groups abroad. Customers can be classified as public institutions and organizations, commercial, industrial and service enterprises.

The area where off-balance sheet liabilities are concentrated are the letters of guarantee given to customers due to the growth in domestic business volume.

2. a) Total Amount of Non-cash Loans;

	Current Period	Previous Period
Details of Non-cash Loans Opened as Security for Cash Loans		
Accounts with maturity of less than 1 year		
Accounts with maturity of more than 1 year		
Other off-balance-sheet liabilities	96.309.664	64.454.074
TOTAL	96.309.664	64.454.074

b) Details of Non-cash Loans;

	Current Period		Previous Period	
	TP	FC	TP	FC
Non-cash Loans				
Letter of guarantees	54.536.466	41.156.693	34.427.645	29.675.459
Acceptances				
Letters of credit		616.505		350.970
Endorsements, transfers				
Undertaking of Repurchasing				
Other guarantees and acceptances				
TOTAL	54.536.466	41.773.198	34.427.645	30.026.429

3. Commitments;

	Current Period	Previous Period
Irrevocable commitments	1.020.941.976	585.690.117
Revocable commitments		
TOTAL	1.020.941.976	585.690.117

4. Foreign Exchange and Interest Rate Transactions;

None

	Current Period	Previous Period
Forward FX Transactions		
Currency and interest swap transactions		
Currency and interest options		
FX Future Contracts		
Interest future contracts		
Other		
TOTAL		

IV - NOTES AND DISCLOSURES TO THE PROFIT AND LOSS STATEMENT:

1. a) Interest and commissions received from Investments and Subsidiaries:

	Current Period	Previous Period
Interest received from Subsidiaries and Investments	9.358.896	5.740.315
Commissions and fees received from Subsidiaries and Investments	23.620	11.706

b) Interest and commissions paid to Participations and Subsidiaries;

	Current Period	Previous Period
Interest paid to Subsidiaries and Investments	3.364.683	4.868.907
Commissions and fees paid to Subsidiaries and Investments		

c) Interest received from reverse repo transactions; None

	Current Period		Previous Period	
	TP	FC	TP	FC
Interest received from reverse repos				

d) Interest paid to repo transactions; None

	Current Period		Previous Period	
	TP	FC	TP	FC
Interest paid to repo transactions				

2. Breakdown of provisions charge for Loans and Other Receivables;

	Current Period	Previous Period
Specific provision for non-performing loans and other receivables	5.028.089	7.089.903
For unsecured accounts	4.987.208	2.311.890
For other accounts	40.881	4.778.013
General provision for loans	7.047.635	5.902.826
Provision investments to be held up to maturity		
Provision for for the diminution of value of participations and subsidiaries		
Others		

3. If items in the income and expense groups I, II, IV and V exceed 10% of the group total, a breakdown of the sub-accounts that make up at least 20% of these items should be given.

	2022	2021
	TL	TL
I. Other Non-Interest Incomes		
Specific provision income	19.440	10.534.544
General provision income	1.479.729	3.592.405
	<u>1.499.169</u>	<u>14.126.949</u>
II. Other Non-Interest Expenses		
Savings Deposit Insurance Fund	<u>59.686.816</u>	<u>37.867.710</u>

4. Other issues, the disclosure of which is found to be useful:

(1) Net Profit Before Tax

Net profit before tax is shown after deducting doubtful accounts provision, depreciation, personnel expenses, rental expenses and the following expenses.

	2022	2021
	TL	TL
Appropriation to Board of Directors	1.106.180	638.400
External Auditor Fees*	394.400	232.824
Legal Consultancy Fees	7.540	0
	<u>1.508.120</u>	<u>871.224</u>

*The provision amount included in the External Auditor Fees includes VAT.

(2) The total receivables of the bank in its loan portfolio as of 31.12.2022 is 10,042,702,272 TL. 8,636,200,294 TL of this amount is under the guarantee of the State.

1,406,501,978 TL of the remaining 136,231,727 TL loan consists of non-performing loans. The amount of special provisions set aside for these receivables in accordance with the provision rules is 129,483,418 TL. This amount constitutes 95.05% of NPLs.

(3) A pre-tax profit of 539,205,660 TL was achieved from banking activities.

CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

TRANSACTIONS IN EQUITY ITEMS

	Paid-up Share Capital	First and Second Legal Reserves	Share Premium Account	Other Legal Reserves	General Reserve	Statutory Revaluation Fund of Fixed Assets	Revaluation Fund of Assets of Participations and Subsidiaries	Statutory Revaluation of Securities	Prior Years Profits (Losses)	Current Period Net Profit/ (Loss)	Total Shareholders' Equity
PREVIOUS PERIOD											
Balances at 1 January 2020	26,476,351	38,397,775				7,718		34,105,237	338,158,636	29,125,344	466,271,061
Profit Appropriation:											
- Dividends											
- Transfers to reserves											
Share premiums (common stocks issue)		2,912,536			364,371,444				338,158,636	-29,125,344	
Share Capital Increase:											
- Cash Injection	181,599										181,599
- Transfers from statutory revaluation fund											
- Transfers from other accounts											
Profit resulting from sale of equity participations, subsidiaries and fixed assets											
Profit resulting from sale of equity participations, subsidiaries											
Bonus shares obtained from equity participations due to increase in											
Increase in statutory revaluation fund in 2021								70,156,074			70,156,074
Increase in value of the securities portfolio											
Other											
Net Profit at 31/12/2021										240,869,425	240,869,425
CURRENT PERIOD											
Balances 31 December 2021	26,657,950	41,310,311			364,371,444	7,718		104,261,311		240,869,425	777,478,199
Profit Appropriation:											
- Dividends											
- Transfers to reserves											
Share premiums (common stocks issue)		24,086,942			216,782,484					-240,869,425	
Share Capital Increase:											
- Cash Injection	593,251										593,251
- Transfers from statutory revaluation fund											
- Transfers from other accounts											
Profit resulting from sale of equity participations, subsidiaries and fixed assets											
Bonus shares obtained from equity participations due to increase in the shareholders' funds through sales of fixed assets and investments											
Increase in statutory revaluation fund in 2022								5,116,269			5,116,269
Increase in value of the securities portfolio											
Other											
Net Profit at 31/12/2022											
Balances 31 December 2022	27,251,201	65,397,253			581,153,928	7,718		109,377,580		484,954,260	1,288,141,940

CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD
STATEMENT OF CASH FLOW

	CURRENT PERIOD 31.12.2022 TL	PREVIOUS PERIOD 31.12.2021 TL
I- Cash Flow From Banking Operations (Main Activities)		
Interest income and similar items	1.367.744.792	1.112.704.975
Interest expenses and similar items	-814.551.186	-730.972.299
Dividends received		
Fees and commissions received	43.907.136	23.855.962
Other income	91.032.212	29.500.603
Collections from previously written-off loans and other receivables		
Personnel and administration expenses	-156.975.007	-89.840.955
Taxes paid	-3.035.205	-1.285.501
Other Items Subject to Collection		
Other Items Subject to Payment	-318.345.483	-160.582.237
Operating Profit Before Changes in Operating Assets and Liabilities	209.777.259	183.380.548
Changes in Operational Assets and Liabilities:		
<u>(Increase) Decrease in Operating Assets:</u>		
Net (increase) / decrease in securities portfolio	-942.359.500	-575.839.283
Net (increase) / decrease in banks	-2.227.347.907	-1.507.101.615
Net (increase) / decrease in loans	-2.356.700.580	-2.039.624.775
Net (increase) / decrease in other assets	-447.376.407	-582.297.095
<u>Increase (decrease) in operating liabilities:</u>		
Net increase (decrease) in deposits	5.119.084.547	4.173.067.468
Net increase (decrease) in funds borrowed		
Net (increase) / decrease in securities portfolio		
Net increase (decrease) in other liabilities	395.954.073	248.556.376
Net Cash Provided from Banking and Commercial Operations	-248.968.515	-99.858.376
II- Cash Flow from Investing Activities		
Cash paid for purchase of equity participations		
Purchase of property and equipment		
Sale of property and equipment	-5.974.928	-1.926.444
Purchase of Intangible Assets	90.121	161.727
Cash paid for purchase of investment securities		
Sale of investment securities		
Other Cash Inflows		
Other Cash Outs	3.855.605	3.113.712
Net Cash (Used in) Provided from Investing Activities	-2.029.202	1.348.995
III- Cash Flow from Financing Activities		
Cash Provided by Credits Provided and Securities Issued		
Credits Provided and Repayments of Issued Securities		
Issued Bank Capital Shares (2022 paid-in capital increase)	593.251	181.599
Dividends Paid		
Other Cash Inflows (31.12.2022 yearly subsidiary value increase)	5.116.269	70.156.074
Other Cash Outs		
Net Cash Provided from Financing Activities	5.709.520	70.337.673
Effect of change in foreign currency evaluation rate of cash and cash equivalents	275.177.001	57.488.877
Net Increase / (Decrease) in Cash and Cash Equivalents	29.888.805	29.317.169
Cash and Cash Equivalents at the Beginning of the Period	77.751.701	48.434.532
Cash and Cash Equivalents at the End of the Period	107.640.506	77.751.701

CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD
PROFIT APPROPRIATION STATEMENT

	CURRENT PERIOD 31.12.2022 TL	PREVIOUS PERIOD 31.12.2021 TL
A. APPROPRIATION OF CURRENT YEAR INCOME		
1. CURRENT YEAR INCOME	539.205.660	267.794.202
2. TAXES AND DUTIES PAYABLE (-)		
- Corporation tax	-27.086.733	-13.335.132
- Income tax	-204.384	-199.935
- Other taxes and duties	-26.960.283	-13.389.710
NET INCOME FOR THE YEAR	484.954.260	240.869.425
3. PRIOR YEARS' LOSSES (-)		
4. LEGAL RESERVES (-)	48.495.426	24.086.943
5. OTHER STATUTORY RESERVES (-)		
NET INCOME AVAILABLE FOR DISTRIBUTION		
6. FIRST DIVIDEND TO SHAREHOLDERS (-)	436.458.834	216.782.483
- To owners of ordinary shares		
- To owners of privileged shares		
7. DIVIDENDS TO PERSONNEL(-)		
8. DIVIDENDS TO BOARD OF DIRECTORS (-)		
9. SECOND DIVIDEND TO SHAREHOLDERS (-)		
- To owners of ordinary shares		
- To owners of privileged shares		
10. STATUTORY RESERVES (Allocated according to "Memorandum and Articles of Association" of the Bank)		
11. GENERAL RESERVE (Retained Profits)		
12. EXTRAORDINARY RESERVES (RETAINED PROFITS)		
13. OTHER RESERVES (Allocated by the decision of General Assembl	-436.458.834	-216.782.483
14. SPECIAL FUNDS (Allocated as per certain regulations)		
B. DISTRIBUTION OF RESERVES		
1. DISTRIBUTION OF RESERVES(Reserves allocated in prior years and distributed in the current year)		
2. DIVIDEND TO SHAREHOLDERS (-)		
- To owners of ordinary shares('A' and 'B')		
- To owners of privileged shares		
3. DIVIDENDS TO PERSONNEL (-)		
4. DIVIDENDS TO BOARD OF DIRECTORS (-)		
C. EARNINGS PER SHARE		
1. TO OWNERS OF 'A' SHARES (TL, %)		
2. TO OWNERS OF 'B' SHARES (TL, %)		
D. DIVIDEND PER SHARE		
1. TO OWNERS OF 'A' SHARES (TL, %)		
2. TO OWNERS OF 'B' SHARES (TL, %)		