

**TURKISH FOUNDATION FOR WASTE REDUCTION
MICROCREDIT CENTRE - TURKISH GRAMEEN
MICROFINANCE PROGRAM**

**STATUTORY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
TOGETHER WITH AUDITOR'S REPORT**

**(Convenience translate into English of
Financial Statements Originally issued in Turkish)**



BDO Turkey
Tel : +90 212 365 62 00
Fax: +90 212 365 62 01
e-mail: bdo@bdo.com.tr
www.bdo.com.tr

BDO Denet Bağımsız Denetim ve Danışmanlık A.Ş.
Tic.Sicil Numarası : 254683
Mersis Numarası : 0291001084600012
Eski Büyükdere Cad. No:14 Park Plaza Kat:4
Maslak 34398 Sarıyer/İstanbul

INDEPENDENT AUDITOR'S REPORT TO THE FINANCIAL STATEMENTS

To the Board of Directors of Turkish Foundation for Waste Reduction

1. Opinion

We have audited the accompanying financial statements of Turkish Foundation for Waste Reduction (the "Foundation") Microcredit Centre - Turkish Grameen Microfinance Programme ("TGMP"), which comprise the balance sheet as of 31 December 2022, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with General Communiqué on Accounting System Application ("GCASA").

2. Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Independence

We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

4. Other Matter

As discussed in Note 28, the accompanying financial statements are prepared and presented in accordance with GCASA which is different from the accounting principles generally accepted in the countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). The effects of such differences have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and financial performance of the Foundation in accordance with the accounting principles generally accepted in such countries and IFRS.

5. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Foundation management is responsible for the preparation and fair presentation of the financial statements in accordance with GCASA, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

BDO Denet Bağımsız Denetim ve Danışmanlık A.Ş., a Turkish joint stock company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Garantisi ile sınırlı bir Birleşik Krallık şirketi olan BDO International Limited'in üyesi ve bir Türk anonim şirketi olan BDO Denet Bağımsız Denetim ve Danışmanlık Anonim Şirketi, bağımsız üye kuruluşlardan oluşan BDO ağıının bir parçasını teşkil etmektedir.

6. Auditor's Responsibilities for the Audit of Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with independent auditing standards is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements 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 independent audit conducted in accordance with independent auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the 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.
- Assess the 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 Company'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 Company'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 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 independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

İstanbul,
17 October 2023

**BDO Denet Bağımsız Denetim
ve Danışmanlık A.Ş.**
Member, BDO International Network



Selçuk Şahin, SMMM
Partner

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

BALANCE SHEET AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

	31 December 2022	31 December 2021
ASSETS		
I. <u>CURRENT ASSETS</u>		
Liquid assets	621.508	758.539
Cash	12.180	4.261
Banks	609.328	754.278
Trade receivables	113.719.616	89.013.527
Customers	112.697.524	88.473.312
Trade receivables from related parties	640	640
Notes receivables	31.902	47.502
Other trade receivables	989.550	492.073
Doubtful trade receivables	1.593.133	1.675.743
Provision for doubtful receivables	(1.593.133)	(1.675.743)
Other receivables	-	-
Due from related parties	-	-
Inventories	-	-
Short-term prepaid expenses and income accrual	421.596	317.362
Short-term prepaid expenses	421.596	317.362
Other current assets	1.046.489	327.642
Prepaid taxes and funds	1.965	3.152
Job advances	768.556	6.344
Advances paid	29.051	312.215
Receivables from employees	246.917	4.426
Income accrual	-	5
Deposits and guarantees given	-	1.500
Other current assets	-	-
Total current assets	115.809.209	90.417.070
II. <u>NON-CURRENT ASSETS</u>		
Property and equipment	2.424.307	1.851.067
Motor vehicles	4.531.639	4.119.139
Furniture and fixtures	2.115.376	1.646.263
Accumulated depreciation	(4.222.708)	(3.914.335)
Intangible assets	100.303	233.818
Establishment costs	4.032	4.032
Leasehold improvements	379.783	379.783
Other intangible assets	223.800	223.800
Accumulated amortization	(507.312)	(373.797)
Other non-current assets	22.702	24.321
Deposits given	22.702	24.321
Total non-current assets	2.547.312	2.109.206
TOTAL ASSETS	118.356.521	92.526.276

The accompanying notes form an integral part of these financial statements.

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

BALANCE SHEET AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

	31 December 2022	31 December 2021
LIABILITIES AND FUNDS		
I. <u>CURRENT LIABILITIES</u>		
Borrowings	922.615	1.086.085
Short-term borrowings	922.615	1.086.085
Trade payables	12.773.280	8.169.234
Suppliers	484.255	588.270
Due to related parties	12.289.025	7.580.964
Other payables	22.543.770	14.090.200
Total deposits collected (voluntary savings)	18.508.294	12.663.481
Other payables to related parties	4.035.476	1.416.138
Payables to employees	-	10.581
Advances received	475	4.794
Advances received	475	4.794
Taxes and withholdings payable	1.084.073	687.784
Taxes and funds payable	372.499	322.527
Social security premiums payable	711.574	365.257
Other short term liabilities	20.170	79.577
Provision for lawsuits	20.170	23.292
Expense accruals	-	54.977
Prepaid expenses	-	-
Other current liabilities	-	1.308
Provisions for liabilities and expenses	(281.707)	332.780
Tax and other legal obligations	116.054	1.064.627
Prepaid taxes and other obligations of current period profit (-)	(397.761)	(731.847)
Total current liabilities	37.062.676	24.450.454
II. <u>NON-CURRENT LIABILITIES</u>		
Borrowings	-	568.885
Long-term borrowings	-	568.885
Other non-current liabilities	-	-
Other non-current liabilities	-	-
Other liabilities	-	-
Other liabilities	-	-
Total non-current liabilities	-	568.885
III. <u>FUNDS</u>		
Share capital	16.199.480	13.262.864
Other reserves	65.072.167	51.562.756
Special funds	65.072.167	51.562.756
Retained earnings / (accumulated losses)	(405.299)	(68.717)
Net gain for the year	427.497	2.750.034
Total funds	81.293.845	67.506.937
TOTAL LIABILITIES AND FUNDS RECEIVED	118.356.521	92.526.276

The accompanying notes form an integral part of these financial statements.

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

	1 January - 31 December 2022	1 January - 31 December 2021
Gross sales	36.435.184	28.059.908
Sales	36.435.184	28.059.908
Sales deductions	(555)	(271)
Sales returns	(555)	(271)
Net sales	36.434.629	28.059.637
Cost of sales	(24.545.220)	(15.589.933)
Cost of services provided	(24.545.220)	(15.589.933)
GROSS PROFIT	11.889.409	12.469.704
Operating expenses	(12.579.963)	(7.747.769)
Marketing, selling and distribution expenses	(53.653)	(345.487)
General administrative expenses	(12.526.310)	(7.402.282)
PROFIT FROM PRIMARY OPERATIONS	(690.554)	4.721.935
Other operating income	560.601	298.326
Interest income	33.821	22.024
Other income	14.672	43.623
Provision no longer required	512.108	232.679
Other operating expense	(308.796)	(561.537)
Provision expenses	(253.404)	(558.837)
Commissions expenses	(53.288)	(2.700)
Exchange loss	(2.104)	-
Financial expenses	(537.350)	(454.283)
Financial expenses	(537.350)	(454.283)
ORDINARY PROFIT	(976.099)	4.004.441
Extraordinary income and gain	1.961.003	199.518
Extraordinary income	1.961.003	199.518
Extraordinary expense and loss	(441.353)	(389.298)
Prior period expense and loss	(170.253)	(38.892)
Extraordinary loss	(271.100)	(350.406)
Income before taxation	543.551	3.814.661
Tax expenses	(116.054)	(1.064.627)
NET PROFIT FOR THE YEAR	427.497	2.750.034

The accompanying notes form an integral part of these financial statements.

TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE TURKISH GRAMEEN MICROFINANCE PROGRAM

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

I. NATURE OF OPERATIONS

The Grameen Trust (“GT”) is committed to the cause of alleviating global poverty by providing financial and technical support to Grameen Bank Build-Operate-Transfer Programmes in Bangladesh and abroad. As part of its commitment, GT began a Grameen replication project in Turkey under its build, operate and transfer model with the support of the Turkish Foundation for Waste Reduction (“TISVA”).

Turkish Grameen Microfinance Program (“TGMP”) was officially launched by TISVA in Diyarbakır, in the south-east of Turkey, in June 2003 with the support of GT. The primary objective of this project is to provide loans to poor women in rural and urban areas surrounding Diyarbakır, and to support their income-generating activities and small businesses as a means of reducing poverty. The project then spread to the whole country. During the implementation of the project, due to the regulations, the project was financed by the donations given by various organisations and people under the control of Diyarbakır Governor’s Office.

TISVA and Hüsni Özyeğin paid the balance of public money in the accounts of Diyarbakır Governor’s Office related to Bağlar and Hüsni Özyeğin Ergani Branches in 2006. TGMP was taken over by TISVA with a payment of TRY 429.112. The TISVA Microcredit Centre, which is an economic enterprise foundation, was established as a part of TISVA in 2006.

TGMP is being implemented in 93 (31 December 2021: 89) different locations; Adıyaman, Afşin (Kahramanmaraş), Afyon, Aksaray, Amasya, Ankara, Antalya, Artvin, Aydın, Aydın Batı, Bağcılar (İstanbul), Bağlar (Diyarbakır), Balıkesir, Batman, Bayburt, Beyoğlu (İstanbul), Bilecik, Bingöl, Bismil (Diyarbakır), Silvan (Diyarbakır), Burdur, Bursa, Çankırı, Çanakkale, Çorum, Denizli, Edremit (Balıkesir), Elazığ, Elbistan (Kahramanmaraş), Ergani (Diyarbakır), Erzincan, Erzurum, Eskişehir, Gaziantep, Giresun, Hakkari, Hatay, İnegöl (Bursa), Iğdır, İskenderun (Hatay), İzmir, İzmit (Kocaeli), Isparta, Kahramanmaraş, Karaman, Kastamonu, Kayapınar (Diyarbakır), Kayseri, Kemaliye (Erzincan), Kilis, Kırıkkale, Kırklareli, Kırşehir, Kızıltepe (Mardin), Konya, Kütahya, M.Kemal Paşa (Bursa), Malatya, Manisa, Mardin, Mersin, Midyat (Mardin), Muğla, Muş, Nazilli (Aydın), Niğde, Nizip (Gaziantep), Ordu, Osmaniye, Reyhanlı (Hatay), Rize, Sakarya, Salıpazarı (Samsun), Samsun, Soma (Manisa), Sarıçam (Adana), Sarıyer (İstanbul), Seyhan (Adana), Sinop, Sivas, Siverek (Şanlıurfa), Sur (Diyarbakır), Şahinbey (Gaziantep), Şanlıurfa, Şırnak, Tokat, Trabzon, Türkoğlu (Kahramanmaraş), Van, Yenişehir (Bursa), Uşak, Yozgat ve Zonguldak. The number of employees of TGMP at 31 December 2022 is 218 (31 December 2021: 232) and the total member of TGMP is 45.202 (31 December 2021: 38.362).

TGMP projects include nine types of micro loans:

a) Introductory Loan

Introductory Loan aims to make a smooth transition for financially challenged micro-entrepreneurs who are introduced to the microcredit system for the first time. Introductory Loan has a lower limit of TRY 1.000 and an upper limit of TRY 3.000 to be repaid in 33 weeks.

Micro-entrepreneurs who receive Introductory Loan cannot use other types of loans. Micro-entrepreneurs have an option to receive an additional Basic Loan or Business Loan only after they have repaid 15 weeks of installments of their loan.

This loan type can also be given to micro-entrepreneurs who used a loan from the system before but has a passive status. Thus, financially challenged women who used a loan from the microcredit system before are reintroduced into the system.

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

I. NATURE OF OPERATIONS (Continued)

b) Business Loan

Micro-entrepreneurs who have fully repaid their Introductory Loan or wish to receive an intermediate withdrawal can receive Business Loan. However, Business Loan is not provided to micro-entrepreneurs who are introduced to microcredit system for the first time. Micro-entrepreneurs have an option to receive Business Loan rather than Introductory Loan if they are in passive status meaning that they have benefited from the microcredit system before. Business Loan is a type of loan with lower limit of TRY 1.000 and an upper limit of TRY 7.000 to be repaid in 40 weeks.

Micro-entrepreneurs who have received Business Loan can also benefit from Entrepreneurial Loan if they are taxpayers. However, micro-entrepreneurs who have received Business Loan cannot benefit from Basic Loan and Development Loan at the same time. Micro-entrepreneurs have an option to receive intermediate withdrawal only after they have paid back 15 weeks of installments of the loan.

c) Basic Loan

Micro-entrepreneurs who have fully repaid their Introductory Loan or wish to receive an intermediate loan can receive Basic Loan. However, Basic Loan is not provided to micro-entrepreneurs who are introduced to the microcredit system for the first time. Micro-entrepreneurs have an option to receive Basic Loan rather than Introductory Loan if they are in passive status meaning that they have benefited from the microcredit system before.

Basic Loan is a type of loan with lower limit of TRY 1.000 and an upper limit of TRY 10.000 to be repaid in 48 weeks and grace period for the first 4 weeks. Micro-entrepreneurs who have received Basic Loan can also benefit from Entrepreneurial Loan if they are taxpayers. However, micro-entrepreneurs who have received Basic Loan cannot benefit from Business Loan and Development Loan at the same time. Micro-entrepreneurs have an option to receive intermediate loan only after they have paid back 20 weeks of installments of the loan.

d) Development Loan

Micro-entrepreneurs who are in the microcredit system for 5 years and more, who use their financing in line with their microcredit purpose and contribute to their family and national economy by engaging in income-generating activities can receive Development Loan. Development Loan is a type of loan with a lower limit of TRY 7.000 and an upper limit of TRY 10.000 to be repaid in 46 weeks.

Micro-entrepreneurs who have benefited from Development Loan can receive Entrepreneurial Loan simultaneously. However, micro-entrepreneurs who have received Development Loan cannot benefit from Business Loan and Basic Loan at the same time. Micro-entrepreneurs have an option to receive intermediate loan only after they have paid back 20 weeks of installments of the loan.

e) Entrepreneurial Loans

This loan type can also be given to micro-entrepreneurs who used a loan from the system before but have a passive status. Thus, financially challenged women who used a loan from the microcredit system before are reintroduced into the system.

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

I. NATURE OF OPERATIONS (Continued)

e) Entrepreneurial Loans (Continued)

Entrepreneurial Loan is a type of loan with lower limit of TRY 1.000 and an upper limit of TRY 10.000 collected in 48 weeks, disbursed to micro-entrepreneurs who are tax payers and have proven their success by using their microcredit financing to grow their business in addition to the loan they have received. If they wish, micro-entrepreneurs can make intermediate withdrawals after the 20th week of the installment payment. Micro-entrepreneurs using Entrepreneurial Loan can use only one of the other main loan types, excluding Introductory Loan.

f) Growth / Happytalist Loan

Micro-entrepreneurs who have increased their income above the poverty threshold and by experiencing this happiness, are motivated to become a trader and want to grow their commercial activities can receive Growth / Happytalist Loan. Growth / Happytalist Loan is provided for micro-entrepreneurs who have benefited from Fundamental Loans (Basic Loan, Business Loan and Development Loan) with a total limit of TRY 10.000. Growth / Happytalist Loan has lower limit of TRY 10.000 and upper limit of TRY 20.000 collected in 60 weeks. Micro-entrepreneurs who have received Growth / Happytalist Loan cannot benefit from Development Loan, Business Loan, Basic Loan and Entrepreneurial Loan at the same time. In order to benefit from Growth / Happytalist Loan, micro-entrepreneurs must be registered to Chamber of Commerce or Chamber of Merchants and Craftsmen.

Micro-entrepreneurs have an option to receive an intermediate withdrawal of Growth / Happytalist Loan only after they have repaid 32 weeks of instalments from their original loan.

g) Social Development Loan

Social Business is a business model that prioritizes social benefit rather than profit maximization in order to overcome problems that threaten humanity such as education, health, access to technology, environment and poverty.

In addition to other loan types, acting with the slogan "Social Business for Good", micro-entrepreneurs who wish to involve in commercial activities in order to generate additional income can receive Social Development Loan which includes different products ranging from cleaning products to cosmetics. Micro-entrepreneurs cannot receive an intermediate withdrawal in Social Development Loan. Micro-entrepreneurs repay the products in 25-60 weeks with a service fee of 5% - 20%, including BSMV, according to the determined limits; nonetheless there is no intermediate withdrawal in Social Development Loan. Micro-entrepreneurs have an option to pay back their Social Development Loan in cash without paying any service fee.

h) Technology Loan

The digital divide refers to the difference in low-income people's access to communication and communication technology due to demographic and regional factors. Telephone, television, personal computers and internet are included in the tools used within the scope of communication technology.

Financially challenged women who are the most affected by the digital divide problem in Turkey are provided with financial support to access communication tools via Technology Loan. Therefore, TISVA aims to resolve the digital divide problem in Turkey caused by geographical factors and unfair distribution of income.

Financially challenged women who own a smart phone via Technology Loan repay their loans in 25-60 weeks with a service fee of 5% - 20%, including BSMV, according to the determined limits.

TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE TURKISH GRAMEEN MICROFINANCE PROGRAM

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

I. NATURE OF OPERATIONS (Continued)

i) Agriculture and Livestock Loan

Agriculture and Livestock Loan is an additional loan for our current micro-entrepreneurs. To those micro-entrepreneurs who would like to do Agriculture and Livestock activities are given up to TRY 15.000. It is repaid in weekly installments with no payments in the first 5 months.

TEKFEN Women Farmer Loan – TISVA Agricultural Support Loan

“Women Farmer Loan Project” is created by the collaboration of TEKFEN Foundation and Turkish Foundation for Waste Reduction (TISVA) in order to leave a livable world to the next generations with the vision of sustainable agriculture. Through Women Farmer Loan Project, low-income women farmers are enabled to operate in the field of agriculture.

10% service fee including BSMV is taken from women farmers who are going to use Women Farmer Loan in order to cover the project costs. The loan amount that is going to be used for agricultural activities is not only going to be used for growing crops. The loan amounts can also be used for manure, pesticide, irrigation systems, and engraftments etc. that are needed for agricultural activities.

To low-income women farmers who use a loan within the “Women Farmer Loan Project” context, TISVA is going to give “TISVA Agricultural Support Loan” that amounts to 25% of “Tekfen Women Farmer Loan” given by the TEKFEN Foundation.

Livestock Loans

Beekeeping:

Micro-entrepreneurs who will operate in the field of beekeeping can be given a maximum Livestock Loan of TRY 7.500 with respect to credit limits in the microcredit system. Micro-entrepreneurs who operates in the field of beekeeping can use the Livestock Loan by repaying in 30 weeks with a service fee of 20%, and with no payments for 5 months.

Poultry Farming:

Micro-entrepreneurs who will do poultry farming can be given a maximum Livestock Loan of TRY 5.000 with respect to credit limits in the microcredit system. Micro-entrepreneurs who operate in the field of Poultry Farming can use the Livestock Loan by repaying in 40 weeks with a service fee of 15%, and with no payments for 2 months.

Bovine and Ovine Breeding:

Micro-entrepreneurs who will operate in the field of bovine and ovine breeding can be given a maximum Livestock Loan of TRY 10.000 with respect to credit limits in the microcredit system. Micro-entrepreneurs who operate in the field of bovine and ovine farming can use the Livestock Loan by repaying in 30 weeks with a service fee of 20%, and with no payments for 5 months.

Fishery:

Micro-entrepreneurs who will operate in the field of fishery can be given a maximum Livestock Loan of TRY 5.000 with respect to credit limits in the microcredit system. Micro-entrepreneurs who operate in the field of fishery can use the Livestock Loan by repaying in 33 weeks with a service fee of 10%, and with no payments for 1 month.

TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE TURKISH GRAMEEN MICROFINANCE PROGRAM

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

I. NATURE OF OPERATIONS (Continued)

j) Types of Loans Distributed within the Scope of Cooperation with CARE Turkey – Turkish Grameen Microfinance Program

Cooperation between CARE Turkey and the Turkish Grameen Microfinance Program (TGMP) was started in 2019 in Şanlıurfa, Gaziantep, and Kilis with the aim of strengthening the refugees and the host communities by conducting microcredit activities. In 2021, city of Adana was added in the scope of the project. The cities of the project were chosen by the intensity of the refugee population with the cooperation of TGMP – Care, increase in the social adaptation of both of the communities by bringing together the women micro-entrepreneurs from the refugees and host communities.

Types of loans that are given within the context of the cooperation of CARE Turkey are *Basic Loan, Recurring Basic Loan, Basic Loan 2* with a limit of TRY 3.000, and *Micro Business Credit* with a limit ranging between TRY 6.000-TRY 50.000.

Within the scope of the project, CARE Turkey covers the service fee of 23%, including BSMV, of Basic Loan 2.

k) Types of Loans Distributed within the Scope of Cooperation with German Sparkassenstiftung für Internationale Kooperation – Turkish Grameen Microfinance Program

The cooperation of TGMP and German Sparkassenstiftung (DSIK) was started in 2019 in the cities of Ankara, Bursa, and Gaziantep with the aim of improving the economic conditions of people and host communities who were forced displacement and financially challenged by providing financial services, financial literacy trainings and technical assistance. In 2021, the city of Konya is added in the scope of the project. Three types of loans; SBF Introductory Loan, SBF Business Loan, and SBF Basic Loan are given within the scope of the project. These loans have the same conditions with the Basic Loan, Business Loan, and Basic Loan of TGMP.

l) Types of Loans Distributed within the Scope of Cooperation with Kiva – Turkish Grameen Microfinance Program

The cooperation protocol between TGMP and Kiva was signed in 2021. Investing Committee of Kiva provided a credit limit to TGMP for fulfilling the microcredit operations for refugees and host communities who do not have access to financial resources. Within the scope of the project, all micro-entrepreneurs throughout Turkey can get microcredit without any limitations of the city and branch within the scope of the cooperation with Kiva.

Five types of loans are given within the scope of the project as; Kiva Introductory Loan, Kiva Business Loan, Kiva Deferred Basic Loan, Kiva Development Loan, and Kiva Entrepreneurial Loan. These loans have the same conditions with the Introductory Loan, Business Loan, Deferred Basic Loan, Development Loan, and Entrepreneurial Loan of TGMP.

In the non-profit microcredit applications, according to the tax ruling that is provided from Ministry of Finance, effective from the beginning of the year 2013, service charges include 5% Banking and Insurance Transactions Tax (BSMV).

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

TGMP maintains its books of account in Turkish lira (“TRY”) based on the Turkish Commercial Code (“TCC”) and tax legislation and prepares its statutory financial statements in accordance with the Turkish Standard Chart of Accounts.

The changes in funds in years 2022 and 2021 were as follows:

	Share capital	Special funds	Retained earnings	Net profit for the year	Total funds
1 January 2022	13.262.864	51.562.756	(68.717)	2.750.034	67.506.937
Transfers	2.936.616	-	(186.582)	(2.750.034)	-
Cash Dividend (-)	-	-	(150.000)	-	(150.000)
Donations	-	13.509.411	-	-	13.509.411
Net income for the year	-	-	-	427.497	427.497
31 December 2022	16.199.480	65.072.167	(405.299)	427.497	81.293.845

	Share capital	Special funds	Retained earnings	Net profit for the year	Total funds
1 January 2021	7.388.260	45.810.791	(335.134)	6.324.354	59.188.271
Transfers	5.874.604	-	449.750	(6.324.354)	-
Cash Dividend (-)	-	-	(183.333)	-	(183.333)
Donations	-	5.751.965	-	-	5.751.965
Net income for the year	-	-	-	2.750.034	2.750.034
31 December 2021	13.262.864	51.562.756	(68.717)	2.750.034	67.506.937

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

Significant Accounting Policies

The following significant accounting policies have been applied in the preparation of these financial statements:

Revenue

TGMP charges a service fee for each loan disbursed to the microcredit members of the project. The total service charge is determined as 10%,15% and the Banking and Insurance Transactions Tax is 5% of the outstanding loan amount. TGMP revenue includes micro-credit service charges.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. The depreciation is provided for property and equipment based on the straight line method. The useful lives of the property and equipment which is adopted by tax laws are as follows:

	Years
Motor vehicles	5 years
Furniture and fixtures	4 years

Pro-rata depreciation method is used for the vehicles.

Intangible assets

Intangible assets mainly comprise establishment costs, leasehold improvements and other intangibles. They are stated at cost less accumulated amortisation. Amortisation is provided based on the straight-line method over five years.

Related parties

For the purpose of these financial statements major donors and key management personnel, in each case together with organisations controlled by or affiliated with them are considered and referred to as related parties. Financial liabilities are accounted for under due to related parties in the balance sheet since the loans are obtained through TISVA.

Provision for doubtful receivables

A credit risk provision for receivables is established when there is objective evidence that TGMP will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount of the receivable.

Taxes on income

In accordance with Corporate Tax Law No. 5520, Article 2, Paragraph 5, the “Law related to taxpayers of corporation tax for the associations and foundations” published on 21 June 2006, commercial, industrial and agricultural enterprises that are owned by or affiliated to associations or foundations are the economic enterprises of associations and foundations. TGMP is an economic enterprise of TISVA and is subject to corporate tax.

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

Significant Accounting Policies (Continued)

Taxes on Income (Continued)

The effective tax rate in 2022 is 23% (2021: 25%).

The corporate tax rate to be accrued over the taxable corporate income is based on the remaining tax after deducting the expenses that cannot be deducted from the tax base and the tax exemptions, non-taxable income and other discounts (if any, previous year losses and investment discounts used if preferred). It is calculated.

Advance tax in Turkey is calculated as three-month period and are accrued. The advance tax rate that needs to be calculated on corporate earnings at the taxation stage of 2021 corporate earnings as of temporary tax periods is 23% (2021 - 25%). However, in accordance with the Law No. 7316 published in the Official Gazette dated April 22, 2021, the corporate tax rate has been increased to 25% for the taxation period of 2021, starting with the declarations that must be submitted as of July 1, 2021 and being valid for the taxation period starting from January 1, 2021. and this rate will be applied as 23% for the taxation period of 2022. Losses can be carried forward for a maximum of 5 years, to be deducted from the taxable profits that will arise in future years. However, the losses incurred cannot be deducted retrospectively from the profits of previous years. The Law numbered 7061 on Amendment of Certain Taxes and Laws and Other Acts was published on the Official Gazette dated 5 December 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

Total deposits collected (Voluntary savings)

Within the scope of the primary objective of TGMP, each project group member voluntarily deposits at least TRY 1,00 on a weekly basis. Poor people are encouraged to voluntarily save in order to help developing their saving habits. The group members can withdraw their savings any time. TGMP accounts for the weekly deposits collected from the members voluntarily under total deposits collected (voluntary savings) in the balance sheet.

Trade receivable (Microcredits given)

TGMP's customers are the members of the microcredit program and the receivable is calculated as loans are given to microcredit members by TGMP.

Special funds

Legal funds that must be reserved in the corporation are followed in this account. TISVA transfers the funds received from public institutions and donations received from various foundations, corporations and individuals to TGMP and TGMP follows these funds as special funds in the balance sheet.

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS

A) NOTES TO THE BALANCE SHEET

1. Upper limit of capital where registered capital system is applied:

TGMP is not subject to registered capital system.

2. a. Total amount of advances extended to the chairman and the members of the board of directors, general manager, general coordinator, assistant general manager and other high-level management during the year:

None (31 December 2021: None). TGMP paid no advances to the chairman and members of the board of directors, chairman and members of board of trustees and audit committee of TISVA.

b. Balance of such advances at year end:

The advance amount given is TRY 29.051 the advance received is TRY 475 (31 December 2021: TRY 312.215 and TRY 4.794 TRY, respectively).

3. Total amount of insurance on assets:

TRY 49.087.000 (31 December 2021: TRY 27.606.500).

4. Total amount of mortgages and other guarantees obtained against the receivables:

None (31 December 2021: None).

5. Total amount of mortgages and other collaterals and guarantee letters given against the payables:

TRY 7.500.000 (31 December 2021: TRY 7.500.000).

6. Off-balance sheet commitments and contingent liabilities:

None (31 December 2021: None).

7. Foreign currency denominated cash and bank balances:

None (31 December 2021: None).

8. Foreign currency denominated receivables:

None (31 December 2021: None).

9. Foreign currency denominated liabilities:

None (31 December 2021: None).

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

A) NOTES TO THE BALANCE SHEET (Continued)

10. Amount of bills and financial bonds in circulation issued under the guarantee of banks:

None (31 December 2021: None).

11. Total investment incentive tax exemption to be utilised in current and following periods:

None (31 December 2021: None).

12. Bills in circulation, which are convertible to share certificates:

None (31 December 2021: None).

13. List of shares representing the share capital:

None (31 December 2021: None).

14. Total amount of share capital issued in current period:

None (31 December 2021: None).

15. List of owners or shareholders holding more than 10% of capital:

	2022		2021	
	%	TRY	%	TRY
Türkiye İsrافی Önleme Vakfı (*)	100	16.199.480	100	13.262.864

(*) It was decided by the Board of Trustees that the entire profit of TRY 2.936.616 in the balance sheet of the Turkish Foundation for Waste Reduction Microcredit Center Economic Enterprise in 2021 should be transferred as capital to the Microcredit Center Economic Enterprise of the Microcredit Center Economic Enterprise of the Turkish Foundation for Waste Reduction (31 December 2021 : TRY 5.874.604).

16. List of investments and subsidiaries where more than 10% of the share capital is owned:

None (31 December 2021: None).

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

A) NOTES TO THE BALANCE SHEET (Continued)

17. Tangible and intangible fixed assets movements during the year:

- a. Additions (*) : TRY 881.613 (31 December 2021: TRY 879.656).
b. Disposals : 13.905 (31 December 2021: None).

(*) Predominantly purchased vehicles relate to purchases related to mobile phone and computer software.

18. Share of shareholders, subsidiaries, associates and related parties in short and long-term receivables and payables:

	31 December 2022	31 December 2021
Trade receivables from related parties :		
Emekten Elektronik Ticaret Limited Şti.	640	640
Tisva Sosyal İşletmesi	-	-

	31 December 2022	31 December 2021
Other receivables from related parties :		
Turkish Foundation for Waste Reduction	-	-

	31 December 2022	31 December 2022
Trade payables to related parties :		
Tisva Social Business (*)	12.289.025	7.580.964

	31 December 2022	31 December 2021
Other payables to related parties :		
Turkish Foundation for Waste Reduction	4.035.476	1.416.138

(*) Tisva Social Business balance consists of payables related to the aid under social development loan.

19. Average number of employees in during the year:

The average number of employees during the year is 218 (31 December 2021: 232).

20. Subsequent events:

- a) In 2022, until the issuance date of these financial statements, TGMP received donations amounting to TRY 7.523.600 as presented below:

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

A) NOTES TO THE BALANCE SHEET (Continued)

20. Subsequent events (Continued):

- b) The Company has increased its capital TRY 2.936.616 based on the Board of Directors Decision dated 09 March 2022. All of this capital increase was met from retained earnings.

Donor supporter individual / institution	Amount TRY
Tekfen Vakfi	2.850.000
Albarakatürk Bankası	2.500.000
Halil Fatih Akgül	500.000
Kadın Emeğini Değerlendirme Vakfı	315.000
Elazığ İl Özel İdaresi	300.000
Muzaffer Akpınar	250.000
Işıl Mühendislik A.Ş.	200.000
Rosenberg Emlak İnşaat Lojistik Ve Dış Ticaret A.Ş	100.000
Ali Polat	100.000
Sinop İl Özel İdaresi	80.000
Gaziantep İl Özel İdaresi	65.000
Aziz Akgül	50.000
Ceylan İnşaat Ve Tic A.Ş.	50.000
Other Donations and Funds	163.600
Total	7.523.600

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

A) NOTES TO THE BALANCE SHEET (Continued)

21. Contingent losses and contingent profits:

None (31 December 2021: None).

22. Disclosure of changes in accounting estimates, which have material effect on gross profit ratios and their monetary effect:

None (31 December 2021: None).

23. Amount of blocked deposits in bank accounts:

None (31 December 2021: None).

24. Affiliates, subsidiaries and shareholders issuing available-for-sale marketable securities and their amount:

None (31 December 2021: None).

25. Bonus shares received from affiliates and subsidiaries due to capital increases from reserves:

None (31 December 2021: None).

26. Total amount of unrealised interest related to the following financial period:

None (31 December 2021: None).

27. Guarantees extended to shareholders, affiliates and subsidiaries:

None (31 December 2021: None).

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

A) NOTES TO THE BALANCE SHEET (Continued)

**28. Other matters that may have a material effect on, or be explained for the clear understanding
of the financial statements:**

a) The details of the funds and donations transferred to TGMP from TISVA are as follows:

	31 December 2022	31 December 2021
Care International	13.619.100	7.384.100
Kiva Mikrokredi Proje Desteđi	4.698.024	1.491.322
Saving Banks Foundation for International Coop.-SBFIC	3.598.228	3.598.228
Tekfen Vakfı	2.797.345	1.533.925
Aktifbank	1.641.309	-
Saving Banks Foundation for International Coop.-BMZ Fonu	1.637.000	1.637.000
Türkiye Kızılay Derneđi	1.500.000	1.500.000
Kahramanmaraş İl Özel İdare Fonu	1.400.935	1.400.935
Gaziantep İl Özel İdare Fonu	1.400.000	1.400.000
Diyarbakır Valiliđi	1.017.826	1.017.826
Nihat Gökyiđit	975.000	975.000
Citybank Fonu	874.447	874.447
Rize İl Özel İdare Fonu	855.000	855.000
Denizli Belediyesi Fonu	802.000	802.000
Bursa İl Özel İdare Fonu	800.000	800.000
Aydın İl Özel İdare Fonu	753.688	753.688
Kahramanmaraş Belediyesi	750.000	750.000
Grameen- Jameel Fonu	746.525	746.525
United Way Worldwide	726.168	726.168
Osmaniye İl Özel İdare Fonu	675.500	675.500
Hatay İl Özel İdare Fonu	620.000	620.000
Şanlıurfa İl Özel İdare Fonu	599.997	599.997
Whole Planet	571.909	571.909
Hüsnü Özyeđin	551.224	551.224
Galip Öztürk	545.000	545.000
Mardin İl Özel İdare Fonu	535.214	535.214
Amasya İl Özel İdare Fonu	510.000	510.000
Ziylan Taban A.Ş.	510.000	510.000
Batman İl Özel İdare Fonu	500.000	500.000
Albarakatürk	500.000	-
Trabzon İl Özel İdare Fonu	450.000	450.000
HSBC	426.042	426.042
Açık Toplum Enstitüsü	423.359	423.359

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

A) NOTES TO THE BALANCE SHEET (Continued)

28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements (Continued):

a) The details of the funds and donations transferred to TGMP from TISVA are as follows (continued):

	31 December 2022	31 December 2021
Bingöl İl Özel İdare Fonu	411.000	411.000
Muzaffer Akpınar	402.240	402.240
Manisa İl Özel İdare Fonu	400.000	400.000
Sivas İl Özel İdare Fonu	400.000	400.000
Vuslat Doğan Sabancı	400.000	400.000
M.V Holding A.Ş.	357.500	357.500
Asım Kocabıyık	350.000	350.000
Balıkesir İl Özel İdare Fonu	350.000	350.000
Samsun İl Özel İdare Fonu	340.000	340.000
Niğde İl Özel İdare Fonu	325.000	325.000
Akfen A.Ş.	310.000	310.000
Turkcell	305.000	305.000
Balıkesir Altıeylül Belediye Başkanlığı	300.000	-
Erzincan İl Özel İdare Fonu	297.750	297.750
Feyyaz Berker	275.000	275.000
Adıyaman İl Özel İdaresi	270.000	270.000
Muş Sodes Fonu	259.357	259.357
Tevfik Öz	257.955	257.955
Vehbi Bilgin	250.000	250.000
Tokat İl Özel İdare Fonu	245.000	245.000
Limak Holding A.Ş.	225.000	225.000
Kırıkkale İl Özel İdare Fonu	225.000	225.000
Gaziantep Sodes Projesi Fonu	220.000	220.000
Isparta İl Özel İdare Fonu	210.000	210.000
Yozgat İl Özel İdare Fonu	209.213	209.213
Çankırı İl Özel İdare Fonu	200.000	200.000
Çorum Belediyesi	200.000	200.000
Malatya Belediyesi	200.000	200.000
Malatya İl Özel İdare Fonu	200.000	200.000
Sakarya İl Özel İdare Fonu	200.000	200.000
Sema Doğan	200.000	200.000
Mehmet Nazif Günal	200.000	200.000
Elazığ İl Özel İdare Fonu	200.000	100.000
Karaman İl Özel İdare Fonu	195.000	195.000

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

A) NOTES TO THE BALANCE SHEET (Continued)

**28. Other matters that may have a material effect on, or be explained for the clear understanding
of the financial statements (Continued):**

a) The details of the funds and donations transferred to TGMP from TISVA are as follows (continued):

	31 December 2022	31 December 2021
Diyarbakır Sodes Fonu	194.600	194.600
Kırklareli İl Özel İdare Fonu	190.000	190.000
Turgay Ciner	190.000	190.000
Bingöl Sodes Projesi Fonu	186.000	186.000
Karaman Belediyesi Fonu	185.000	185.000
Erzincan Sodes Projesi Fonu	184.000	184.000
Ahmet Kaya Bağ	170.500	170.500
Bilecik İl Özel İdare Fonu	170.000	170.000
Batman Pemi Fonu	160.000	160.000
Burdur İl Özel İdare Fonu	160.000	160.000
Aksaray İl Özel İdare Fonu	160.000	160.000
Eskişehir İl Özel İdare Fonu	157.000	157.000
Afyon İl Özel İdare Fonu	150.000	150.000
Eyüp Cenap Gülpınar	150.000	150.000
Muğla İl Özel İdare Fonu	150.000	150.000
Şırnak İl Özel İdare Fonu	150.000	150.000
Adıyaman Sodes fonu	150.000	150.000
Osman Yıldırım Coşkun	150.000	150.000
Şanlıurfa Büyükşehir Belediyesi	148.578	148.578
Borusan Holding A.Ş.	132.450	132.450
Erzurum İl Özel İdare Fonu	120.000	120.000
Denizli İl Özel İdare Fonu	103.000	103.000
Abalıoğlu Yem	100.000	100.000
İsken Enerji Üretim	100.000	100.000
Ordu İl Özel İdare Fonu	100.000	100.000
Sosyal Market Vakfı Fonu	100.000	100.000
Bereket Enerji	100.000	100.000
Altınordu Belediyesi	100.000	100.000
Kahramanmaraş Valiliği	100.000	100.000
Kastamonu Belediyesi	100.000	100.000
Yuma İnşaat	100.000	-
Adil Efendi İlim Kül.ve Yard.Vakfı - Mahmut Önügören	100.000	70.000
Mehmet Ali Aykoç	80.000	80.000
Zonguldak İl Özel İdare Fonu	75.000	75.000
Ali Coşkun	75.000	50.000

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

A) NOTES TO THE BALANCE SHEET (Continued)

28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements (Continued):

a) The details of the funds and donations transferred to TGMP from TISVA are as follows (continued):

	31 December 2022	31 December 2021
Hakkari İl Özel İdare Fonu	70.700	70.700
Sinop İl Özel İdare Fonu	68.000	68.000
Kırşehir İl Özel İdare Fonu	65.000	65.000
Çorum İl Özel İdare Fonu	64.513	64.513
Park Teknik	62.000	62.000
Hamdi Akın	60.500	60.500
Mardin Midyat Belediyesi	60.000	50.000
İsmail Kavuncu	55.000	55.000
Kızıltepe Belediyesi	50.000	50.000
Cey-Kar A.Ş.	50.000	50.000
Rize Valiliği Hizmet Vakfı	50.000	50.000
Iğdır İl Özel İdare Fonu	50.000	50.000
Kahramanmaraş Sosyal Yardımlaşma Vakfı	50.000	50.000
Metalurji Baştuğ Sanayi A.Ş.	50.000	50.000
Nihat Özdemir	50.000	50.000
Recep Atakaş	50.000	50.000
Siverek Sodes Projesi Fonu	50.000	50.000
TAV Yatırım Holding A.Ş.	50.000	50.000
Trabzon Belediyesi	50.000	50.000
Tülay Aksoy Fonu	50.000	50.000
Türk Telekom	50.000	50.000
Neşe Racıoğlu	50.000	50.000
Diğer Bağışlar ve Fonlar	1.724.471	1.626.491
TOTAL	65.072.167	51.562.756

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

A) NOTES TO THE BALANCE SHEET (Continued)

28. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements (Continued):

- b) The Turkish Standard Chart of Accounts requires companies to compile statements of changes in shareholders’ equity, cash flows, fund flows and profit distribution together with their balance sheet, income statement and notes to the financial statements. Since TGMP is a non-profit organization, it is not required to prepare a statement of profit distribution. However, as of the issuance date of these financial statements, the Foundation has not prepared its statements of changes in shareholders’ equity, cash flows and fund flows.
- c) The financial statements are prepared and presented in accordance with General Communiqué on Accounting System Application (“GCASA”) which is different from the accounting principles generally accepted in the countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (“IFRS”). The effects of such differences have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and financial performance of the Foundation in accordance with the accounting principles generally accepted in such countries and IFRS.

29. Date at which the financial statements are approved and become effective:

The financial statements have not yet been approved by the Board of Trustees of TISVA as of the preparation date of these financial statements. According to regulatory rules, there is no such requirement for non-profit organisations.

B) NOTES TO THE STATEMENT OF INCOME

1. Total depreciation and amortisation charges for the period:

Depreciation: TRY 308.373 (2021: TRY 282.043).

Amortisation: TRY 133.515 (2021: TRY 141.783).

2. Provision expenses for the period:

TRY 253.404 (2021: TRY 558.837).

3. Financial expenses for the period:

As of 31 December 2022, finance expenses are TRY 537.350 for the period (2021: TRY 454.283).

4. Amount of financial expenses for the period related to shareholders, subsidiaries and affiliates:

	31 December 2022	31 December 2021
Turkish Foundation for Waste Reduction	420.965	260.492

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

B) NOTES TO THE STATEMENT OF INCOME (Continued)

5. Sales to shareholders, subsidiaries and affiliates:

None (2021: None).

6. Interest, commission, rent and similar income and expenses received from or paid to shareholders, subsidiaries and affiliates:

None (2021: None).

7. Salaries and other benefits paid to the chairman and the members of the board of directors, general manager, general coordinator, assistant general manager and other high-level management during the year:

During the year 2022 TRY 589.525 was paid to the General Manager and Assistant General Manager of TGMP (2021: TRY 522.337). TGMP did not pay any salaries and other benefits to the chairman and members of the board of directors, chairman and members of board of trustees and audit committee of TISVA.

8. Depreciation and amortisation method applied:

The depreciation for property and equipment and amortisation for intangibles are provided based on the straight-line method. Pro-rata depreciation method is used for the vehicles. For the current year additions of other property plant and equipment and intangible assets, the depreciation and amortisation calculated for the whole year is accounted for in the financial statements.

9. Reasons for non-performance of physical inventory counts:

Physical inventories count was not performed by TGMP because there is no inventory amount in the financial statements as of 31 December 2022.

10. Sales of by- products and scraps exceeding 20% of sales:

None (2021: None).

11. Explanatory note for prior period income and expenses:

Expenses and losses of the previous period amounting to TRY 170.253 (2021: TRY 38.892), consist of various expenses such as communication, electricity, cargo for the previous period.

12. Earnings per share:

Since TGMP is not a joint stock company, earnings per share is not calculated.

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

B) NOTES TO THE STATEMENT OF INCOME (Continued)

13. Other disclosures (Continued):

- a) General administrative expenses are mostly attributable to the expenses of the project office in Ankara. The details of general administrative expenses are as follows:

	2022	2021
Salaries	7.452.876	4.319.185
Food expenses	1.945.813	800.088
Communication	948.036	702.445
Repair-maintenance	655.905	431.489
Transportation	394.003	135.915
Rent expenses	321.415	234.098
Consultancy services	154.522	141.447
Depreciation and amortization expenses	116.079	151.482
Press and printing expenses	107.962	41.941
Tax expenses	60.377	103.053
Other	369.322	341.139
General administrative expenses	12.526.310	7.402.282

- b) The details of cost of services provided are as follows:

	2022	2021
Salaries	21.041.510	13.524.547
Fuel expenses	1.254.638	535.121
Repair-maintenance expenses	634.395	316.595
Depreciation and amortisation expenses	325.809	272.340
Insurance	277.573	187.066
Communication	105.061	119.788
Stationery	79.387	41.670
Tax and other duties - (Other than corporate income tax)	8.046	31.144
Other	818.801	561.662
Cost of sales	24.545.220	15.589.933

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTRE
TURKISH GRAMEEN MICROFINANCE PROGRAM**

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

B) NOTES TO THE STATEMENT OF INCOME (Continued)

13. Other disclosures (Continued):

c) The details of extraordinary income and gain are as follows:

	2022	2021
Credit Support (*)	1.786.030	-
Current account reconciliation differences (**)	131.323	63
Insurance income	43.478	-
Vehicle sales	-	-
Other	172	199.455
Total	1.961.003	199.518

(*) As of December 31, 2022, the balance pertains to covering branch expenses for individuals and institutions and supporting loans.

(**) The balance as of December 31, 2022, relates to discrepancies resulting from reconciliation with service providers and suppliers for purchases made.