

**ALBARAKA TRK KATILIM BANKASI
ANONİM ŐİRKETİ**

**CONSOLIDATED FINANCIAL STATEMENTS
AND RELATED DISCLOSURES AT MARCH 31, 2022
TOGETHER WITH LIMITED REVIEW REPORT**

(CONVENIENCE TRANSLATION OF THE LIMITED REVIEW REPORT AND
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH – SEE SECTION
THREE NOTE I.B)



AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I.b of Section Three)

To the General Assembly of Albaraka Türk Katılım Bankası Anonim Şirketi;

Introduction

We have reviewed the consolidated balance sheet of Albaraka Türk Katılım Bankası Anonim Şirketi ("the Bank") and its consolidated subsidiaries (collectively referred to as "the Group") at 31 March 2022 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the three-month period then ended. The Group management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.



Basis for the Qualified Conclusion

As explained in Section Five Part II. 6.b of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 31 March 2022 include a free provision amounting to TL 200.000 thousand which consist of TL 100.000 thousand provided in prior periods, TL 100.000 thousand recognized in the current year by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

Qualified Conclusion

Based on our review, except for the effects of the matter on the consolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial information do not present fairly in all material respects the consolidated financial position of Albaraka Türk Katılım Bankası Anonim Şirketi and its consolidated subsidiaries at 31 March 2022 and the results of its consolidated operations and its consolidated cash flows for the three-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Other matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2021 and as at and for the three-month period ended 31 March 2021 were audited and reviewed by another independent audit firm that expressed a qualified opinion results in the audit report dated 8 March 2022 and unqualified conclusion in the auditor's review report dated 27 May 2021.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section Seven, is not consistent with the reviewed consolidated financial statements and disclosures in all material respects.



Additional Paragraph for Convenience Translation:

The effects of differences between accounting principles and standards explained in detail in Section Three and accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

A handwritten signature in blue ink, appearing to read 'Didem Demer Kaya'.

Didem Demer Kaya, SMMM
Partner

Istanbul, 20 May 2022

CONSOLIDATED FINANCIAL REPORT OF ALBARAKA TÜRK KATILIM BANKASI A.Ş. AS OF AND FOR THE THREE MONTH MARCH 31, 2022

Parent Bank's headquarter address : Saray Mah. Dr. Adnan Büyükdenez Cad. No:6
34768 Ümraniye/Istanbul
Parent Bank's phone number and facsimile : 00 90 216 666 01 01 – 00 90 216 666 16 00
Parent Bank's website : www.albaraka.com.tr
Electronic mail contact info : albarakatürk@albarakatürk.com.tr

The consolidated interim financial report prepared in accordance with the Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by the Banking Regulation and Supervision Agency is comprised of the following sections.

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

Investments in subsidiaries, real estate investment funds, venture capital investment funds, security funds, joint ventures and associates whose financial statements have been consolidated in this consolidated financial report are as follows:

	Subsidiaries	Real Estate Investment Funds	Venture Capital Investment Funds	Security Funds	Joint Ventures	Associates
1.	Bereket Varlık Kiralama A.Ş.	Albaraka Portföy Yönetimi A.Ş. One Tower Gayrimenkul Yatırım Fonu	Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu	Albaraka Portföy Yönetimi A.Ş. Kısa Vadeli Katılım Serbest Fonu	Katılım Emeklilik ve Hayat A.Ş.	-
2.	Değer Varlık Kiralama A.Ş.	Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu	Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu	-	-	-
3.	Albaraka Portföy Yönetimi A.Ş.	Albaraka Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu	Albaraka Portföy Yönetimi A.Ş. İnovasyon Girişim Sermayesi Yatırım Fonu	-	-	-
4.	Insha Gmbh	Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu	Albaraka Portföy Yönetimi A.Ş. Start-Up Girişim Sermayesi Yatırım Fonu	-	-	-
5.	-	-	Albaraka Portföy Yönetimi A.Ş. Bilişim Vadisi Girişim Sermayesi Yatırım Fonu	-	-	-
6.	-	-	Albaraka Portföy Yönetimi A.Ş. Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu	-	-	-

Bereket One Ltd and Albaraka Sukuk Ltd, which are not subsidiaries of the Bank but over which the Bank has 100% controlling power, have been included in the consolidation due to the reason that these companies are "Structured Entity".

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

 Mazin Khairy Shaker MANNA Chairman of the Board of Directors	 Malek Khodr TEMSAH Acting General Manager	 Mustafa ÇETİN Assistant General Manager	 Kemaleddin DİLBAZ Financial Reporting Manager
 Mustafa BÜYÜKABACI Chairman of the Audit Committee	 Mehmet Ali GÖKCE Member of the Audit Committee	 Housseem BEN HAJ AMOR Member of the Audit Committee	

Contact information of the personnel in charge of the addressing of questions about this financial report:
Name-Surname/Title : Bora ŞİMŞEK / Financial Reporting / Vice Manager
Telephone : 00 90 216 666 05 59
Facsimile : 00 90 216 666 16 11

Albaraka Türk Katılım Bankası A.Ş.
İstanbul Ticaret Sicil Memurluğu No:206671
Mersis No: 0047000870200019
Saray Mah. Dr. Adnan Büyükdenez Cad.
No:6 34768 Ümraniye/Istanbul

www.albaraka.com.tr
albarakatürk@hs03.kep.tr
tel : (0216) 666 01 01
faks : (0216) 666 16 00
SWIFT: BTFHTRIS

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ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

SECTION ONE

General Information

I. History of the Parent Bank including its incorporation date, initial legal status and amendments to legal status:

Albaraka Türk Katılım Bankası Anonim Şirketi ("The Parent Bank") was incorporated on November 5, 1984 with the name of Albaraka Türk Özel Finans Kurumu A.Ş., based on the decision of the Council of Ministers numbered 83/7506 and dated December 16, 1983 regarding establishments of Special Finance Houses and obtained the operating permission from the Central Bank of Turkey with the letter numbered 10912 and dated January 21, 1985.

Special Finance Houses, operating in accordance with the Communiqués of Under Secretariat of Treasury and the Central Bank of Turkey based on the decision of Council of Ministers numbered 83/7506, have been subjected to the provisions of the Banking Law numbered 4389 with the change of law dated December 17, 1999 and numbered 4491. Special Finance Houses have been subjected to the provisions of "Communiqué Related to the Incorporation and Activities of Special Finance Houses" published in the Official Gazette dated September 20, 2001 numbered 24529 by the Banking Regulation and Supervision Agency ("BRSA"). "Communiqué Related to the Incorporation and Activities of Special Finance Houses" has been superseded by the "Communiqué Related to Credit Operations of Banks" published in the Official Gazette dated November 1, 2006 numbered 26333 and the Parent Bank operates in accordance with the Banking Law numbered 5411 published in the Official Gazette dated November 1, 2005 numbered 25983.

The decision regarding the change in the title of the Parent Bank, in relation with the provisions of the Banking Law numbered 5411, was agreed in the Extraordinary General Meeting dated December 21, 2005 and the title of the Parent Bank was changed as "Albaraka Türk Katılım Bankası A.Ş.". The change in the title was registered in Istanbul Trade Registry on December 22, 2005 and published in the Trade Registry Gazette dated December 27, 2005, numbered 6461.

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

The Parent Bank's head office is located in Istanbul and is operating through 229 (December 31, 2021: 229) local branches and 2 (December 31, 2021: 2) foreign branches and with 2.681 (December 31, 2021: 2.918) staff as of March 31, 2022. The Group has 2.707 (December 31, 2021: 2.943) staff as of March 31, 2022.

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

As of March 31, 2022, 36,29% (December 31, 2021: 36,29%) of the Parent Bank's shares are owned by Albaraka Banking Group, 15,38% (December 31, 2021: 15,38%) owned by Dallah Albaraka Group, 7,84% (December 31, 2021: 7,84%) owned by Islamic Development Bank, 36,93% (December 31, 2021: 36,93%) of the shares are publicly traded and quoted at Borsa Istanbul. Rest belongs to different real persons and corporate entities.

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AS OF MARCH 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

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

Title	Name and Surname	Administrative Function and Responsibility	Educational Degree	Ownership Percentage (%)
Chairman of the Board of Directors (BOD):	Mazin Khairy Shaker MANNA	Chairman of BOD	Bachelor	-
Members of BOD:	Prof. Dr. Kemal VAROL	Member of BOD	Doctorate	-
	Mustafa BÜYÜKABACI	Member of BOD	Master	-
	Dr. Mohamed Ali CHATTI	Independent Member of BOD	Doctorate	-
	Mehmet Ali GÖKCE	Independent Member of BOD	Master	-
	Houssein BEN HAJ AMOR	Member of BOD	Bachelor	-
	Melikşah UTKU	Member of BOD	Master	-
	Ghassan Ahmed M. AMODI	Independent Member of BOD	Bachelor	-
	Tawfig Shaker M. MUFTI	Member of BOD	Bachelor	-
	Azhar Aziz DOGAR	Member of BOD	Master	-
Acting General Manager:	Malek Khodr TEMSAH ^(*)	Member of BOD/ Deputy General Manager	Master	-
Assistant General Managers:	Turgut SİMİTCİOĞLU	Chief Assistant General Manager	Master	-
	Fatih BOZ	Responsible for Credit Risks	Master	-
	Mehmet Fatih YORULMAZ	Assistant General Manager	Master	-
	Hasan ALTUNDAĞ	Responsible for Marketing	Bachelor	-
	Malek Khodr TEMSAH	Assistant General Manager	Master	-
	Mustafa ÇETİN	Responsible for Treasury and Financial Institutions	Bachelor	-
	Volkan EVCİL	Responsible for Finance	Bachelor	-
	Süleyman ÇELİK	Assistant General Manager	Bachelor	-
		Responsible for Human Values and Administrative Affairs		
Chief Legal Consultancy	Hasan AVŞAR	Chief Legal Consultant	Bachelor	-
Audit Committee:	Mustafa BÜYÜKABACI	Chairman of Audit Committee	Master	-
	Mehmet Ali GÖKCE	Member of Audit Committee	Master	-
	Houssein BEN HAJ AMOR	Member of Audit Committee	Bachelor	-

^(*) In addition to his present tasks, appointed as Acting General Manager to use all tasks, authorities and responsibilities of Melikşah Utku (ex general manager) who has left his position due to retirement on October 13, 2021.

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

The Parent Bank's paid in capital amounting to TL 1.350.000 consists of 1.350.000.000 number of shares with a nominal value of TL 1 (full) for each share. TL 697.546 of the paid in capital is owned by qualified shareholders who are listed below:

Name/Commercial Name	Share amount (nominal)	Share ratio^(*)	Paid shares	Unpaid shares
Albaraka Banking Group	489.961	36,29%	489.961	-
Dallah Albaraka Holding	207.585	15,38%	207.585	-

^(*) Shares purchased from Stock Exchange is not included.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2022

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

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

The Parent Bank classifies current and profit-sharing accounts separately from other accounts in accordance with their maturities. Profit sharing accounts are classified under six different maturity groups; up to one month, up to three months (three months included), up to six months (six months included), up to one year (one year included), one year and more than one year (with monthly, quarterly, semi-annual and annual profit share payment) and accumulated participation accounts.

The Bank may determine the profit rate following operating the participation accounts or estimated rates for investment agencies. The rate of participation accounts' participation to the loss is one hundred percent.

The Parent Bank constitutes specific fund pools with minimum maturities of one month, to be allocated to individually predetermined projects for financing purposes. Profit sharing accounts, which are part of the funds collected for project financing purpose, are managed in accordance with their maturities and independently from other accounts and transfers from these accounts to any other maturity groups are not executed. Specific fund pools are liquidated at the end of the financing period.

In addition to its ordinary banking activities, the Parent Bank operates as an insurance agency on behalf of Bereket Sigorta, Anadolu Sigorta, Türkiye Sigorta, Unico Sigorta, Neova Sigorta, Coface Sigorta, HDI Sigorta, as a private pension insurance agency on behalf of Anadolu Hayat Emeklilik, Avivasa Emeklilik Hayat and Katılım Emeklilik ve Hayat, and as a brokerage agency on behalf of Bizim Menkul Değerler A.Ş. and Oyak Yatırım Menkul Değerler A.Ş. through its branches, engages in purchase and sale of precious metals, provides intermediary services in quick money transfers, credit card and member business (P.O.S.) services. Moreover, the Parent Bank is involved in providing non-cash loans that mainly comprise letters of guarantee, letters of credit and acceptances.

Transactions, which can be carried out by the Parent Bank, are not limited to the clauses listed above. If any activities other than those mentioned are considered as beneficial to the Parent Bank, the application must be recommended by the Board of Directors, approved by the General Assembly and authorized by relevant legal authorities, which then needs to be approved by the Ministry of Trade since such applications, are amendments in nature to the Article of Association. The application is included in the Article of Association after all necessary approvals are obtained.

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards with respect to consolidation and short explanation about the institutions subject to full or proportional consolidation and institutions, which are deducted from equity or not included in these three methods:

Albaraka Kültür Sanat ve Yayıncılık A.Ş., Albaraka Teknoloji Bilişim Sistemleri ve Pazarlama Ticaret A.Ş. and Insha Ventures Teknoloji Geliştirme ve Pazarlama A.Ş. which are the subsidiaries of "Inovasyon Girişim Sermayesi Yatırım Fonu" and Natura Gıda Sanayi ve Ticaret A.Ş. which is an subsidiary of "Değer Girişim Sermayesi Yatırım Fonu" controlled by the Parent Bank, have not been consolidated since they are non-financial subsidiaries.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2022

(Thousand of Turkish Lira (TL) unless otherwise stated)

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards with respect to consolidation and short explanation about the institutions subject to full or proportional consolidation and institutions, which are deducted from equity or not included in these three methods (continued):

The Parent Bank consolidated Katılım Emeklilik ve Hayat A.Ş., an entity under common control, and Bereket Varlık Kiralama A.Ş., Değer Varlık Kiralama A.Ş., Albaraka Portföy Yönetimi A.Ş., Insha Gmbh the subsidiaries of the Bank, through equity method and full consolidation method, respectively. Real estate investment funds "Albaraka Portföy Yönetimi A.Ş. One Tower Gayrimenkul Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu" and Venture Capital Investment Funds: Albaraka Portföy Yönetimi A.Ş. "Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu" "Albaraka Portföy Yönetimi A.Ş. Inovasyon Girişim Sermayesi Yatırım Fonu" and "Albaraka Portföy Yönetimi A.Ş. Start-Up Girişim Sermayesi Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Bilişim Vadisi Girişim Sermayesi Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu" and other investments funds controlled by the Bank have been consolidated as well. "Bereket One Ltd" and "Albaraka Sukuk Ltd", which are not subsidiaries of the Bank but over which the Bank has 100% controlling power have been included in the consolidation due to the reason that these companies are "Structured Entity".

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

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

SECTION TWO

The consolidated financial statements

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF MARCH 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

ASSETS	Notes (Section Five-I)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		March 31, 2022			December 31, 2021		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		7.220.639	35.831.199	43.051.838	4.739.239	35.729.467	40.468.706
1.1 Cash and Cash Equivalents	(1)	4.534.110	29.113.910	33.648.020	3.306.028	28.469.107	31.775.135
1.1.1 Cash and Balances with Central Bank		2.724.058	24.760.031	27.484.089	1.820.832	24.677.779	26.498.611
1.1.2 Banks		1.863.289	4.369.553	6.232.842	1.531.688	3.802.373	5.334.061
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4. Expected Credit Losses (-)		53.237	15.674	68.911	46.492	11.045	57.537
1.2 Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	(2)	2.198.339	6.679.226	8.877.565	963.086	6.889.642	7.852.728
1.2.1 Government Securities		1.666.058	6.635.773	8.301.831	707.698	6.850.649	7.558.347
1.2.2 Equity Securities		45.018	21.613	66.631	45.331	19.198	64.529
1.2.3 Other Financial Assets		487.263	21.840	509.103	210.057	19.795	229.852
1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	(3)	470.240	33.978	504.218	381.640	370.718	752.358
1.3.1 Government Securities		462.573	15.280	477.853	373.973	353.699	727.672
1.3.2 Equity Securities		7.667	18.698	26.365	7.667	17.019	24.686
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	(5)	17.950	4.085	22.035	88.485	-	88.485
1.4.1 Derivative Financial Assets Measured at Fair Value through Profit/Loss		17.950	4.085	22.035	88.485	-	88.485
1.4.2 Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)		31.208.404	39.978.397	71.186.801	24.807.293	40.232.465	65.039.758
2.1 Loans	(6)	31.475.191	33.118.743	64.593.934	25.484.848	33.819.930	59.304.778
2.2 Lease Receivables	(7)	379.948	524.121	904.069	379.930	440.744	820.674
2.3 Financial Assets Measured at Amortised Cost	(4)	1.172.055	8.454.571	9.626.626	697.735	7.405.476	8.103.211
2.3.1 Government Securities		1.172.055	8.454.571	9.626.626	697.735	7.405.476	8.103.211
2.3.2 Other Financial Assets		-	-	-	-	-	-
2.4 Expected Credit Losses (-)	(6)	1.818.790	2.119.038	3.937.828	1.755.220	1.433.685	3.188.905
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(8)	95.578	-	95.578	118.874	104	118.978
3.1 Asset Held for Resale		95.578	-	95.578	118.874	104	118.978
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
IV. OWNERSHIP INVESTMENTS (Net)	(9)	365.624	-	365.624	357.379	-	357.379
4.1 Associates (Net)		-	-	-	-	-	-
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)		268.696	-	268.696	268.696	-	268.696
4.2.1 Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		268.696	-	268.696	268.696	-	268.696
4.3 Joint Ventures (Net)		96.928	-	96.928	88.683	-	88.683
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		96.928	-	96.928	88.683	-	88.683
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(10)	1.450.223	25.374	1.475.597	1.485.146	24.834	1.509.980
VI. INTANGIBLE ASSETS (Net)	(11)	98.444	9.615	108.059	83.026	9.240	92.266
6.1 Goodwill		-	7.240	7.240	-	6.958	6.958
6.2 Others		98.444	2.375	100.819	83.026	2.282	85.308
VII. INVESTMENT PROPERTY (Net)	(12)	1.062.565	-	1.062.565	1.035.405	-	1.035.405
VIII. CURRENT TAX ASSET		2.215	-	2.215	2.737	-	2.737
IX. DEFERRED TAX ASSET	(13)	432.567	-	432.567	489.049	-	489.049
X. OTHER ASSETS	(14)	951.824	153.797	1.105.621	764.995	145.195	910.190
TOTAL ASSETS		42.888.083	75.998.382	118.886.465	33.883.143	76.141.305	110.024.448

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF MARCH 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

LIABILITIES	Notes (Section Five-II)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		March 31, 2022			December 31, 2021		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED	(1)	30.827.707	68.044.712	98.872.419	20.181.030	71.027.651	91.208.681
II. FUNDS BORROWED	(2)	71.511	3.106.333	3.177.844	53.707	2.090.828	2.144.535
III. BORROWINGS FROM MONEY MARKETS		-	-	-	1.327	-	1.327
IV. SECURITIES ISSUED (Net)	(3)	2.517.170	-	2.517.170	3.065.049	-	3.065.049
V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS		-	-	-	-	-	-
VI. DERIVATIVE FINANCIAL LIABILITIES	(4)	12.579	-	12.579	180.485	6.769	187.254
6.1 Derivative Financial Liabilities at Fair Value through Profit or Loss		12.579	-	12.579	180.485	6.769	187.254
6.2 Derivative Financial Liabilities at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
VII. LEASE PAYABLES	(5)	339.177	23.795	362.972	327.840	21.774	349.614
VIII. PROVISIONS	(6)	426.197	6.596	432.793	309.931	4.060	313.991
8.1 Restructuring Reserves		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		157.146	-	157.146	149.554	-	149.554
8.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
8.4 Other Provisions		269.051	6.596	275.647	160.377	4.060	164.437
IX. CURRENT TAX LIABILITY	(7)	94.361	18.839	113.200	106.980	19.825	126.805
X. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(8)	-	-	-	-	-	-
11.1 Assets Held for Sale		-	-	-	-	-	-
11.2 Assets of Discontinued Operations		-	-	-	-	-	-
XII. SUBORDINATED LOANS	(9)	-	3.510.959	3.510.959	-	3.119.354	3.119.354
12.1 Loans		-	3.510.959	3.510.959	-	3.119.354	3.119.354
12.2 Other Debt Instruments		-	-	-	-	-	-
XIII. OTHER LIABILITIES	(10)	2.880.224	1.170.067	4.050.291	2.143.338	665.320	2.808.658
XIV. SHAREHOLDERS' EQUITY	(11)	5.836.072	166	5.836.238	6.692.420	6.760	6.699.180
14.1 Paid-In Capital		1.350.000	-	1.350.000	1.350.000	-	1.350.000
14.2 Capital Reserves		1.288.173	-	1.288.173	1.208.524	-	1.208.524
14.2.1 Share Premium		14.855	-	14.855	14.855	-	14.855
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserves		1.273.318	-	1.273.318	1.193.669	-	1.193.669
14.3 Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss		385.079	-	385.079	388.024	-	388.024
14.4 Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss		380.916	166	381.082	314.936	6.760	321.696
14.5 Profit Reserves		1.745.896	-	1.745.896	1.745.919	-	1.745.919
14.5.1 Legal Reserves		145.290	-	145.290	145.290	-	145.290
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		1.600.540	-	1.600.540	1.600.540	-	1.600.540
14.5.4 Other Profit Reserves		66	-	66	89	-	89
14.6 Profit or Loss		(305.568)	-	(305.568)	(258.893)	-	(258.893)
14.6.1 Prior Years Profit/(Loss)		(419.702)	-	(419.702)	(591.729)	-	(591.729)
14.6.2 Current Year Profit/(Loss)		114.134	-	114.134	332.836	-	332.836
14.7 Minority Shares		991.576	-	991.576	1.943.910	-	1.943.910
TOTAL LIABILITIES		43.004.998	75.881.467	118.886.465	33.062.107	76.962.341	110.024.448

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF OFF- BALANCE SHEET
AS OF MARCH 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF OFF-BALANCE SHEET	Notes (Section Five-III)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		March 31, 2022			December 31, 2021		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)		11.134.093	14.460.012	25.594.105	11.428.440	16.308.916	27.737.356
I. GUARANTEES AND SURETIES	(1)	7.553.159	10.609.292	18.162.451	7.080.257	10.323.043	17.403.300
1.1. Letters of Guarantees		7.508.396	5.764.218	13.272.614	7.048.318	5.322.918	12.371.236
1.1.1. Guarantees Subject to State Tender Law		1.094.972	150.624	1.245.596	1.098.043	134.460	1.232.503
1.1.2. Guarantees Given for Foreign Trade Operations		15	2.221.756	2.221.771	15	1.905.653	1.905.668
1.1.3. Other Letters of Guarantee		6.413.409	3.391.838	9.805.247	5.950.260	3.282.805	9.233.065
1.2. Bank Loans		-	31.678	31.678	-	99.278	99.278
1.2.1. Import Letter of Acceptances		-	31.678	31.678	-	99.278	99.278
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letter of Credits		21.390	4.798.560	4.819.950	12.324	4.886.075	4.898.399
1.3.1. Documentary Letter of Credits		-	-	-	-	-	-
1.3.2. Other Letter of Credits		21.390	4.798.560	4.819.950	12.324	4.886.075	4.898.399
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Other Guarantees		-	14.836	14.836	-	14.772	14.772
1.7. Other Collaterals		23.373	-	23.373	19.615	-	19.615
II. COMMITMENTS	(1)	3.204.633	549.603	3.754.236	2.929.406	606.006	3.535.412
2.1. Irrevocable Commitments		3.163.133	549.603	3.712.736	2.889.906	606.006	3.495.912
2.1.1. Asset Purchase and Sale Commitments		223.460	549.603	773.063	321.618	606.006	927.624
2.1.2. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3. Loan Granting Commitments		608.901	-	608.901	655.296	-	655.296
2.1.4. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6. Payment Commitment for Cheques		1.078.551	-	1.078.551	834.732	-	834.732
2.1.7. Tax And Fund Liabilities from Export Commitments		18.898	-	18.898	17.234	-	17.234
2.1.8. Commitments for Credit Card Expenditure Limits		1.232.241	-	1.232.241	1.059.919	-	1.059.919
2.1.9. Commitments for Promotions Related with Credit Cards and Banking Activities		530	-	530	555	-	555
2.1.10. Receivables From Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Other Irrevocable Commitments		552	-	552	552	-	552
2.2. Revocable Commitments		41.500	-	41.500	39.500	-	39.500
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		41.500	-	41.500	39.500	-	39.500
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	376.301	3.301.117	3.677.418	1.418.777	5.379.867	6.798.644
3.1. Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2. Held for Trading Transactions		376.301	3.301.117	3.677.418	1.418.777	5.379.867	6.798.644
3.2.1. Forward Foreign Currency Buy/Sell Transactions		376.301	382.616	758.917	461.810	489.238	951.048
3.2.1.1. Forward Foreign Currency Transactions-Buy		331.514	55.744	387.258	239.837	242.194	482.031
3.2.1.2. Forward Foreign Currency Transactions-Sell		44.787	326.872	371.659	221.973	247.044	469.017
3.2.2. Other Forward Buy/Sell Transactions		-	2.918.501	2.918.501	956.967	4.890.629	5.847.596
3.3. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		142.789.498	51.986.385	194.775.883	104.483.970	48.433.026	152.916.996
IV. ITEMS HELD IN CUSTODY		5.536.417	13.972.652	19.509.069	5.856.026	12.698.331	18.554.357
4.1. Assets Under Management		1.761.999	-	1.761.999	2.448.761	-	2.448.761
4.2. Investment Securities Held in Custody		12.186	196.618	208.804	17.473	548.751	566.224
4.3. Cheques Received for Collection		2.667.317	819.703	3.487.020	2.325.217	700.121	3.025.338
4.4. Commercial Notes Received for Collection		850.561	149.684	1.000.245	811.654	164.241	975.895
4.5. Other Assets Received for Collection		103	-	103	103	-	103
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		211.126	964.764	1.175.890	219.693	1.043.531	1.263.224
4.8. Custodians		33.125	11.841.883	11.875.008	33.125	10.241.687	10.274.812
V. PLEDGED ITEMS		137.253.081	38.013.733	175.266.814	98.627.944	35.734.695	134.362.639
5.1. Marketable Securities		19.356.104	8.732.496	28.088.600	10.587.982	8.001.966	18.589.948
5.2. Guarantee Notes		2.595.039	631.807	3.226.846	2.043.190	506.747	2.549.937
5.3. Commodity		14.755.488	4.096.495	18.851.983	11.752.302	3.695.799	15.448.101
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		92.101.198	20.415.530	112.516.728	67.505.021	18.800.660	86.305.681
5.6. Other Pledged Items		8.159.112	4.122.378	12.281.490	6.458.745	4.715.730	11.174.475
5.7. Pledged Items-Depository		286.140	15.027	301.167	280.704	13.793	294.497
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		153.923.591	66.446.397	220.369.988	115.912.410	64.741.942	180.654.352

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AS OF MARCH 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF PROFIT OR LOSS	Notes (Section Five-IV)	Reviewed	Reviewed
		CURRENT PERIOD January 1- March 31, 2022	PRIOR PERIOD January 1- March 31, 2021
I. PROFIT SHARE INCOME	(1)	1.810.572	1.065.032
1.1 Profit Share on Loans		1.346.675	881.687
1.2 Income Received from Reserve Deposits		40.451	20.367
1.3 Income Received from Banks		108	100
1.4 Income Received from Money Market Placements		-	-
1.5 Income Received from Marketable Securities Portfolio		407.808	155.161
1.5.1 Financial Assets at Fair Value Through Profit and Loss		197.216	65.981
1.5.2 Financial Assets at Fair Value through Other Comprehensive Income		71.915	33.568
1.5.3 Financial Assets Measured at Amortised Cost		138.677	55.612
1.6 Finance Lease Income		14.011	7.144
1.7 Other Profit Share Income		1.519	573
II. PROFIT SHARE EXPENSE	(2)	939.331	772.529
2.1 Expense on Profit Sharing Accounts		680.129	412.411
2.2 Profit Share Expense on Funds Borrowed		93.149	61.050
2.3 Profit Share Expense on Money Market Borrowings		5.571	42.743
2.4 Profit Share Expense on Securities Issued		128.509	220.125
2.5 Finance Lease Expense		14.466	12.742
2.6 Other Profit Share Expense		17.507	23.458
III. NET PROFIT SHARE INCOME (I – II)		871.241	292.503
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		158.525	77.898
4.1 Fees and Commissions Received		215.488	118.774
4.1.1 Non-Cash Loans		59.269	33.182
4.1.2 Other	(3)	156.219	85.592
4.2 Fees and Commissions Paid (-)		56.963	40.876
4.2.1 Non-Cash Loans		72	68
4.2.2 Other	(3)	56.891	40.808
V. DIVIDEND INCOME	(4)	2.692	-
VI. TRADING INCOME/LOSS(net)	(5)	403.539	6.628
6.1 Capital Market Transaction Income/(Loss)		152.728	34.007
6.2 Profit/(Loss) from Derivative Financial Instruments		33.946	115.980
6.3 Foreign Exchange Income/(Loss)		216.865	(143.359)
VII. OTHER OPERATING INCOME	(6)	543.869	333.831
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		1.979.866	710.860
IX. EXPECTED CREDIT LOSS (-)	(7)	1.114.252	226.057
X. OTHER PROVISION EXPENSES (-)	(7)	123.923	6.815
XI. PERSONNEL EXPENSES (-)		236.958	190.020
XII. OTHER OPERATING EXPENSES (-)	(8)	261.162	172.225
XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		243.571	115.743
XIV. EXCESS AMOUNT RECORDED AS GAIN AFTER MERGER		-	-
XV. PROFIT/(LOSS) ON EQUITY METHOD		8.264	6.283
XVI. PROFIT/(LOSS) ON NET MONETARY POSITION		-	-
XVII. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)	(9)	251.835	122.026
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(10)	130.192	19.321
18.1 Provision for Current Taxes		3.165	1.826
18.2 Deferred Tax Expense Effect (+)		248.170	126.653
18.3 Deferred Tax Income Effect (-)		121.143	109.158
XIX. NET INCOME/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)	(11)	121.643	102.705
XX. INCOME FROM DISCONTINUED OPERATIONS	(11)	-	-
20.1 Income from Assets Held For Sale		-	-
20.2 Income from Sale Of Associates, Subsidiaries And Jointly Controlled Entities (Joint Vent.)		-	-
20.3 Income from Other Discontinued Operations		-	-
XXI. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
21.1 Loss from Assets Held for Sale		-	-
21.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-
21.3 Loss from Other Discontinued Operations		-	-
XXII. PROFIT/(LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XXI-XXI)		-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1 Provision for Current Taxes		-	-
23.2 Deferred Tax Expense Effect (+)		-	-
23.3 Deferred Tax Income Effect (-)		-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV. NET PROFIT/LOSS (XIX+XXIV)	(12)	121.643	102.705
25.1 Group's Income/Loss		114.134	84.299
25.2 Minority Shares Profit/Loss (-)		7.509	18.406
Earnings Per Share		0,08	0,06

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS OF MARCH 31, 2022

(Thousand of Turkish Lira (TL) unless otherwise stated)

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Reviewed	Reviewed
	CURRENT PERIOD January 1- March 31, 2022	PRIOR PERIOD January 1- March 31, 2021
I. CURRENT PERIOD PROFIT/LOSS	121.643	102.705
II. OTHER COMPREHENSIVE INCOME	56.441	21.865
2.1 Other Income/Expense Items not to be Recycled to Profit or Loss	(2.945)	(1.911)
2.1.1 Revaluation Surplus on Tangible Assets	-	-
2.1.2 Revaluation Surplus on Intangible Assets	-	-
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses	-	-
2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss	(2.945)	(1.911)
2.1.5 Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	-	-
2.2 Other Income/Expense Items to be Recycled to Profit or Loss	59.386	23.776
2.2.1 Translation Differences	54.427	29.951
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Fair Value through Other Comprehensive Income	5.803	(222)
2.2.3 Gains/losses from Cash Flow Hedges	-	-
2.2.4 Gains/Losses on Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Income/Expense Items to be Recycled to Profit or Loss	-	-
2.2.6 Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	(844)	(5.953)
III. TOTAL COMPREHENSIVE INCOME (I+II)	178.084	124.570

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF MARCH 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Reviewed)							Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss								
		Notes (Section Five-V)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves ⁽¹⁾	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity Before Minority Shares	Minority Shares	Total Shareholders' Equity
CURRENT PERIOD (January 1 - March 31, 2022)																		
I.	Closing balance		1.350.000	14.855	-	1.193.669	444.616	(56.592)	-	303.295	18.401	-	1.745.919	(591.729)	332.836	4.755.270	1.943.910	6.699.180
II.	Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Balances at Beginning Of Period (I-II)		1.350.000	14.855	-	1.193.669	444.616	(56.592)	-	303.295	18.401	-	1.745.919	(591.729)	332.836	4.755.270	1.943.910	6.699.180
IV.	Total Comprehensive Income		-	-	-	-	(2.945)	-	-	54.427	4.959	-	-	-	114.134	170.575	7.509	178.084
V.	Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Others Changes		-	-	-	79.649	-	-	-	-	-	-	(23)	(160.809) ⁽¹⁾	-	(81.183)	(959.843)	(1.041.026)
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	332.836	(332.836)	-	-	-
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	332.836	(332.836)	-	-	-
Balances at end of the period (III+IV...+X+XI)			1.350.000	14.855	-	1.273.318	441.671	(56.592)	-	357.722	23.360	-	1.745.896	(419.702)	114.134	4.844.662	991.576	5.836.238

⁽¹⁾ The Parent Bank has recognized perpetual additional tier 1 capital amounting to USD 205.000.000 issued through "Bereket One Ltd" under "other capital reserves" as per TAS 32: "Financial Instruments: Presentation" standart.

⁽²⁾ The Parent Bank has paid TL 139.436 in February 2022, the coupon payment amount of unmatured additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 17.094, the deferred tax expense related to the payment has been recognized under "prior periods' profit/ loss" as well.

1. Tangible and Intangible Assets Revaluation Reserve,
2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans,
3. Others (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)
4. Exchange Differences on Translation,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Others (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF MARCH 31, 2021
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Reviewed)							Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss								
		Notes (Section Five-V)	Paid-in Capital	Share Premium	Share Cancellati on Profits	Other Capital Reserves (¹)	1	2	3	4	5	6	Profit Reserve s	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity Before Minority Shares	Minority Shares	Total Shareholders' Equity
PRIOR PERIOD (January 1 - March 31, 2021)																		
I.	Closing balance		900.000	-	-	1.344.905	270.910	(27.506)	-	73.496	39.532	-	1.430.839	(248.391)	90.045	3.873.830	157.436	4.031.266
II.	Correction made as per TAS 8		-	-	-	-	-	-	-	-	(8.999)	-	-	8.999	-	-	-	-
2.1.	Effect of Corrections		-	-	-	-	-	-	-	-	(8.999)	-	-	8.999	-	-	-	-
2.2.	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Balances at Beginning Of Period (I+II)		900.000	-	-	1.344.905	270.910	(27.506)	-	73.496	30.533	-	1.430.839	(239.392)	90.045	3.873.830	157.436	4.031.266
IV.	Total Comprehensive Income		-	-	-	-	29.460	(18.819)	-	22.716	(24.717)	-	-	-	302.304	310.944	8.802	319.746
V.	Capital Increase in Cash		450.000	14.855	-	(464.855)	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Others Changes		-	-	-	65.661	-	-	-	-	(3.590)	-	223	(117.068) ⁽¹⁾	-	(54.774)	52.698	(2.076)
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	63.017	27.028	(90.045)	-	-	-
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	63.017	(63.017)	-	-	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	90.045	(90.045)	-	-	-
Balances at end of the period (III+IV...+X+XI)			1.350.000	14.855	-	945.711	300.370	(46.325)	-	96.212	2.226	-	1.494.079	(329.432)	302.304	4.130.000	218.936	4.348.936

⁽¹⁾ The Parent Bank has recognized perpetual additional tier 1 capital amounting to USD 205.000.000 issued through "Bereket One Ltd" under "other capital reserves" as per TAS 32: "Financial Instruments: Presentation" standart.

⁽¹⁾ The Parent Bank has paid TL 71.265 in February 2021, the coupon payment amount of unmatured additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 6.930, the deferred tax expense related to the payment has been recognized under "prior periods' profit/ loss" as well.

1. Tangible and Intangible Assets Revaluation Reserve,
2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans,
3. Others (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)
4. Exchange Differences on Translation,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Others (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF MARCH 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF CASH FLOWS	Notes (Section Five-VI)	Reviewed	Reviewed
		CURRENT PERIOD January 1- March 31, 2022	PRIOR PERIOD January 1- March 31, 2021
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes In Operating Assets And Liabilities		327.658	628.147
1.1.1 Profit Share Income Received		1.574.863	954.627
1.1.2 Profit Share Expense Paid		(621.875)	(615.376)
1.1.3 Dividend Received		445	-
1.1.4 Fees and Commissions Received		154.957	85.592
1.1.5 Other Income		434.830	206.086
1.1.6 Collections from Previously Written Off Loans		140.730	115.020
1.1.7 Payments to Personnel and Service Suppliers		(309.724)	(231.919)
1.1.8 Taxes Paid		(163.381)	(43.263)
1.1.9 Others		(883.187)	157.380
1.2 Changes In Operating Assets And Liabilities		676.812	(470.555)
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		(533.130)	(806.907)
1.2.2 Net (Increase) Decrease in Due From Banks and Other Financial Institutions		(560.424)	(1.766.879)
1.2.3 Net (Increase) Decrease in Loans		(3.249.465)	(1.803.919)
1.2.4 Net (Increase) Decrease in Other Assets		(174.298)	476.462
1.2.5 Net Increase (Decrease) in Bank Deposits		(757.996)	70.222
1.2.6 Net Increase (Decrease) in Other Deposits		5.715.673	2.452.981
1.2.7 Net Increase (Decrease) in Financial Liabilities Measured at Financial Assets at Fair Value Through Profit or Loss		-	-
1.2.8 Net Increase (Decrease) in Funds Borrowed		-	-
1.2.9 Net Increase (Decrease) in Matured Payables		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities		236.452	907.485
I. Net Cash Flow From Banking Operations		1.004.470	157.592
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(356.164)	332.335
2.1 Cash Paid For Acquisition of Investments, Associates and Subsidiaries		(2.986)	(3.275)
2.2 Cash Obtained From Disposal of Investments, Associates and Subsidiaries		-	-
2.3 Purchases of Property and Equipment		(34.445)	(100.773)
2.4 Disposals of Property and Equipment		179.989	284.267
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		-	(1.547)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		336.499	151.530
2.7 Purchase of Financial Assets Measured at Amortised Cost		(2.624.653)	(495.075)
2.8 Sale of Financial Assets Measured at Amortised Cost		1.789.432	497.208
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Flow From Financing Activities		(345.657)	(81.249)
3.1 Cash Obtained from Funds Borrowed and Securities Issued		7.840.165	10.387.086
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(8.019.587)	(10.376.464)
3.3 Issued Capital Instruments		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Leases		(26.799)	(20.606)
3.6 Other		(139.436)	(71.265)
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		411.748	450.639
V. Net (Decrease) Increase in Cash and Cash Equivalents		714.397	859.317
VI. Cash and Cash Equivalents at the Beginning of the Period		13.944.196	8.057.072
VII. Cash and Cash Equivalents at the End of the Period		14.658.593	8.916.389

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

SECTION THREE

Accounting Policies

I. Explanations on basis of presentation:

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

The consolidated financial statements are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette numbered 26333 dated November 1, 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not prepared by BRSA, "Turkish Accounting Standards 34" ("TAS 34"), Interim Financial Reporting Standards and "Turkish Financial Reporting Standards" ("TFRS") and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA") (all are referred as BRSA Accounting and Reporting Legislation). The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette numbered 28337, dated June 28, 2012, and amendments to this Communiqué. The Parent Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

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

On 20 January 2022, the Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies. As of the preparation date of the financial statements, no new announcement has been made by the Public Oversight Authority in this context, and no inflation adjustment has been made within the scope of TAS 29 Financial Reporting Standard in Hyperinflationary Economies in the financial statements dated 31 March 2022.

b) Additional paragraph for convenience translation:

The differences between accounting principles, as described in the preceding paragraphs, and accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

c) Accounting policies and valuation principles applied in the preparation of consolidated financial statements:

The accounting policies and valuation principles applied in the preparation of consolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TAS and TFRS. As of March 31, 2022, ownership investment accounted using equity method is Katılım Emeklilik ve Hayat A.Ş. The subsidiaries, real estate funds, venture capital investment funds, security funds accounted using full consolidation method are Bereket Varlık Kiralama A.Ş., Değer Varlık Kiralama A.Ş., Albaraka Portföy Yönetimi A.Ş., İnsha Gmbh, Albaraka Portföy Yönetimi A.Ş. One Tower Gayrimenkul Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu and Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. İnovasyon Girişim Sermayesi Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Start-Up Girişim Sermayesi Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Bilişim Vadisi Girişim Sermayesi Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu; Albaraka Portföy Yönetimi A.Ş. Kısa Vadeli Katılım Serbest Fonu respectively.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

I. Explanations on basis of presentation (continued):

c) Accounting policies and valuation principles applied in the preparation of consolidated financial statements (continued):

The preparation of the consolidated financial statements according to BRSA Reporting and Accounting Legislation requires the Group's management to make estimates and assumptions related to assets and liabilities in the balance sheet and contingent issues as of the balance sheet date. Such estimates and assumptions include the fair value calculations of the financial instruments, deferred tax assets and liabilities provisions for the lawsuits, impairment of the financial assets and revaluation of immovables and reviewed periodically and when adjustments are considered necessary they are reflected in the financial statements. The assumptions and estimates used are explained in the related notes. Accounting policies and evaluation principles in preparing Financial statements are determined and applied as per the principles stated in "BRSA Accounting and Financial Reporting Legislation" and consistent with the accounting policies applied for December 31, 2021 financial statements.

The Covid-19 Pandemic spreaded in various countries in the world and caused upper respiratory infections. The pandemia has affected economical conditions locally and globally in especially the countries, which are most exposed to it and caused operational malfunctions. Because of spreading Covid-19 Pandemic virus around the world, various precautions continue to be taken in our country as well as in the world in order to prevent to spread of the virus. Beside these measurements, economical measurements are being taken to minimise the effects of pandemia for individuals and firms in the world and in our country.

While preparing March 31, 2022 financials, the Parent Bank has reflected the possible impacts of Covid-19 Pandemic to the estimates and assumptions used in preparing financial statements. The estimates and assumptions used in expected credit loss provisions are explained under information on expected credit losses.

The tension between Russia and Ukraine since the beginning of 2022 has turned into a crisis and continues as of the date of the report. The Parent Bank does not operate in either country, and the crisis is not expected to have a direct impact on the Parent Bank's operations. The developments are followed and their estimated effects are evaluated within the scope of the relevant accounting standards and reflected in the financial statements.

d) Restatement of the financial statements according to the current purchasing power of money:

Accompanying financial statements are subjected to TAS 29 "Financial Reporting in Hyperinflationary Economies" until December 31, 2004 and with regard to this the BRSA explained with its decision numbered 1623 and dated April 21, 2005 and its circular dated April 28, 2005 that the conditions for applying inflation accounting was no longer applicable and accordingly inflation accounting has not been applied in the accompanying financial statements starting from January 1, 2005.

e) Comparative information and classifications:

The changes in accounting policies are applied retrospectively and previous term financial statements are restated. The Financial statements of the Parent bank are prepared comparative to the previous term in order to determine its financial position and performans trends. If appropriate, the comparative information are restated in order to provide comparativeness to the statements of current period financial statements.

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

The Group creates its strategies on financial instruments considering its sources of financing. The main financing sources consist of current and profit-sharing accounts. Other than current and profit-sharing accounts, the Parent Bank's most important funding sources are its equity and borrowings from foreign financial institutions. The Parent Bank sustains its liquidity to cover matured liabilities by holding adequate level of cash and cash equivalents.

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

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

If the loans recognized in the foreign currency accounts are switched to non-performing, they are continued to be recognized in the foreign currency accounts and evaluated with the current exchange rates.

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

The balance sheet items of the foreign branches and foreign subsidiary of the Parent Bank included in the financial statements are translated into Turkish lira at the exchange rate ruling at the balance sheet date announced by the Parent Bank. Income statement items are translated into Turkish lira by exchange rate ruling at the transaction date and all exchange differences arising from translation are accounted in other capital reserves under equity according to TAS 21.

Precious metals (gold and silver) accounted under assets and liabilities, which do not have fixed maturity, are translated into Turkish lira by using the buying rate at the balance sheet date announced by the Parent Bank and resulting evaluation differences are reflected as foreign exchange gain or loss.

There are no foreign currency differences capitalized by the Group.

III. Information on consolidated associates:

Consolidated financial statements are prepared in accordance with the decrees, notes and explanations set forth in Communiqué on "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette dated November 8, 2006, numbered 26340 and "Turkish Accounting Standard for Consolidated Financial Statements" ("TFRS 10").

a) Consolidation principles on joint ventures:

The joint venture is an entity in which the Parent Bank participates in its capital and has joint control and whose main operation is private pension and insurance and operates according to special legislation with permission and license and is established in Turkey. The related joint venture has been consolidated through equity method. Where necessary, accounting policies of the joint venture have been harmonized to ensure consistency with the policies adopted by the Parent Bank.

Equity method is an accounting method which foresees the increase or decrease of the book value of capital share in a joint venture from the changes in the participated joint venture's shareholders' equity during the period attributable to the portion of the investor and the deduction of the dividend received from the associate from the revised value of the joint venture amount.

The joint venture included in consolidation, its title, its place of incorporation, main activities and effective shareholding rates are as follows:

Title	Operation Center (City/Country)	Main Activities	Effective Rates (%)	Direct and Indirect Rates (%)
Katılım Emeklilik ve Hayat A.Ş.	Istanbul/Turkey	Private pension and insurance	50,00	50,00

b) Consolidation principles on subsidiaries:

Subsidiaries are the entities controlled directly or indirectly by the Parent Bank. Subsidiaries are consolidated using the full consolidation method considering materiality principle, taking account the operation results, size of asset and shareholders' equity. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Parent Bank.

Control is accepted as when Parent Bank has power over its investee, or exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the full consolidation method, 100% of subsidiaries' assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank's assets, liabilities, and income, expense and off-balance sheet items. The carrying amount of the Group's investment in each subsidiary and the Group's portion of the cost value of the capital of each subsidiary are eliminated. Intragroup balances and intragroup transactions and resulting unrealized profits and losses are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Parent Bank.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2022
(Thousand of Turkish Lira (TL) unless otherwise stated)

III. Information on consolidated associates (continued):

b) Consolidation principles on subsidiaries (continued):

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

Title	Operation Center (City/Country)	Main Activities	Effective Rates (%)	Direct and Indirect Rates (%)
Bereket Varlık Kiralama A.Ş.	Istanbul/Turkey	Sukuk Issue	100,00	100,00
Değer Varlık Kiralama A.Ş.	Istanbul/Turkey	Sukuk Issue	100,00	100,00
Albaraka Portföy Yönetimi A.Ş.	Istanbul/Turkey	Investment Fund Foundation and Management	100,00	100,00
Insha Gmbh	Berlin/Germany	Providing digital participation banking services with the banking license of Solarisbank AG in Germany, collecting funds with this license through mudaraba method and evaluating the funds in accordance with the principles of interest-free finance and contract signed.	100,00	100,00

c) Consolidation principles on investment funds:

The investment funds, founded by the Parent Bank's subsidiary "Albaraka Portföy Yönetimi A.Ş." over which the Group has control as per procedures and principles stated in TFRS 10 "Turkish Financial Reporting Standards on consolidated Financial Statements", are accounted as per full consolidation method. For investment funds over which the Parent Bank does not have full control, minority shares are calculated separately under income statement and shareholders' equity. The information on the funds is represented as follows:

Title	Operation Center (City/Country)	Main Activities	Parent Bank's Effective Percentage of Shares (%)	Group's Direct and Indirect Effective Percentage of Shares (%)
Albaraka Portföy Yönetimi A.Ş. One Tower Gayrimenkul Yatırım Fonu ^(*)	Istanbul/Turkey	Buy real estate and rights based on real estates, rent, lease and sell	0,00	99,97
Albaraka Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu ^(*)	Istanbul/Turkey	Buy real estate and rights based on real estates, rent, lease and sell	31,03	72,39
Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu ^(*)	Istanbul/Turkey	Buy real estate and rights based on real estates, rent, lease and sell	95,44	95,44
Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu ^(*)	Istanbul/Turkey	Buy real estate and rights based on real estates, rent, lease and sell	78,23	89,97
Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu ^(*)	Istanbul/Turkey	To invest in company shares that can be financially and institutionally structured and developed, and to terminate the investment in the development or further stages of the company through methods such as sales, merger, and public offering.	35,75	35,75
Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu ^(*)	Istanbul/Turkey	To invest in the initial stages of technology and innovation companies that provide products or services to Fintech venture companies or financial companies or to terminate the investment in the advanced stages by methods such as sale, merger and public offering.	43,31	43,31
Albaraka Portföy Yönetimi A.Ş. Start-Up Girişim Sermayesi Yatırım Fonu ^(*)	Istanbul/Turkey	To invest in the initial stages or growth stages of new generation start-up companies or to be founder of them, to terminate the investment in the development or further stages of the company through methods such as sales, merger, and public offering.	0,00	43,25
Albaraka Portföy Yönetimi A.Ş. Inovasyon Girişim Sermayesi Yatırım Fonu ^(*)	Istanbul/Turkey	To incorporate innovative fintech projects inside the Parent Bank as co-founder or make the fintech projects more flexible and active in present companies by becoming their partner ,to invest these companies' shares and terminate the investment in the development or advanced phase by sale, merger, public offer.	46,47	63,77
Albaraka Portföy Yönetimi A.Ş. Bilişim Vadisi Girişim Sermayesi Yatırım Fonu ^(*)	Istanbul/Turkey	To invest in civilian Technology companies such as information technology, game, Finance, cyber security, mobility, agriculture, health, energy, Firstly in Technopark (IT Valley) founded and operated by Muallim Köy Teknoloji Geliştirme Bölgesi Yönetici A.Ş. If these companies' centers are not in IT Valley, they must guarantee that their trade center or branches must be moved to IT Valley in 6 months (following the investment term) and register in common financial reporting system directed by IT Valley to report legal obligations. Requirements for the companies are that they are to be technology-based companies, have good accord to product and market and target market should be sound and ready for rapid growth.	6,33	6,33

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III. Information on consolidated associates (continued):

c) Consolidation principles on investment funds (continued):

Title	Operation Center (City/Country)	Main Activities	Parent Bank's Effective Percentage of Shares (%)	Group's Direct and Indirect Effective Percentage of Shares (%)
Albaraka Portföy Yönetimi A.Ş. Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu ^(*)	Istanbul/Turkey		0,00	88,54
Albaraka Portföy Yönetimi A.Ş. Kısa Vadeli Katılım Serbest Fonu ^(*)	Istanbul/Turkey	To direct the fund portfolio mainly to the domestic and / or foreign public and private sector lease certificates in foreign currency or gold-based capital market instruments, participation accounts, promised contracts and other interest-free investment instruments approved by the Board to the portfolio between the range of 0% and 100%.	0,00	86,59

^(*)Related funds are controlled by the Parent Bank and Parent Bank is subject to annual variable returns. In this respect, the funds are consolidated as per TFRS 10 Consolidation principles

d) Presentation of consolidated subsidiaries, associates and joint ventures in consolidated financial statements:

Turkish Lira denominated investments in consolidated associates and subsidiaries are accounted at cost value, less any impairment, in accordance with "Turkish Accounting Standards for Individual Financial Statements ("TAS 27")" in the consolidated financial statements.

In the consolidated financial statements, credit institutions, which are not included in consolidation, or subsidiaries, which are not financial institutions, are accounted at cost value, less any impairment in the consolidated financial statements.

If the cost amount exceeds the recoverable amount (the higher of an asset's fair value less costs of disposal and its value in use) the value of the related associates and subsidiaries is equal to the recoverable amount.

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

The derivative financial instruments of the Group generally consist of forward foreign currency, forward security and swap agreements. Derivative transactions portfolio may change as per market conditions in related terms. The Group records the spot foreign currency transactions in asset purchase and sale commitments.

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contract values. Derivative transactions are initially recorded at their fair values. In the periods following the recognizing of derivative transactions, depending on whether the fair value is positive or negative, the portion which is reflected to Income Statement for derivative assets and derivative liabilities are represented in Balance Sheet. Differences in fair values as a result of the valuation are recognized in trading income/loss line in the Income Statement as profit (loss) from derivative financial instruments and foreign exchange income (loss)

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V. Explanations on profit share income and expenses:

Profit share income

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

Profit-loss Investment projects are recognized under the “Loans” account in the balance sheet. Profit and loss investment projects are subject to valuation periodically every year and positive differences related to valuation are represented under “Profit Share on Loans”.

The Parent Bank has begun to calculate accrual for non-performing loans as of January 1, 2018. Net book value of non-performing receivables (Gross Book Value- Expected Loss Provision) is accounted at the gross book value of accruals with effective profit share rate.

Profit share expense

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

VI. Explanations on fees, commission income and expenses:

Other than commission income and fees and expenses for various banking services that are reflected as income/expense when collected/paid, fees and commission income and expenses are reflected to income statement depending on the term of the related transaction.

The commissions and fees other than those, whose amortised costs are integral part of their effective profit rate, are accounted for in accordance with the TFRS 15 Revenue From Contracts With Customers Standard.

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

In the correspondence of BRSA dated June 8, 2012 and numbered B.02.1.BDK.0.13.00.0-91.11-12061, it has been stated that there is no objection to recording the commissions received from long term non-cash loans collected in quarterly periods or periods less than a quarter directly as income. Consequently, the Parent Bank records the related cash and non-cash loans commissions directly as income.

VII. Explanations on financial assets:

Financial assets are recognized or derecognized according to TFRS 9 section three: “Recognition and Derecognition”. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than “Financial Assets at Fair Value Through Profit or Loss”, transaction costs are added to fair value or deducted from fair value. They are included in the balance sheet of the Parent Bank, if the Parent Bank is a legal party to these instruments.

On which category financial instruments shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Assessment of business model:

As per TFRS 9, the Parent Bank’s business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Parent Bank’s business model does not depend on management’s intentions for an individual instrument. Accordingly, this condition is not a classification approach on the basis of a financial instrument but an evaluation by combining financial assets.

The Parent Bank’s business models are divided into three categories. These categories are defined below:

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VII. Explanations on financial assets (continued):

a) The Business model whose objective is to hold assets in order to collect contractual cash flows:

A business model whose objective is to hold assets of The Parent Bank in order to collect contractual cash flows over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortised cost when the contractual terms of the financial asset meet the cash flow test that includes profit share payments arising only from principal and principal amount at specific dates.

b) The Business model whose objective is achieved by both collecting contractual cash flows and selling financial assets:

The Parent Bank may hold financial assets in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Fair value changes of the financial assets that are held within the scope of this business model are accounted under other comprehensive income when the contractual terms of the financial asset meet the cash flows test that includes profit share payments arising only from principal and principal amount at specific dates.

c) Other business models:

Financial assets are measured at fair value through profit or loss if they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Contractual cash flows that contains solely payments of principal and profit share:

As per TFRS 9, the Parent Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets at the fair value through profit or loss:

Financial assets at fair value through profit/loss are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and profit share at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. The Parent Bank recognizes profit and loss investments under "loans" as per BRSA uniform chart of accounts and measures them at fair value considering TFRS 9 provisions.

The revaluation reports as of December 31, 2021 prepared by appraisers have been taken into consideration in measuring the fair values of the profit and loss sharing investments. These projects have not been revalued on the assumption that their cash flows do not change significantly as of March 31, 2022 and this assumption will be reassessed considering Covid-19 Pandemic in the coming periods.

In evaluating profit share investment projects various assumptions and estimations have been used. Work projects, discount rates and fair value parameters may fluctuate and sensitive to Covid-19 Pandemic's effect to market, economical conjuncture, and sectoral position, and other market conditions.

Sukuk (lease certificates) which are represented under Financial Assets Measured at Fair Value through Profit/Loss are evaluated with the weighted average clearing prices in Istanbul Stock Exchange and which are not quoted in Istanbul Stock Exchange evaluated with their prices determined in Central Bank of Turkey.

Financial assets at fair value through other comprehensive income:

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and profit share at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Profit share income calculated with effective profit share rate method arising from financial assets at fair value through other comprehensive

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VII. Explanations on financial assets (continued):

c) Other business models (continued):

Financial assets at fair value through other comprehensive income (continued):

income and dividend income from equity securities are recorded to income statement. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the value corresponding to the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated Other Comprehensive Income or Expense to be Reclassified Through Profit or Loss" under shareholders' equity. The accumulated fair value differences that are reflected in shareholders' equity are reflected in the income statement when the stated securities are collected or disposed.

Equity securities, which are classified as financial assets at fair value through other comprehensive income are accounted for at fair value when they are traded in an organized market and / or the fair value can be reliably measured and these financial assets are not subject to expected losses recognition. The valuation differences of the mentioned securities are accounted under the "Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss" in shareholders' equity

Financial assets measured at amortized cost:

Financial assets that are held for collection of contractual cash flows within the scope of business model where those cash flows represent solely payments of principal and profit share on certain dates are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs, which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective internal rate of return method. Profit share income obtained from financial assets measured at amortized cost is accounted in income statement.

Loans:

Loans are non derivative financial assets that have fixed or determinable payments terms and are not quoted in an active market. Stated loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Profit Share Rate (internal rate of return) Method".

The Parent Bank's all loans including profit and loss investments are recorded under the "Measured at Amortized Cost" account. As per BRSA uniform chart of accounts, the Parent Bank recognizes profit and loss investments under "loans" and considering TFRS 9 provisions, measures them at fair value.

Granted cash loans are accounted by using the relevant accounts in accordance with the principles set out in the "Uniform Chart of Accounts to be Applied by the Participation Banks" and published in the Official Gazette dated September 20, 2017 and numbered 30186.

The Parent Bank periodically evaluates the provisions allocated for loans and other receivables as per TFRS 9 retrospectively and as a result of those evaluations, if appropriate, updates the classification rules and parameters on allocation of provisions.

VIII. Explanations on expected credit losses:

The Parent Bank allocates impairment for expected loss on financial assets measured at amortized cost and measured at fair value through other comprehensive income. As of January 1, 2018, the Parent Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. In this framework, as of January 1, 2018, method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under TFRS 9.

The provisions written back are credited to "provision expenses", and if such write backs are arising from previous year they are accounted under "other operating income". The expected credit loss model includes instruments that are recorded at amortized cost or at fair value in other comprehensive income tables (such as bank deposits, loans and finance lease receivables) and, in addition, financial lease receivables that are not measured at fair value through profit or loss, credit commitments and financial guarantee contracts.

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VIII. Explanations on expected credit losses (continued):

As stated under the note of significant estimates and assumptions in preparing financial statements, the Parent Bank has changed the parameters in allocating provisions by using the best estimates and assumptions for expected credit losses to reflect the possible impact of Covid-19 Pandemic to its financial statements as of March 31, 2022. From the beginning of the Covid-19 Pandemic,

In provisioning parameters, base scenario rate has been updated as 80% negative condition scenario rate has been updated as 20% and positive condition scenario has been revoked.

In order to calculate the impact of macroeconomical factors to lifetime expected credit losses, the model has been set by using approximately 10 years of data from first quarter of 2010 to third quarter of 2020. In this model NPL rates of the banks operating in the same sector has been used and supportive data from previous terms have been received. As a result of model update works, the parameters of unemployment and consumer price index have been found meaningful.

Under this context, the approach used through 2022 has been maintained and will be reviewed in the coming reporting periods by considering the changes in outcomes of pandemia, credit portfolio and expectations related to the future

The guiding principle of the expected credit loss model is to reflect the increase in credit risk of financial instruments or the general view of the recovery. The amount of allowance for the loss depends on the extent of the increase in credit risk since the initial issuance of the loan.

Expected credit loss is an estimate of the expected credit losses over the life of a financial instrument also the following aspects are important for the measurement.

- Probability-weighted and neutral amount determined by taking into account possible outcomes,
- Reasonable and supportable information on past events, current conditions and forecast of future economic conditions, at the time of reporting, without excessive cost and effort.

Provisions for these financial assets are calculated using two different approaches: 12-month expected loss and expected lifetime loss. Credit risk parameters used in the calculations are as follows:

Parameters used when calculating expected credit losses:

Probability of Default (PD):

PD refers to the likelihood that a loan will default within a specified time horizon. Based on TFRS 9, the Parent Bank uses two different PDs in order to calculate expected credit losses:

- 12-Months PD: As the estimated probability of default occurring within the next 12 months following the reporting date.
- Lifetime PD: As the estimated probability of default occurring over the remaining life of the financial instrument.

Loss Given Default (LGD):

If a loan default occurs, it represents the economic loss incurred on the loan. It is expressed as a percentage.

Exposure at Default (EAD):

For cash loans, it corresponds to the amount of loan granted as of the reporting date. For non-cash loans and commitments, it is the value calculated through using credit conversion factors. Credit conversion rate corresponds to the factor which adjust the potential increase of the exposure between the current date and the default date.

Financial Assets are divided into the following three categories depending on observable increases in their credit risks:

12 Month Expected Credit Losses (Stage 1):

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition and the delay days do not exceed 30 days. Impairment for credit risk is recorded in the amount of 12-month expected credit losses. It is valid for all assets unless there is a significant deterioration in the quality of the loan. The expected 12 month loss values (within 12 months after the reporting date or within a shorter period if the life of a financial instrument is shorter than 12 months) are part of the estimation of loss of life expectancy.

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VIII. Explanations on expected credit losses (continued):

Significant Increase in Credit Risk (Stage 2):

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

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

- Loans with a delay over 30 days but not exceed 90 days
- The data obtained from the early warning system and the evaluation that the Parent Bank will make in this case
- The Parent Bank management's conclusion that there is significant increase in credit risk. At this point the Parent Bank compares probability of default of the loan in its origination with current status.
- Loans for which the repayment amount is fully collateralized and the collateral falls below the net realizable value.

Default (Stage 3/Specific Provision):

If the following conditions exist in accordance with the Parent Bank's internal procedures, the related financial asset is evaluated as default:

- Loans past 90 days from the last installment date
- Loans restructured and classified as performing receivables and restructured in the 1-year monitoring period at least once again and & or loans whose principal / profit payment is 30 days overdue.

The collective assessment of financial instruments is performed by building on homogeneous group assets arising from portfolio segmentation based on similar credit risk and product characteristics. This section provides an overview of the risk parameter estimation methods associated with the expected loss calculation approach for each stage on a common basis.

Loans whose cash flows differ or have different characteristics from other loans can be evaluated individually instead of collectively. Expected credit loss can be defined as the difference between all contractual cash flows due as per the whole contract and cash flows expected to be collected that have been discounted with the original effective profit ratio.

The following situations are taken into account when estimating cash flows.

- The conditions of the contract during the expected life of the financial instrument,
- Cash flows expected to be obtained from collateral sales.

Behavioral Maturity Calculation Methodology

Expected loss provision is calculated until end of the maturity for stage one loans whose remaining maturity is less than one year and calculated yearly for stage one loans whose remaining maturity is more than one year. For second group loans, it is calculated lifelong (until the end of maturity). In this calculation, the remaining maturity information of the loan is taken as basis for each loan. While this information is used for products with real maturity information, for products without real maturity information, behavioral maturity is calculated by analyzing historical data. Expected loss provision calculations are made over these maturities, depending on the type of loan.

Write-Off Policy

Within the framework of the provisions of the "Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be set aside for them" published in the Official Gazette dated July 6 ,2021 and numbered 31533, the portion of the loans that are classified under "Fifth Group-Loans with a Loss Qualification" and for which a lifetime expected loan loss provision or special provision is made due to the default of the borrower, for which there are no reasonable expectations for the recovery of the loans, as of the first reporting period following their classification in this Group, are written off from the records in an appropriate time determined by the bank, taking into account the situation of the debtor within the scope of TFRS 9. Writing -off loans from the records is an accounting practice and does not result in waiving the right to the receivable.

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IX. Explanations on offsetting of financial instruments:

Financial instruments are offset when the Group has a legally enforceable right to net off the recognized amounts, and there is an intention to settle on net basis or realize the asset and settle the liability simultaneously. The sukuk investments issued by the Group which are repurchased has been offset in financial assets measured at fair value through other comprehensive income and subordinated loan accounts.

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

Securities subject to repurchase agreement are classified as “Financial Assets Measured at Fair Value through Profit/Loss”, “Financial Assets Measured at Fair Value through Other Comprehensive Income” and “Financial Assets Measured at Amortised Cost” according to the investment purposes of the Group and measured according to the portfolio to which they belong. Funds obtained from the related agreements are accounted under “Borrowings from Money Markets” in liabilities and the difference between the sale and repurchase price is accrued over the life of the agreements using the internal rate of return method. Profit share expense on such transactions is recorded under “Profit Share Expense on Money Market Borrowings” in the income statement.

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

Assets held for sale (or disposal group) are measured at the lower of the carrying amount of assets and fair value less any cost to be incurred for disposal and the amortising for these assets is stopped. In order to classify an asset as held for sale, the possibility of sale should be highly probable and the asset (or disposal group) should be available for immediate sale in its present condition. Highly saleable condition requires a plan designed by an appropriate level of management regarding the sale of the asset to be disposed of together with an active program for the determination of buyers as well as for the completion of the plan. Also, the asset shall be actively marketed in conformity with its fair value.

In addition, the sale is expected to be recognized as a completed sale within one year after the classification date and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes in the plan or cancellation of the plan.

The Group has assets that are possessed due to receivables and debtors' obligations to the Parent Bank and classified as assets held for sale. In the case that the Group has not disposed of such assets within a year of receipt or failed to produce a solid plan for sale of the assets, they are reclassified as fixed assets. The Group transfers such assets from assets held for sale and discontinued operations to tangible assets.

A discontinued operation is a part of the Group's business which has been disposed of or classified as held for sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Group has not any discontinued operations.

XII. Explanations on goodwill and other intangible assets:

Goodwill and other intangible assets are recorded at cost in accordance with TAS 38 “Turkish Accounting Standards for Intangible Assets”. The Group's intangible assets consist of softwares, intangible rights and goodwill. In addition, information technology services received from Albaraka Teknoloji Bilişim Sistemleri ve Pazarlama Ticaret A.Ş., a subsidiary of the İnovasyon Girişim Sermayesi Yatırım Fonu controlled by the Parent Bank, are also capitalized under intangible assets.

The costs of the intangible assets purchased before December 31, 2004 have been restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. Intangible assets purchased after this date have been recorded at their historical costs. Intangible assets are amortised by the Parent Bank over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Parent Bank's software have been determined as 3 to 4 years and other intangible assets' useful lives have been determined as 15 years. At the the establishment of Insha GMBH, the subsidiary of the Parent Bank operating in Germany, Insha GMBH has taken over establishment expenses from Parent Bank and goodwill has arisen during this transfer. Related amount is represented both in Insha GMBH's financial statements and Parent Bank's consolidated financial statements.

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

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XIII. Explanations on tangible assets:

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

As of March 31, 2009, the Parent Bank has made a change in accounting policy and adopted revaluation model for real estates in accordance TAS 16 and reflected the results of appraisal reports prepared by an authorized real estate appraisal firm to the financial statements. As of December 31, 2021, the Parent Bank has revalued its immovables and reflected the results of appraisal reports prepared by independent real estate appraiser firms using comparison of similar items method to the financial statements. The revaluation fund mentioned cannot be distributed as dividend to shareholders. Current period depreciation charge relating to the revaluation has been transferred to retained earnings from revaluation fund reserve.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates which are expected to have an impact in the current or subsequent periods.

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

	Depreciation Rate %
Buildings	2
Motor vehicles	20 – 25
Furniture, fixture and office equipment	4 – 33
Safe-deposit boxes	2 – 20
Operational lease improvement costs (Leasehold improvements)	Leasing period - 5 years
Leased assets	1- 10 years

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end. Leasehold improvements are depreciated over their estimated economic useful lives in equal amounts. The estimated economic useful lives cannot exceed the leasing period. In cases where the leasing period is not certain, the useful life is determined as five years. After January 1, 2010 in cases where leasing period is more than five years, the useful life is determined as five years.

If there is an indication for impairment, the Group estimates the recoverable amount of the tangible asset in accordance with TAS 36 "Turkish Accounting Standard for Impairment of Assets" and if the recoverable amount is less than its carrying value, provides for an impairment loss. Fixed assets which are carried at fair value in the financial statements are revalued by independent Capital Markets Board licensed firms in accordance with TFRS 13.

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

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

In accordance with TFRS 16, right-of-use asset is represented under tangible assets in the balance sheet.

XIV. Explanations on investment property:

Investment properties are retained in order to benefit for administrative purposes and production and supply of goods or services either or both obtain rental income or appreciation gain instead of selling them in ordinary workflow. Investment properties are accounted initially at cost then at fair value for the coming periods and changes are recognized in statement of profit or loss.

The cost includes the expenses directly associated with the purchase.

If the investment property is sold, all profits and losses incurred (referring the difference between sale price and carrying value of the asset) are recognized in statement of profit or loss. If the investment properties

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XIV. Explanations on investment property (continued):

which are recognized as fixed assets beforehand are sold, their revaluation differences (if there are any) under equity are transferred to prior year profits.

If a real estate's intended purpose amended and it is recognized again under fixed assets, the fair value at the date of the amendment becomes the cost for the next accounting transaction.

XV. Explanations on leasing transactions:

Assets acquired under finance lease contracts are recorded both as an asset and as a liability at the beginning date of the lease. The basis for the determination of the balances recorded in the balance sheet as asset and liability is the lower of fair value of the leased asset at the inception of the lease and the present value of the lease payments. Finance charges arising from lease contracts are expensed in the related periods taking into consideration the internal rate of return over the period of the lease.

Assets acquired under finance lease contracts are depreciated over their useful lives and impairment provision is provided in case a decrease in recoverable amount has been determined. The Parent Bank, as a participation bank, acts as a lessor in finance leasing transactions. The Parent Bank presents finance leased assets as a receivable equal to the net investment in the lease. Financial income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

With the "TFRS 16 Leases" standard, which became effective as of 1 January 2019, the difference between the operating lease and financial lease was removed and the lease transactions were started to be recognised under "Tangible Fixed Assets" as an asset (tenure) and under "Lease Payables" as a liability.

TFRS 16 Leases standard abolishes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease. Instead, it is set forth a single model similar to the accounting of finance leases (on balance sheet). For lessors, the accounting remains almost the same.

The Parent Bank has the exemption for not applying this standard to short-term leaseings (leases with a rental period of 12 months or less) or to leases where the underlying asset is of low value (eg personal computers, some office equipment, etc.). At the effective date of the lease, the Parent Bank measures its leasing liability at the present value of the lease payments not paid at that time and depreciates the existence of the right to use as of the same date and is amortized over the lease term. If this ratio can be determined easily, lease payments are discounted using the Parent Bank's average profit rate.

If the ratio cannot be easily determined, the Parent Bank uses its own alternative borrowing rate. The profit share expense on the lease liability and the depreciation charge of the right to use is recorded separately. The lessee re-measures the lease obligation if certain events occur (for example, changes in lease duration, forward lease payments due to changes in a particular index or rate, etc.). In this case, the lessee records the reassignment effect of the lease obligation as a correction on the right to use.

Right to use asset:

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

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

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

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

While the Parent Bank is depreciating the right- to- use asset it utilizes the provisions for depreciation in TAS 16 Tangible Assets Standard.

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XV. Explanations on leasing transactions (continued):

The lease liabilities:

At the effective date of the lease, the Parent Bank measures its leasing liability at the present value of the lease payments not paid at that time. If this ratio can be determined easily, lease payments are discounted using the Parent Bank's average profit rate. If the ratio cannot be easily determined, the Parent Bank uses its own alternative borrowing rate.

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

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

- Increases the book value to reflect the profit share rate on the lease obligation,
- Reduces the book value to reflect the lease payments made,
- Measures the book value to reflect reassessments and restructuring, or reflect the fixed lease payments, which is revised but inherently fixed. The profit rate on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic profit rate to the remaining balance of the lease liability.

XVI. Explanations on provisions and contingent liabilities:

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

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

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

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

XVII. Explanations on liabilities regarding employee rights:

i) Defined benefit plans:

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

i) Defined benefit plans (continued):

In accordance with the existing social legislation in Turkey, the Group is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated for reasons other than misconduct or due to resignation.

The retirement pay is calculated for every working year within the Group over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Group.

The Group has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to TAS 19, The Group recognizes all actuarial gains and losses immediately through other comprehensive income. As of March 31, 2022, there is an actuarial loss amounts to TL 70.740 before deferred tax calculation. (December 31, 2021: TL 70.740 actuarial loss).

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

There are no foundations, pension funds or similar associations of which the Group's employees are members.

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

ii) Defined contribution plans:

The Group pays defined contribution plans to publicly administered Social Security Funds for its employees. The Group has not any further payment obligations other than this contribution share. The contributions are recognized as personnel expenses when they accrue.

iii) Short term benefits to employees:

In accordance with TAS 19, the Group measures the expected costs of the cumulative annual leaves as additional amounts anticipate to pay accumulated and unused rights as of reporting period.

XVIII. Explanations on taxation:

Current tax:

The Group is subject to tax laws and legislation effective in Turkey.

In the financial statements as of March 31, 2022, the corporate tax rate is applied 23%. In accordance with the Law No. 7316 published in the Official Gazette dated April 22, 2021, starting from the tax returns that must be submitted as of July 1, 2021 and to be valid for the taxation period starting from January 1, 2021, the corporate tax rate is 25% for the taxation period of 2021, this rate was determined as 23% for the taxation period of 2022. However, with the publication of the Law No. 7394 in the Official Gazette dated April 15, 2022, for banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, the corporate tax rate has been permanently increased to 25%, and this change will be valid for tax returns to be submitted after 1 July 2022. Therefore, as of the first quarter of 2022, the tax rate to be taken into account in the calculation of corporate tax is 23%, and the tax rate to be applied to the cumulative earnings of 2022 in the second quarter and following periods of 2022 will be taken into account as 25%

Dividends paid to the resident institutions are not subject to withholding tax in Turkey. Withholding tax rate on the dividend payments other than these is 10%. Appropriation of the retained earnings to capital is not considered as profit distribution and accordingly is not subject to withholding tax.

The prepaid taxes are calculated based on quarterly profits of the Parent Bank using current rate which must be announced by the 14th day and paid by the 17th day of the second month following the taxed period. The prepaid taxes can be deducted from the annual corporate tax calculated on the annual corporate income. The remaining prepaid tax, if any after deduction, can be refunded in cash or deducted from other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and a 50% portion of the capital gains derived from the sale of immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years.

In accordance with the tax legislation, 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.

In accordance with the last paragraph of the first article of the law dated February 11, 1986 and numbered 3259 "Law related to granting tax exemption to Islamic Development Bank" dividends paid to Islamic Development Bank is exempt from corporate tax. Therefore, dividend distributed to Islamic Development Bank as a shareholder of the Parent Bank is exempt from corporate tax and income tax withholding.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns to their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings and carry out sectorial investigations.

Considering the participation accounts' part in general loan loss provision as expense for tax calculation, Finance Ministry initiated a sector-specific review. The relevant documents and calculations have been requested from the Parent Bank. As of report date, there is no information or written report transmitted to the Parent Bank.

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XVIII. Explanations on taxation (continued):

Current tax (continued):

As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. However, with the Law No. 7352 on the Amendment of the Tax Procedure Law and the Corporate Tax Law, published in the Official Gazette dated January 29, 2022 numbered 31734, the temporary article 33 was added to the Tax Procedure Law No. 213, and it is enacted that financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods (including advance tax periods) and 2023 advance tax periods (for those designated as a special accounting period, as of the accounting periods ending in 2022 and 2023), regardless of whether the conditions for the inflation adjustment within the scope of repeated Article 298 are met, and December 31, 2023 financial statements will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, and the profit or loss calculations arising from the inflation adjustment will be represented in the previous years' profit/loss account.

Deferred tax:

The Group calculates and accounts for deferred income taxes for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with ("TAS 12") "Turkish Accounting Standard for Income Taxes". Deferred tax asset is calculated on all temporary differences to the extent that is probable that taxable profit will be available and deferred tax liability is calculated for all temporary differences. Deferred tax asset and liabilities are shown in the accompanying financial statements on a net basis.

Deferred tax liabilities are calculated for all of the temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

Deferred tax is measured at enacted tax rates prevailing in the period when the assets are realized or liabilities are settled, and the tax is recorded as income or expense in the income statement. Nonetheless, if the deferred tax is related to assets directly associated with the equity in the same or different period, it is directly recognized in the equity accounts. In accordance with the Law No. 7316 published in the Official Gazette dated April 22, 2021, starting from the tax returns that must be submitted as of July 1, 2021 and to be valid for the taxation period starting from January 1, 2021, the corporate tax rate is 25% for the taxation period of 2021, this rate was determined as 23% for the taxation period of 2022 and 20% for taxation periods for and after 2023. However, with the publication of the Law No. 7394 in the Official Gazette dated 15 April 2022, for banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, the corporate tax rate has been permanently increased to 25%, and this change will be valid for tax returns to be submitted after 1 July 2022. Therefore, as of the first quarter of 2022, the tax rate to be taken into account in the calculation of corporate tax is 23%, and the tax rate to be applied to the cumulative earnings of 2022 in the second quarter and following periods of 2022 will be taken into account as 25%. As of March 31, 2022 and December 31, 2021, for the items subject to deferred tax calculation, the enacted rates have been used which are valid as per prevailing tax legislation and consistent with these items' lifetimes as of the reporting date. There is not deferred tax calculation for free provisions.

As explained in detailed note under "XIX." Additional explanations on borrowings, deferred tax is calculated for exchange difference and coupon payment for Tier 1 under equity and deferred tax expenses. In addition, if loss occurs in the income statement prepared as per Turkish Tax Legislation, The Parent Bank recognizes deferred tax. While making this calculation, The Parent Bank's growth projections in its budget, reinforceable estimates on income statement and expectations on inflation, currency and interest rates by Central Bank of Turkey are considered. "With the "Law Amending the Tax Procedure Law and the Corporate Tax Law", which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from the balance sheet dated on December 31, 2023."

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XVIII. Explanations on taxation (continued):

Transfer pricing:

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

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

XIX. Additional explanations on borrowings:

The Group accounts its debt instruments in accordance with TFRS 9 “Financial Instruments”. In the following periods, all financial liabilities are carried at amortized cost by using the internal rate of return method. The Parent Bank has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings.

There are no debt securities issued by the Parent Bank. The Parent Bank has issued borrowings through its subsidiary Bereket Varlık Kiralama A.Ş. and its structured entities Bereket One Ltd. and Albaraka Sukuk Ltd.

The Parent Bank has subordinated loans borrowed through sukuk issuance, which has convertible nature to the shares.

Additional tier 1 capital borrowings:

Unmatured sukuk transaction in foreign currency is issued and included in the additional capital account by the Parent Bank’s structured entity “Bereket One Ltd.”. Stated transaction evaluated as non-monetary item and accounted over historical cost in Turkish Lira under equities in the “other capital reserves” accordance with TAS 32.

XX. Explanations on issued share certificates:

None.

XXI. Explanations on acceptances and availed drafts:

Acceptances and availed drafts are realized simultaneously by the Parent Bank with the payment dates of the customers and they are presented as commitments in the off-balance sheet accounts.

XXII. Explanations on government grants:

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

XXIII. Explanations on segment reporting:

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

Segment reporting is disclosed in Section Four, Note XI.

XXIV. Explanations on other matters:

There are no other matters.

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SECTION FOUR

Information on Consolidated Financial Structure and Risk Management of the Group

I. Explanations on consolidated capital adequacy standard ratio:

Total capital and capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". As of March 31, 2022, the Parent Bank's total capital has been calculated as TL 6.624.361 and capital adequacy standard ratio is 13,72%. As of December 31, 2021, the Parent Bank's total capital amounted to TL 6.399.996 and capital adequacy ratio was 14,65%. The Parent Bank's capital adequacy standard ratio is above the minimum ratio required by the legislation.

a. Information on consolidated capital:

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1.350.000	1.350.000
Share issue premiums	14.855	14.855
Reserves	1.326.194	1.154.190
Gains recognized in equity as per TAS	1.320.342	1.184.247
Profit	114.134	332.836
Current Period Profit	114.134	332.836
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Minority Share	-	-
Common Equity Tier 1 Capital Before Deductions	4.125.525	4.036.128
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1 st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	56.592	56.592
Improvement costs for operating leasing	19.138	21.295
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	103.868	87.948
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	249.530	266.747
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	111.451	111.451
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4 th clause of the 56 th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	19.811
Amount exceeding 15% of the common equity as per the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	540.579	563.844
Total Common Equity Tier 1 Capital	3.584.946	3.472.284

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

	Current Period	Prior Period
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	775.720	775.720
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Third parties' share in the Additional Tier I capital	-	-
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	-
Additional Tier I Capital before Deductions	775.720	775.720
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital		
Total Additional Tier I Capital	775.720	775.720
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	4.360.666	4.248.004
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	2.181.750	1.983.300
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Third parties' share in the Tier II Capital	-	-
Third parties' share in the Tier II Capital (Temporary Article 3)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	229.820	303.215
Tier II Capital Before Deductions	2.411.570	2.286.515
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	140.077	127.336
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	140.077	127.336
Total Tier II Capital	2.271.493	2.159.179
Total Capital (The sum of Tier I Capital and Tier II Capital)	6.632.159	6.407.183
The sum of Tier I Capital and Tier II Capital (Total Capital)		
Deductions from Capital Loans granted contrary to the 50 th and 51 th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	7.798	7.187

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

	Current Period	Prior Period
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
Total Capital (Total Core Capital and Supplementary Capital)	6.624.361	6.399.996
Total risk weighted amounts	48.295.653	43.674.167
Capital Adequacy Ratios		
Consolidated Core Capital Adequacy Ratio (%)	7,42	7,95
Consolidated Tier 1 Capital Adequacy Ratio (%)	9,03	9,73
Consolidated Capital Adequacy Ratio (%)	13,72	14,65
BUFFERS		
The total additional capital requirement ratio (a + b + c)	2,50	2,50
a) Capital conservation buffer requirement (%)	2,50	2,50
b) Bank specific counter-cyclical buffer requirement (%)	0,00	0,00
c) Systemic significant bank buffer ratio (%)	0,00	0,00
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	2,92	3,45
Amounts below the Excess Limits as per the Deduction Principles	-	-
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation	321.077	349.209
Limits related to provisions considered in Tier II calculation	-	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	229.820	303.215
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	229.820	303.215
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6 % of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	-	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

(*) Amounts in this column represents the amounts of items that are subject to transition provisions.

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

In press release by BRSA dated March 23, 2020 it is stated that there are financial market turbulences as a result of Covid-19 Pandemic. Because of this, in calculating credit risk as per "Regulation on Measurement and Assessment of Capital Adequacy of Banks", it is possible that last 252 working days (before calculation date) arithmetical averages of central bank buying exchange rates can be used in calculating the revalued amounts of monetary and non-monetary items and their specific provisions. The items, which are carried at cost is out of scope. As of March 31, 2022, the Parent Bank has utilized this facility mentioned above.

b. Details on subordinated liabilities:

Issuer	Albaraka Sukuk Ltd.	Bereket One Ltd.
Unique Identifier (CUSIP, ISIN etc.)	XS1301525207	XS17 72390628
Governing Law(s) of the Instrument	English Law	English Law
Special Consideration in the Calculation of Equity		
As of January 1, 2015, consideration to be subject to a 10% reduction application status	No	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Sukuk Wakala	Sukuk Mudaraba
Amount recognized in regulatory capital (as of most recent reporting date)	2.181.750 TL	775.720 TL (*)
Par Value of Instrument	3.402.788 TL	775.720 TL
Accounting Classification	Subordinated Loan	Equity
Original date of Issuance	November 30, 2015	February 20, 2018
Perpetual or dated	Dated	Undated
Maturity date	November 30, 2025	Undated
Issuer call subject to prior supervisory (BRSA) approval	Yes	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: November 30, 2025 Total Repayment Amount of Profit Share: USD 131.250.000 (first 5 year), USD 117.137.500 (second 5 years) Repayment Period: 6 months Principal Payment: USD 250.000.000	Last Payment Date: None First refund option date: February 20, 2023 Total Repayment Amount of Profit Share for 5 years: USD 102.500.000 Repayment Period: 6 months Principal Payment: USD 205.000.000
Subsequent call dates	-	-
Profit Share/Dividends		
Fixed or floating profit share/dividend	Fixed	Fixed
Profit share rate and any related index	9,371 % (first 5 years: 10,50%)	10%
Existence of a dividend stopper	As per BRSA regulations and Communiqués it is payable	As per BRSA regulations and Communiqués it is payable
Fully discretionary, partially discretionary or mandatory	Mandatory	Optional
Existence of step up or other incentive to redeem	-	-
Noncumulative or cumulative	Cumulative	Noncumulative
Convertible or Non-convertible		
If convertible, conversion trigger	As per BRSA regulations and Communiqués it is convertible	As per BRSA regulations and Communiqués it is convertible
If convertible, fully or partially	As per BRSA approval it is convertible fully or partially	As per BRSA approval it is convertible fully or partially
If convertible, conversion rate	As per BRSA approval it is convertible and the rate may be determined.	As per BRSA approval it is convertible and the rate may be determined.
If convertible, mandatory or optional conversion	Subject to BRSA's approval.	Subject to BRSA's approval.
If convertible, specify instrument type convertible into	Share certificate	Share certificate
If convertible, specify issuer of instrument it converts into	-	-
Write-down feature		
If write-down, write-down trigger(s)	-	Non-sustainability-The ratio of Core Capital to below 5,125%
If write-down, full or partial	-	At least to ensure that the core capital ratio exceeds 5,125%
If write down, permanent or temporary	-	Permanent and Temporary
If temporary write-down, description of write-up mechanism	-	In case of the ratio of core capital exceeds 5,125%
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners	After participation fund owners, other borrowers and the debt instruments included in the Tier II capital calculation
In compliance with article number 7 and 8 of "Own fund regulation"	No	No
Details of incompliance with article number 7 and 8 of "Own fund regulation"	No	No

(*) Represented as historical cost.

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

c. Information on reconciliation of total capital and equity:

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

II. Explanations on consolidated credit risk:

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

III. Explanations on consolidated currency risk:

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

- a.** The Parent Bank is exposed to currency risks as a market risk and tries to balance the currency risks by avoiding to keep any long or short positions. The currency risk of the Parent Bank is monitored on a daily basis. Net foreign currency position/shareholders' equity ratio is also controlled on a daily basis. All foreign currency assets, liabilities and foreign currency forward transactions are taken into consideration while capital requirement to be employed for foreign currency risk is calculated. Standard Method used in legal reporting and amount subject to risk is calculated on a monthly basis.
- b.** The Group does not have any derivative financial instruments held for hedging purposes.
- c.** As a result of the uncertainty and volatility in the markets, foreign currency position is kept at a balance, and accordingly, no currency risk is anticipated. The Parent Bank takes necessary measures to keep the currency risk at a minimum level.
- ç.** Foreign exchange buying rates of the last five working days before the balance sheet date as publicly announced by the Parent Bank are as follows:

	USD	EUR
As of March 31, 2022 - Balance sheet evaluation rate	14,545	16,191
As of March 30, 2022	14,524	16,214
As of March 29, 2022	14,526	16,125
As of March 28, 2022	14,696	16,117
As of March 25, 2022	14,721	16,216
As of March 24, 2022	14,702	16,163

- d.** The simple arithmetical average of the major foreign exchange buying rates of the Parent Bank for the thirty days before the balance sheet date is TL 14,533 for 1 USD (December 2021: TL 13,562), TL 15,998 for 1 EUR (December 2021: TL 15,327).

The Parent Bank is mainly exposed to EUR and USD currency risks.

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III. Explanations on consolidated currency risk (continued):

Information on currency risk of the Group:

	EUR	USD	Other FC ^(*)	Total
Current Period				
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	5.718.802	14.890.227	4.151.002	24.760.031
Banks	771.470	1.661.482	1.920.927	4.353.879
Financial assets at fair value through profit and loss ^(**)	957.017	1.032.539	4.693.755	6.683.311
Money market placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	1.342	25.316	7.320	33.978
Loans and financial lease receivables ^(***)	9.168.132	22.837.019	-	32.005.151
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	1.545.759	6.908.656	-	8.454.415
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	25.374	25.374
Intangible assets	9.615	-	-	9.615
Other assets ^(****)	50.589	97.381	10.640	158.610
Total assets	18.222.726	47.452.620	10.809.018	76.484.364
Liabilities				
Current account and funds collected from banks via participation accounts	300.408	613.158	25.156	938.722
Other current and profit sharing accounts	14.281.999	42.327.560	10.496.431	67.105.990
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	1.871.408	4.745.884	-	6.617.292
Marketable securities issued	-	-	-	-
Miscellaneous payables	468.889	687.136	14.042	1.170.067
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	1.678	28.451	19.101	49.230
Total liabilities	16.924.382	48.402.189	10.554.730	75.881.301
Net balance sheet position	1.298.344	(949.569)	254.288	603.063
Net off balance sheet position	(1.515.556)	1.057.685	33.545	(424.326)
Derivative financial instruments assets ^(*****)	65.185	1.589.900	58.112	1.713.197
Derivative financial instruments liabilities ^(*****)	1.580.741	532.215	24.567	2.137.523
Non-cash loans ^(*****)	3.468.653	7.112.571	28.068	10.609.292
Prior Period				
Total assets	19.640.448	46.598.912	10.428.970	76.668.330
Total liabilities	17.774.376	49.024.242	10.156.963	76.955.581
Net balance sheet position	1.866.072	(2.425.330)	272.007	(287.251)
Net off balance sheet position	(2.145.002)	2.733.834	(75.193)	513.639
Derivative financial instruments assets	-	3.219.728	30.028	3.249.756
Derivative financial instruments liabilities	2.145.002	485.894	105.221	2.736.117
Non-cash loans ^(*****)	3.317.764	6.952.583	52.696	10.323.043

^(*) TL 4.079.394 (December 31, 2021: TL 3.664.103) of the balance in Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey in other FC column represent precious metals, TL 1.123.863 (December 31, 2021: TL 962.090) of the balance in Banks in other FC column represent precious metals accounts with banks, TL 9.905.322 (December 31, 2021: TL 9.344.729) of the balance in Other current and profit sharing accounts in other FC column represent precious metals deposits accounts. TL 4.693.755 (December 31, 2021: TL 4.877.174) of the balance in other FC column in financial assets at fair value through profit and loss represents gold-indexed lease certificates (sukuk)

^(**) Derivative financial instruments are included.

^(***) The balance includes foreign currency indexed loans and financial lease receivables of TL 481.325 (December 31, 2021: TL 523.546).

^(****) Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 4.657 (December 31, 2021: TL 3.479) is included in other assets.

^(*****) In the current period, derivative financial instruments assets include foreign currency purchase commitment in the amount of TL 196.142 (December 31, 2021: TL 142.473) and derivative financial instruments liabilities include foreign currency sale commitment in the amount of TL 353.461 (December 31, 2021: TL 463.533).

^(*****) Does not have any effect on the net off-balance sheet position.

Other issues related to currency risk:

Since the Parent Bank has issued unmaturred additional tier 1 capital amount to USD 205.000.000 (Historical cost: TL 775.720) and recognized under the equity as "Other Capital Reserves", this stated amount is not included in the above table.

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IV. Explanations on consolidated position risk of equity securities in banking book:

The Parent Bank does not have any associate and subsidiary quoted at Borsa İstanbul.

The Parent Bank's equity securities which are not quoted at Borsa İstanbul are recognized at fair values and if the fair values are not measured reliably, they are recognized at cost.

The equity securities under banking book calculated as per credit risk standard method amount to TL 188.930 100% risk weight is applied to related whole amount (December 31, 2021: TL 131.322).

V. Explanations on consolidated liquidity risk:

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

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

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

Risk Management Department defines the Parent Bank's liquidity risk, measures and monitors the risks with liquidity risk measurement methods that are in compliance with legal legislation, presents measurement results periodically to related departments, committees and senior management. Risk Management Department coordinates related parties in order to ensure compliance of risk management process in accordance with the Parent Bank's risk profile, operation environment and strategic plan with regulations.

The liquidity risk analysis and the important early warning signals are reported periodically to related senior management. Additionally, analysis and monitored internal reserve limit ratios related to liquidity risk are presented in ALCO report. Reserve limit ratios and alert levels approved by the Board of Directors are monitored and reported regularly to related parties.

The Parent Bank's funding management is carried out in compliance with the ALCO decisions in the direction of the Fund Transfer Pricing (FTP) committee. Funding and placement strategies are developed by assessing liquidity of the Parent Bank.

In liquidity risk management actions that will be taken and procedures are determined by considering normal economic conditions and stress conditions.

Diversification of assets and liabilities is assured to be able to continuously meet the obligations, also considering the relevant currencies. Funding sources are monitored actively during identification of concentration risk related to funding. The Parent Bank's funding base of funds collected and other borrowing transactions are diversified in order to prevent the concentration of a particular funding source. Factors that could trigger the sudden and significant run off in funds or impair the accessibility of the funding sources are analyzed.

In the context of TL and foreign currencies liquidity management, the Parent Bank monitors the cash flows regarding assets and liabilities and forecasts the required liquidity in future periods. In cash flow analysis, stress is applied to items that affect the liquidity by volume and rate of change from a liquidity management point of view.

Liquidity risk exposed by the Parent Bank is managed by establishing risk appetite, effective control environment and closely monitoring by limits.

The results of liquidity risk stress testing are taken into consideration in the assessment of liquidity adequacy and identification of strategy, policy and procedures regarding liquidity risk and contingency funding plan is prepared within this framework. There exists "Liquidity Risk Management Contingency Funding Plan" in the

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V. Explanations on consolidated liquidity risk (continued):

Parent Bank including mechanisms to prevent increase in liquidity risk during normal and liquidity crisis scenarios for different conditions and levels.

Available liquidity sources are determined by considering the liquidity squeezes. Within the framework of this plan, the Parent Bank monitors liquidity risk in terms of early warning indicators in each stress. While assessing the sectors affected by Covid-19 Pandemic, the Bank has benefited from analyses by foreign rating institutions published to the general public. The sectors that are expected to be affected most are ranged from high risk to low risk and all customers are reclassified as per risk groups. These customers are reassessed in following up operations, stress test and sectoral concentration analysis and related reassessments will continue in the coming periods.

Consolidated liquidity coverage ratio:

		Rate of "Percentage to be taken into account" not Implemented Total Value ^(*)		Rate of "Percentage to be taken into account" Implemented Total Value ^(*)	
		TL+FC	FC	TL+FC	FC
	Current Period				
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1	HIGH QUALITY LIQUID ASSETS			40.633.522	35.878.136
	CASH OUTFLOWS				
2	Retail and Small Business Funds Collected	54.892.063	42.467.060	5.229.857	4.246.706
3	Stable Funds Collected	5.186.980	-	259.349	-
4	Less stable Funds Collected	49.705.083	42.467.060	4.970.508	4.246.706
5	Unsecured Funding other than Retail and Small Business Customers Deposits	25.073.884	19.489.857	12.346.235	7.619.855
6	Operational Funds Collected	16.934.929	13.884.183	4.233.732	3.471.046
7	Non-Operational Funds Collected	6.155.973	3.846.921	3.360.461	1.752.482
8	Other Unsecured Funding	1.982.982	1.758.753	4.752.042	2.396.327
9	Secured funding			-	-
10	Other Cash Outflows	4.347.477	4.167.323	4.347.477	4.167.323
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	4.347.477	4.167.323	4.347.477	4.167.323
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	17.228.947	10.019.964	2.057.413	1.514.577
16	TOTAL CASH OUTFLOWS			23.980.982	17.548.461
	CASH INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	10.171.309	6.079.950	8.118.510	5.176.812
19	Other contractual cash inflows	4.400.804	2.971.018	4.400.804	2.971.018
20	TOTAL CASH INFLOWS	14.572.113	9.050.968	12.519.314	8.147.830
				Upper limit applied amounts	
21	TOTAL HQLA			40.633.522	35.878.136
22	TOTAL NET CASH OUTFLOWS			11.461.668	9.400.631
23	Liquidity Coverage Ratio (%)			354,52	381,66

(*) Calculated from the average amounts of the last three months (calculated as of end of the month)

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

Liquidity Coverage Ratio (%)	Current Period	
	TL+FC	FC
Lowest	337,91	352,69
Date	January 31, 2022	January 31, 2022
Highest	369,62	429,19
Date	February 28, 2022	January 31, 2022
Average	354,52	381,66

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V. Explanations on consolidated liquidity risk (continued):

Consolidated liquidity coverage ratio (continued):

		Rate of "Percentage to be taken into account" not Implemented Total Value ^(*)		Rate of "Percentage to be taken into account" Implemented Total Value ^(*)	
		TL+FC	FC	TL+FC	FC
	Prior Period				
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1	HIGH QUALITY LIQUID ASSETS			36.838.796	32.873.748
	CASH OUTFLOWS				
2	Retail and Small Business Funds Collected	51.719.040	39.191.290	4.919.858	3.919.129
3	Stable Funds Collected	5.040.933	-	252.047	-
4	Less stable Funds Collected	46.678.107	39.191.290	4.667.811	3.919.129
5	Unsecured Funding other than Retail and Small Business Customers Deposits	25.430.075	19.978.144	11.333.624	7.496.853
6	Operational Funds Collected	16.123.135	13.072.841	4.030.784	3.268.210
7	Non-Operational Funds Collected	8.037.268	5.640.617	4.215.904	2.583.742
8	Other Unsecured Funding	1.269.672	1.264.686	3.086.936	1.644.901
9	Secured funding			-	-
10	Other Cash Outflows	3.018.517	2.425.198	3.018.517	2.425.198
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	3.018.517	2.425.198	3.018.517	2.425.198
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	16.235.975	9.422.344	1.898.899	1.380.669
16	TOTAL CASH OUTFLOWS			21.170.898	15.221.849
	CASH INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	9.372.953	5.939.753	7.319.811	4.831.849
19	Other contractual cash inflows	3.037.878	2.397.809	3.037.878	2.397.809
20	TOTAL CASH INFLOWS	12.410.831	8.337.562	10.357.689	7.229.658
				Upper limit applied amounts	
21	TOTAL HQLA			36.838.796	32.873.748
22	TOTAL NET CASH OUTFLOWS			10.813.209	7.992.191
23	Liquidity Coverage Ratio (%)			340,68	411,32

(*) Calculated from the average amounts of the last three months (calculated as of end of the month)

As per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette numbered 28948, dated March 21, 2014, the dates on which the minimum and maximum liquidity coverage ratios have been calculated for the last three months for 2021 are as follows:

Liquidity Coverage Ratio (%)	Prior Period	
	TL+FC	FC
Lowest	303,54	352,31
Date	November 30, 2021	November 30, 2021
Highest	377,31	442,79
Date	October 31, 2021	October 31, 2021
Average	340,68	411,32

Consolidated liquidity coverage ratio is calculated by comparing the high-quality liquid assets owned by the Parent Bank to net cash outflow in 30 days maturity. Balance sheet accounts that are significant on the ratio can be listed as reserve requirements maintained at CBRT, marketable securities that are not subject to repurchase agreements or not given as collateral, banks receivables, funds collected, funds borrowed. The effect of these accounts on the liquidity coverage ratio is higher than other accounts, since these accounts have a higher share in liquid assets and net cash outflows.

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V. Explanations on consolidated liquidity risk (continued):

Consolidated liquidity coverage ratio (continued):

High quality liquid assets consist of cash, deposits in central banks and securities considered as high quality liquid assets. Reserve deposits are included in high quality liquid assets, limited by the amount that is allowed by central bank to use in liquidity shortages. Group's high quality liquid assets are composed of 6,45% cash, 53,60% deposits in central banks and 39,95% securities considered as high-quality liquid assets.

Group's main funding sources are funds collected, funds borrowed, borrowings from money market, issued securities and subordinated loans. Funding source composition in report date is 91,48% funds collected, 8,52% funds borrowed, borrowings from money market, subordinated loans and securities issued.

Cash flows of derivatives that will take place within 30 days are considered in calculation of liquidity coverage ratio. Cash outflows of derivatives that arise from margin obligations, are reflected to the results in accordance with the methodology articulated in the related legislation.

The Parent Bank manages all the transactions with its foreign branches and subsidiaries consolidated in the framework of central bank, markets and related legislation of the country in which the institutions are located. Consolidated liquidity risk of the Parent Bank, its foreign branches and subsidiaries that are to be consolidated are managed within the regulatory limits and in accordance with group strategies. The liquidity positions of consolidated subsidiaries are continuously monitored by the Parent Bank.

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V. Explanations on consolidated liquidity risk (continued):

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated (***)	Total
Current Period								
Assets								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	10.797.893	16.685.784	-	-	-	-	-	27.483.677
Banks	4.047.270	1.850.450	266.623	-	-	-	-	6.164.343
Financial Assets at Fair Value Through Profit and Loss ^(*)	41.619	393.770	262.285	307.419	7.844.249	50.258	-	8.899.600
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	26.365	84.098	-	140.156	253.599	-	-	504.218
Loans ^(**)	1.102.359	4.778.156	8.135.355	22.672.545	20.145.578	3.431.914	1.294.268	61.560.175
Financial Assets Measured at Amortised Cost	-	24.615	114.840	308.018	9.179.153	-	-	9.626.626
Other Assets ^(****)	-	261	4.327	23.953	169.701	249.262	4.200.322	4.647.826
Total Assets	16.015.506	23.817.134	8.783.430	23.452.091	37.592.280	3.731.434	5.494.590	118.886.465
Liabilities								
Current account and funds collected from banks via participation accounts	936.970	391.142	-	21.963	-	-	-	1.350.075
Other current and profit-sharing accounts	44.612.158	36.284.554	7.558.595	8.900.153	166.884	-	-	97.522.344
Funds provided from other financial institutions and subordinated loans	-	2.434.209	279.761	565.733	3.409.100	-	-	6.688.803
Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	1.695.249	615.125	3.486	203.310	-	-	2.517.170
Miscellaneous payables	-	575.732	164.481	58.320	48	-	3.251.710	4.050.291
Other liabilities	775.720	-	161	12.979	106.550	219.450	5.642.922	6.757.782
Total Liabilities	46.324.848	41.380.886	8.618.123	9.562.634	3.885.892	219.450	8.894.632	118.886.465
Net Liquidity Gap	(30.309.342)	(17.563.752)	165.307	13.889.457	33.706.388	3.511.984	(3.400.042)	-
Net Off-Balance Sheet Position	-	(284.384)	(8.521)	15.779	-	-	-	(277.126)
Financial Derivative Assets	-	1.315.728	216.164	168.254	-	-	-	1.700.146
Financial Derivative Liabilities	-	1.600.112	224.685	152.475	-	-	-	1.977.272
Non-Cash Loans	12.249.167	421.526	824.881	3.539.778	1.097.369	29.730	-	18.162.451
Prior Period								
Total Assets	14.491.715	21.958.118	12.342.270	19.571.648	32.405.443	4.041.118	5.214.136	110.024.448
Total Liabilities	47.057.874	37.165.638	10.085.216	3.765.786	3.389.861	214.808	8.345.265	110.024.448
Net Liquidity Gap	(32.566.159)	(15.207.520)	2.257.054	15.805.862	29.015.582	3.826.310	(3.131.129)	-
Net Off-Balance Sheet Position	-	(284.967)	243.204	8.513	-	-	-	(33.250)
Financial Derivative Assets	-	2.701.371	549.987	131.339	-	-	-	3.382.697
Financial Derivative Liabilities	-	2.986.338	306.783	122.826	-	-	-	3.415.947
Non-Cash Loans	11.725.992	164.297	770.409	3.464.733	1.262.356	15.513	-	17.403.300

(*) Derivative financial instruments are included.

(**) Leasing receivables are included under loans. Unallocated amount represents the net non-performing loans

(***) Certain assets in the balance sheet that are necessary for the banking operations but cannot be readily convertible into cash in the near future, such as tangible assets, right of use of movables and real estates, investments in associates and subsidiaries, stationary supplies, prepaid expenses are included here.

(****) The unallocated other liabilities column consists of equity, provisions and (if any) deferred tax liabilities.

(*****) The balance represents investment property and other assets.

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VI. Explanations on consolidated leverage ratio:

	Current Period^(*)	Prior Period^(**)
Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards ^(*)	113.464.021	102.949.931
The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements"	-	-
The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	7.934.098	6.047.894
The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	249.551	16.729
The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	45.540	39.014
Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	-	-
Total Risk Amount	136.701.255	123.857.781

^(*) Consolidated financial statements prepared in compliance with the paragraph 6 of article 5 of the communiqué "Preparation of Consolidated Financial Statements".

^(**) Represents average of the three months.

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VI. Explanations on consolidated leverage ratio (continued):

As of March 31, 2022, consolidated leverage ratio of the Group calculated from the arithmetic average of the last three months is 3,15% (December 31, 2021: 3,30%). Leverage ratio is required to remain minimum 3% as per "Communiqué on Measurement and Evaluation for Leverage Ratios of Banks". The reason for the difference in leverage ratio between current and previous period is that increase in average total risk amount is higher than increase in average capital amount.

	Current Period ^(*)	Prior Period ^(*)
Balance sheet assets		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	114.414.883	103.252.744
2 (Assets deducted from Core capital)	(377.360)	(189.027)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	114.037.523	103.063.717
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	77.631	157.781
5 Potential credit risk amount of derivative financial assets and credit derivatives	40.614	31.543
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	118.245	189.324
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	744.958	600.159
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	744.958	600.159
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	21.836.679	20.035.331
11 (Correction amount due to multiplication with credit conversion rates)	(36.150)	(30.750)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	21.800.529	20.004.581
Capital and total risk		
13 Core Capital	4.306.198	4.060.873
14 Total risk amount (sum of lines 3, 6, 9 and 12)	136.701.255	123.857.781
Leverage ratio		
15 Leverage ratio (%)	3,15	3,30

(*) The average of the last three months in the related periods

VII. Explanations on presentation of consolidated financial assets and liabilities at fair value:

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

VIII. Explanations regarding the activities carried out on behalf and account of other persons:

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

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IX. Explanations on consolidated risk management:

Due Notes and explanations in this section have been prepared in accordance with the Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks that have been published in Official Gazette numbered 29511 dated October 23, 2015 and became effective as of March 31, 2016. The following tables which have to be presented on a quarterly basis have not been presented dated March 31, 2022 since the Bank's use the standard approach for the calculation of capital adequacy:

- RWA flow statements of credit risk exposures under the Internal Rating-Based approach ("IRB").
- RWA flow statements of CCR exposures under the Internal Model Method.
- RWA flow statements of market risk exposures under an Internal Model Approach.

a. Risk management strategy and weighted amounts:

a.1. Risk management strategy:

Not prepared in compliance with the "Regulation on Calculation of Risk Management Disclosures".

a.2. Risk weighted amounts:

		Risk Weighted Amount		Minimum capital requirement
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	39.368.990	36.040.572	3.149.519
2	Standardised approach (SA)	39.368.990	36.040.572	3.149.519
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	41.382	60.985	3.311
5	Standardised approach for counterparty credit risk (SA-CCR)	41.382	60.985	3.311
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	4.421.313	4.059.574	353.705
17	Standardised approach (SA)	4.421.313	4.059.574	353.705
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	4.463.968	3.513.036	357.117
20	Basic Indicator Approach	4.463.968	3.513.036	357.117
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	48.295.653	43.674.167	3.863.652

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X. Explanations on consolidated business segments:

The Parent Bank operates in retail, commercial and corporate banking segments via profit/loss sharing method in accordance with its mission.

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Operating Income (Net)	(161.247)	1.030.281	1.097.171	484.207	2.450.412
Operating Expenses ^(*)	(337.506)	(918.246)	(524.164)	(418.661)	(2.198.577)
Operating Income/Expenses	(498.753)	112.035	573.007	65.546	251.835
Profit/(Loss) Before Tax	(498.753)	112.035	573.007	65.546	251.835
Tax Income (Expense)	-	-	-	(130.192)	(130.192)
Current Year Profit/(Loss)	(498.753)	112.035	573.007	(64.646)	121.643
Total Assets	4.472.746	59.859.057	48.732.375	5.822.287	118.886.465
Total Liabilities	69.136.105	34.492.710	9.429.664	5.827.986	118.886.465

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Operating Income (Net)	(38.865)	513.166	447.355	91.481	1.013.137
Operating Expenses ^(*)	(269.861)	(315.332)	(306.894)	976	(891.111)
Operating Income/Expenses	(308.726)	197.834	140.461	92.457	122.026
Profit/(Loss) Before Tax	(308.726)	197.834	140.461	92.457	122.026
Tax Income (Expense)	-	-	-	(19.321)	(19.321)
Current Year Profit/(Loss)	(308.726)	197.834	140.461	73.136	102.705
Total Assets	4.505.547	54.710.653	46.176.835	4.631.413	110.024.448
Total Liabilities	61.601.748	34.385.240	8.752.365	5.285.095	110.024.448

^(*) Operating expenses have been allocated to business segments by using branch segment and number of branch employees.

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SECTION FIVE

Explanations and notes on the consolidated financial statements

I. Explanations and notes related to consolidated assets:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Foreign currency	174.887	2.705.997	158.510	1.636.898
CBRT	2.397.667	19.433.966	1.477.835	21.001.121
Other ^(*)	151.504	2.620.068	184.487	2.039.760
Total	2.724.058	24.760.031	1.820.832	24.677.779

^(*) Includes precious metals amounting to TL 572.289 (December 31, 2021: TL 528.804) and cash in transit amounting to TL 2.199.283 (December 31, 2021: TL 1.695.443) as of March 31, 2022.

b. Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	2.357.216	2.788.221	1.436.022	5.163.805
Unrestricted time deposit	-	-	-	-
Restricted time deposit ^(*)	40.451	16.645.745	41.813	15.837.316
Total	2.397.667	19.433.966	1.477.835	21.001.121

^(*) As of March 31, 2022, the reserve requirement held in standard gold is TL 3.507.105 (December 31, 2021: TL 3.135.299)

In accordance with the "Communiqué Regarding the Reserve Requirements numbered 2005/1", banks operating in Turkey are required to maintain reserves in CBRT for TL and foreign currency liabilities. According to the Communiqué Regarding the Reserve Requirements, reserve requirements can be maintained in TL, USD and/or EURO and standard gold.

As per the regulation by CBRT dated November 27, 2020, the commission is paid to CBRT from foreign exchange reserves except USD kept at required reserves and foreign exchange call deposits.

As of March 31, 2022, the compulsory rates for the reserve deposits for Turkish Lira are implemented within an interval from 4,5% to 9,5% depending on maturity of deposits and the compulsory rates for the foreign currency liabilities are within an interval from 6,5% to 27,5% depending on maturity of deposits and other liabilities.

Starting from December 17, 2021 (including) reserve requirement maintenance date, remuneration rates that differ between 8,5% and 14% will be applied according to the principles explained in the Article 10 of the Reserve Requirements Implementation Instruction titled "Remuneration for reserve requirements" to increase the share of Turkish lira in the participation funds in the banking system.

Within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" numbered 2021/14, the conversion rate from USD, EUR and GBP denominated foreign currency deposit accounts and foreign exchange denominated participation fund accounts to time TL deposit and participation accounts is 10% as of the obligation date of April 15, 2022 and banks that reached 20% as of September 2, 2022, it was decided not to apply an annual commission of 1.5%, up to the amount that should be kept for their liabilities until the end of 2022. As of September 2, 2022, the rate of commission to be collected from banks whose conversion rate cannot reach 10% for real and legal persons separately, will be 3%.

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

c.1. Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic ^(*)	1.863.289	1.230.920	1.531.688	1.039.578
Abroad	-	3.138.633	-	2.762.795
Foreign head offices and branches	-	-	-	-
Total	1.863.289	4.369.553	1.531.688	3.802.373

^(*) Includes blockaged amount TL 1.799.852 (December 31, 2021: TL 1.480.543) booked under TL accounts arising from POS transactions

c.2. Information on foreign bank accounts:

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

2. Information on financial assets measured at fair value through profit/loss:

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

As of March 31, 2022, there is not any investment amounts subject to repurchase agreements (December 31, 2021: None).

As of March 31, 2022, the collateralized /blocked nominal investment amount is TL 6.916 (December 31, 2021: TL 6.916).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Sukuk	2.147.731	6.635.773	915.941	6.850.650
Equity Securities	45.018	21.613	45.331	19.198
Others	5.590	21.840	1.814	19.794
Total	2.198.339	6.679.226	963.086	6.889.642

3. Information on financial assets measured at fair value through other comprehensive income:

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

As of March 31, 2022, there is not any investment amount subject to repurchase agreements (December 31, 2021: None).

As of March 31, 2022, the collateralized/blocked nominal investment amount is TL 99.006 (December 31, 2021: 99.011).

b. Detailed table of financial assets measured at fair value through other comprehensive income:

	Current Period	Prior Period
Debt securities	479.472	733.943
Quoted on a stock exchange	479.472	733.943
Unquoted	-	-
Investment Funds	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Share certificates	26.365	24.686
Quoted on a stock exchange	-	-
Unquoted	26.365	24.686
Impairment provision (-)	1.619	6.271
Total	504.218	752.358

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

4. Information on financial assets measured at amortised cost:

a. Information on financial assets measured at amortised cost subject to repurchase transactions, given as collateral or blocked:

As of March 31, 2022, there is not any amount subject to repurchase agreements (December 31, 2021: None)

As of March 31, 2022, the collateralized/blocked nominal amount is TL 663.049. (December 31, 2021: TL 539.107).

b. Information on related to government securities measured at amortised cost:

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities ^(*)	9.626.626	8.103.211
Total	9.626.626	8.103.211

^(*) Consists of Sukuk certificates issued by Ministry of Treasury and Finance of Turkey.

c. Information related to financial assets measured at amortised cost:

	Current Period	Prior Period
Debt Securities	9.626.626	8.103.211
Quoted on a stock exchange	9.626.626	8.103.211
Unquoted	-	-
Impairment provision (-)	-	-
Total	9.626.626	8.103.211

ç. Movements of the financial investments measured at amortised cost:

	Current Period	Prior Period
Balance at beginning of period	8.103.211	3.224.800
Foreign currency differences on monetary assets	622.863	2.602.268
Purchases during period ^(*)	2.624.653	3.762.132
Disposals through sales and redemptions ^(*)	(1.789.432)	(1.510.652)
Impairment provision (-)	-	-
Reclassifications	-	-
Income accruals	65.331	24.663
Closing balance	9.626.626	8.103.211

^(*) Represented on nominal values

5. Information on derivative financial assets:

a. Table of positive differences related to derivative financial assets:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	17.950	-	32.030	-
Swap Transactions	-	4.085	56.455	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	17.950	4.085	88.485	-

The Parent Bank has not any derivative financial assets for hedging purposes (December 31, 2021: None).

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

6. Information on loans:

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

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	85.933	5.441	102.174	5.591
Corporate shareholders	82.068	5.091	98.481	5.591
Real person shareholders	3.865	350	3.693	-
Indirect loans granted to shareholders	1.365.984	57.496	1.219.475	64.583
Loans granted to employees	34.917	39.800	20.765	39.800
Total	1.486.834	102.737	1.342.414	109.974

b. Information on standart loans and loans under close monitoring including restructured or rescheduled loans:

b1. Detailed table for standard loans and loans under close monitoring including restructured or rescheduled loans:

Current Period		Loans Under Close Monitoring		
		Not under the scope of restructuring or rescheduling	Restructured	
			Loans with revised contract terms	Refinancing
Cash Loans	Standard loans			
Loans				
Export loans	3.875.153	19.187	-	-
Import loans	4.436.227	104.102	1.235	-
Business loans	23.565.774	2.474.504	1.666.559	1.834.862
Consumer loans	4.153.380	101.455	3.072	-
Credit cards	758.283	13.469	233	-
Loans given to financial sector	2.092.586	230	-	-
Other(*)	14.622.744	391.131	113.610	-
Other receivables	-	-	-	-
Total	53.504.147	3.104.078	1.784.709	1.834.862

^(*) Details of other loans are provided below:

Commercial loans with installments	4.283.124
Other investment credits	2.775.060
Loans given to abroad	3.577.246
Profit and loss sharing investments ^(**)	3.950.279
Loans for purchase of marketable securities for customer	520.020
Other	21.756

Total	15.127.485
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^(**) As of March 31, 2022, the related balance represents profit and loss sharing investment projects (6 projects) which are real estate development projects in various regions of Istanbul and Ankara. Revenue sharing of profit and loss sharing investment projects is done within the framework of the signed contract between the Bank and the counterparty after the cost of the projects is clarified and net profit of projects is determined once the project/stages of the project are completed. In case the transaction subject to the profit and loss sharing investment project results in a loss, the Bank's share of loss is limited with the funds invested in the project by the Parent Bank. As of March 31, 2022, the profit and loss sharing investments are evaluated as financial assets measured at fair value through profit or loss based on December 31, 2021 valuation studies. Total cumulative valuation profit is TL 276.345 and valuation loss is TL 53.373 for profit and loss sharing investments.

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

6. Information on loans (continued):

b. Information on standart loans and loans under close monitoring including restructured or rescheduled loans (continued):

b1. Detailed table for standard loans and loans under close monitoring including restructured or rescheduled loans (continued):

Prior Period		Loans Under Close Monitoring		
		Not Under the Scope of	Restructured	
		Restructuring or	Amendments to the	
Cash Loans	Standard Loans	Rescheduling	Terms of Contracts	Refinancing
Loans				
Export loans	3.692.880	16.226	-	-
Import loans	4.146.656	42.483	1.062	-
Business loans	21.053.122	1.684.456	1.503.531	1.722.322
Consumer loans	4.206.014	95.720	3.235	-
Credit cards	698.692	4.718	111	-
Loans given to financial sector	2.013.033	-	-	-
Other(*)	14.015.168	424.240	193.107	4.765
Other receivables	-	-	-	-
Total	49.825.565	2.267.843	1.701.046	1.727.087

(*) Details of other loans are provided below:

Commercial loans with installments	3.625.314
Other investment credits	3.001.637
Loans given to abroad	3.570.730
Profit and loss sharing investments(**)	3.908.579
Loans for purchase of marketable securities for customer	470.413
Other	60.607
Total	14.637.280

(*) As of December 31, 2021, the related balance represents profit and loss sharing investment projects (6 projects) which are real estate development projects in various regions of Istanbul and Ankara. Revenue sharing of profit and loss sharing investment projects is done within the framework of the signed contract between the Bank and the counterparty after the cost of the projects is clarified and net profit of projects is determined once the project/stages of the project are completed. In case the transaction subject to the profit and loss sharing investment project results in a loss, the Bank's share of loss is limited with the funds invested in the project by the Parent Bank. As of December 31, 2021, the profit and loss sharing investments are evaluated as financial assets measured at fair value through profit or loss, and net profit amounts to TL 37.360 for 2021 (TL 146.893 valuation profit, TL 109.533 valuation loss) between the total risk of the Parent Bank and independent valuation reports of the related projects is reflected to the profit and loss statement. Total cumulative valuation profit is TL 314.710 and valuation loss is TL 53.373 for profit and loss sharing investments

b2. Information on expected credit losses for standard loans and loans under close monitoring:

Current Period	Standard Loans	Loans under close monitoring
12 Month Expected Credit Losses	214.534	-
Significant Increase in Credit Risk	-	651.424
Prior Period	Standard Loans	Loans under close monitoring
12 Month Expected Credit Losses	163.379	-
Significant Increase in Credit Risk	-	367.483

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

6. Information on loans (continued):

c. Maturity analysis of cash loans:

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

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

Current Period	Short-term	Medium and long-term	Total
Consumer loans-TL	49.421	4.165.097	4.214.518
Housing loans	10.065	3.633.279	3.643.344
Vehicle loans	11.599	343.712	355.311
Consumer loans	27.757	188.106	215.863
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	15.331	15.331
Housing loans	-	2.727	2.727
Vehicle loans	-	-	-
Consumer loans	-	12.604	12.604
Other	-	-	-
Retail credit cards-TL	190.131	52	190.183
With installment	62.112	44	62.156
Without installment	128.019	8	128.027
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	26.265	1.793	28.058
Housing loans	-	732	732
Vehicle loans	-	899	899
Consumer loans	26.265	162	26.427
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	6.849	10	6.859
With installment	3.284	9	3.293
Without installment	3.565	1	3.566
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL (real person)	-	-	-
Overdraft account-FC (real person)	-	-	-
Total	272.666	4.182.283	4.454.949

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

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

Prior Period	Short-term	Medium and long-term	Total
Consumer loans-TL	49.141	4.228.453	4.277.594
Housing loans	15.075	3.691.588	3.706.663
Vehicle loans	12.202	350.294	362.496
Consumer loans	21.864	186.571	208.435
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	13.812	13.812
Housing loans	-	1.756	1.756
Vehicle loans	-	-	-
Consumer loans	-	12.056	12.056
Other	-	-	-
Retail credit cards-TL	166.841	71	166.912
With installment	61.040	61	61.101
Without installment	105.801	10	105.811
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	11.590	1.973	13.563
Housing loans	-	781	781
Vehicle loans	38	1.068	1.106
Consumer loans	11.552	124	11.676
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	7.185	17	7.202
With installment	3.441	15	3.456
Without installment	3.744	2	3.746
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL (Real Person)	-	-	-
Overdraft account-FC (Real Person)	-	-	-
Total	234.757	4.244.326	4.479.083

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

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

Current Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	413.172	3.126.257	3.539.429
Business loans	36.421	619.163	655.584
Vehicle loans	328.697	2.014.867	2.343.564
Consumer loans	48.054	492.227	540.281
Other	-	-	-
Commercial installment loans-FC indexed	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	5.117	738.578	743.695
Business loans	-	148.223	148.223
Vehicle loans	3.498	400.102	403.600
Consumer loans	1.619	190.253	191.872
Other	-	-	-
Corporate credit cards-TL	573.112	1.831	574.943
With installment	202.653	1.614	204.267
Without installment	370.459	217	370.676
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (legal entity)	-	-	-
Overdraft account-FC (legal entity)	-	-	-
Total	991.401	3.866.666	4.858.067

Prior Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	268.178	2.529.595	2.797.773
Business loans	14.249	504.203	518.452
Vehicle loans	223.941	1.615.073	1.839.014
Consumer loans	29.988	410.319	440.307
Other	-	-	-
Commercial installment loans-FC indexed	-	43.617	43.617
Business loans	-	37.760	37.760
Vehicle loans	-	3.068	3.068
Consumer loans	-	2.789	2.789
Other	-	-	-
Commercial installment Loans-FC	5.513	778.411	783.924
Business loans	-	177.360	177.360
Vehicle loans	5.513	413.436	418.949
Consumer loans	-	187.615	187.615
Other	-	-	-
Corporate credit cards-TL	526.903	2.393	529.296
With installment	178.587	2.105	180.692
Without installment	348.316	288	348.604
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	-	-	-
Overdraft account-FC (Legal Entity)	-	-	-
Total	800.594	3.354.016	4.154.610

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

e. Allocation of loans by customers:

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

f. Breakdown of domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	56.650.550	51.950.811
Foreign loans	3.577.246	3.570.730
Total	60.227.796	55.521.541

g. Loans granted to subsidiaries and associates:

	Current Period		Prior Period	
	TL	FC	TL	FC
Direct Loans Granted to Subsidiaries and Associates	-	-	-	-
Indirect Loans Granted to Subsidiaries and Associates	-	-	-	-
Total	-	-	-	-

ğ. Specific provisions for loans or provisions for default loans (stage 3):

	Current Period	Prior Period
Loans with limited collectability	369.497	346.715
Loans with doubtful collectability	207.602	325.046
Uncollectible loans	2.494.771	1.986.282
Total	3.071.870	2.658.043

Specific provisions in the amount of TL 3.071.870 (December 31, 2021: TL 2.658.043) comprise TL 1.067.107 (December 31, 2021: TL 973.778) of participation account share of loans provided from participation accounts.

h. Information on non-performing loans (net):

h.1. Information on non-performing and restructured loans:

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectable loans
Current period			
Gross amount before specific provisions	1.705	299	128.417
Restructured loans	1.705	299	128.417
Prior period			
(Gross amount before specific provisions)	-	414	132.728
Restructured loans and other receivables	-	414	132.728

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

h.2. Movements of total non-performing loans:

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current Period			
Closing balance of prior period	523.543	365.483	2.894.211
Additions in the current period (+)	646.658	30.363	269.763
Transfers from other categories of non-performing loans (+)	-	352.085	343.836
Transfers to other categories of non-performing loans (-)	352.085	343.836	-
Collections in the current period (-)	15.791	6.462	118.477
Transfers to standard loans and write off (-) ^(*)	218.997	29	4.127
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	583.328	397.604	3.385.206
Provisions (-)	369.497	207.602	2.494.771
Net balance at the balance sheet	213.831	190.002	890.435

^(*) According to "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated November 27, 2019 numbered 3096, the amount which has been carried to performing loans is TL 2.177 and the written off amount is TL 220.976. These transactions' impact to NPL ratio is 32 basis point.

Non-performing loans in the amount of TL 4.366.138 comprise TL 1.678.450 of participation account share of loans provided from participation accounts.

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectable loans and receivables
Prior Period			
Closing balance of prior period	193.865	240.360	1.611.051
Additions in the current period (+)	604.783	291.007	1.562.727
Transfers from other categories of non-performing loans (+)	-	237.812	343.703
Transfers to other categories of non-performing loans (-)	237.812	343.703	-
Collections in the current period (-)	32.517	56.711	373.802
Transfers to standard loans and write off(-) ^(*)	4.776	3.282	249.468
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	523.543	365.483	2.894.211
Specific provisions (-)	346.715	325.046	1.986.282
Net balance at the balance sheet	176.828	40.437	907.929

^(*) According to "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated November 27, 2019 numbered 3096, the amount which has been carried to performing loans is TL 8.341 and the written off amount is TL 249.185. These transactions' impact to NPL ratio is 40 basis point.

Non-performing loans in the amount of TL 3.783.237 comprise TL 1.627.858 of participation account share of loans provided from participation accounts.

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

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current period:			
Period end balance	294.555	336.363	1.197.068
Provision (-)	191.569	183.703	1.052.406
Net balance	102.986	152.660	144.662
Prior period:			
Period end balance	328.763	273.061	817.947
Provision (-)	187.531	264.025	696.048
Net balance	141.232	9.036	121.899

h.4. Gross and net amounts of non-performing loans according to user groups:

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current period (net)			
Loans to individuals and corporates (gross)	583.328	397.604	3.385.206
Provision (-)	369.497	207.602	2.494.771
Loans to individuals and corporates (net)	213.831	190.002	890.435
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Provision (-)	-	-	-
Other loans (net)	-	-	-
Prior period (net)			
Loans to individuals and corporates (gross)	523.543	365.483	2.894.211
Provision (-)	346.715	325.046	1.986.282
Loans to individuals and corporates (net)	176.828	40.437	907.929
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (net)	-	-	-
Other loans (gross)	-	-	-
Provision (-)	-	-	-
Other loans (net)	-	-	-

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

h.5. Information on accruals, valuation differences and related provisions calculated for non-performing loans for Banks which are providing expected credit loss according to TFRS 9:

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current Period (Net)	2.445	9.014	373.790
Profit Share Accruals and Valuation Differences	4.847	11.262	1.034.145
Provision (-)	2.402	2.248	660.355
Prior Period (Net)	5.330	21.043	357.066
Profit Share Accruals and Valuation Differences	9.367	21.469	942.724
Provision (-)	4.037	426	585.658

i. Liquidation policy for uncollectable loans:

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

i. Information on "Write-off" policies:

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

7. Information on lease receivables (net):

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	123.977	113.306	168.950	158.920
1 to 4 years	685.127	628.763	617.544	563.304
More than 4 years	173.310	162.000	106.525	98.450
Total	982.414	904.069	893.019	820.674

b. Information on net investments through finance lease:

	Current Period	Prior Period
Financial lease receivables (Gross)	982.414	893.019
Unearned financial lease receivable (-)	78.345	72.345
Net receivable from financial leases	904.069	820.674

c. General explanation on finance lease contracts:

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

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

c. General explanation on finance lease contracts (continued):

Information on leasing receivables:

	Standard Loans	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring or Rescheduling	Restructured	
			Loans with Revised Contract Terms	Refinancing
Current Period				
Financial lease receivables (Net)	870.976	24.223	8.870	-
Prior Period				
Financial lease receivables (Net)	774.305	38.705	7.664	-

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

Assets held for sale consist of tangible assets, which have been acquired due to non-performing loans.

	Current Period	Prior Period
Opening Balance	118.978	131.050
Additions	25.846	222.019
Disposals	(16.752)	(87.111)
Transfers ⁽¹⁾	(32.313)	(104.641)
Impairment Provision (-)/Reversal of Impairment Provision ⁽¹⁾	(181)	(42.339)
Net closing balance	95.578	118.978

⁽¹⁾ The transfers and impairments related to the transfers (if any) have been moved to assets to be sold under tangible assets.

As of March 31, 2022, TL 95.148 (December 31, 2021: TL 118.932) of the assets held for sale is comprised of real estates, TL 430 (December 31, 2021: TL 46) is comprised of other tangible assets. The Parent Bank has not any discontinued operations and assets of discontinued operations.

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

9. Ownership investments:

a. Associates:

a.1. Information on unconsolidated associates:

None (December 31, 2021: None).

a.2. Information on consolidated associates:

None (December 31, 2021: None).

b. Information on subsidiaries (net):

b.1. Information on unconsolidated non-financial subsidiaries:

The subsidiaries Albaraka Teknoloji Bilişim Sistemleri A.Ş., İnsha Ventures Teknoloji Geliştirme ve Pazarlama A.Ş and Albaraka Kültür Sanat ve Yayımcılık A.Ş of Parent Bank controlled Albaraka Portföy Yönetimi A.Ş. İnovasyon Girişim Sermayesi Fonu have not been consolidated since they are non-financial subsidiaries. The financial information related to those companies as of March 31, 2022 is as follows:

Title	Operation Center (City/Country)	Main Activities	Capital	Share Percentage of the Fund (%)	Fair value of the amount invested by the Fund ^(*)
Albaraka Teknoloji Bilişim Sistemleri A.Ş.	İstanbul / Turkey	Information Technologies	33.000	100	54.854
İnsha Ventures Teknoloji Geliştirme ve Paz. A.Ş.	İstanbul / Turkey	Information Technologies	10.000	100	10.144
Albaraka Kültür Sanat ve Yayımcılık A.Ş	İstanbul / Turkey	Publication	7.000	100	1.055

^(*) The fair values are represented as of December 31,2021

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

b. Information on subsidiaries (net) (continued):

b.1. Information on unconsolidated subsidiaries (continued):

Natura Gıda Sanayi ve Ticaret A.Ş., which is a subsidiary of “Değer Girişim Sermayesi Yatırım Fonu” controlled by the Parent Bank, has not been consolidated since it is a non-financial entity.

Name	Address (City/Country)	Parent Bank's share percentage- If different voting percentage (%)	(Fund) Share Rate (%)
Natura Gıda Sanayi ve Ticaret A.Ş.	Istanbul/Turkey	-	81,90

The balances of Natura Gıda Sanayi ve Ticaret A.Ş. presented in the table below have been obtained from the audited financial statements as of December 31, 2020.

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss
537.353	(302.916)	316.715	-	-	(75.680)	(745.574)

b.2. Information on consolidated subsidiaries:

Bereket Varlık Kiralama A.Ş. and Değer Varlık Kiralama A.Ş. which are subject to consolidation by the Parent Bank, the purpose of which are to obtain rental income by taking over the assets of the source institution and leasing them back to the source institution, issue rent certificates based on said rental income and pass on the related assets to source institution by the end of the rental period. Bereket Varlık Kiralama A.Ş. and Değer Varlık Kiralama A.Ş. have been founded to operate according to rulings of Turkish Trade Law about foundations of incorporations and complying with Communiqué on “Principles Related to Rent Certificates and Asset Leasing Companies” dated April 1, 2010 and numbered 27539 serial: 3 no:43 published in Official Gazette by Capital Markets Board of Turkey and other related regulations. The founding capital of each company is TL 50. As of March 31, 2022, the capital of each company is TL 50. Bereket Varlık Kiralama A.Ş. and Değer Varlık Kiralama A.Ş. are consolidated using full consolidation method as of March 31, 2022.

i). The balances of Bereket Varlık Kiralama A.Ş. presented in the table below have been obtained from unreviewed financial statements as of March 31, 2022.

Name	Address (City/Country)	Parent Bank's share percentage-If different voting percentage (%)	Risk share percentage of other shareholders (%)
Bereket Varlık Kiralama A.Ş.	Istanbul/Turkey	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
3.007.792	175	2	-	-	(5)	120	-

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

9. Ownership investments (continued):

b.2. Information on consolidated subsidiaries (continued):

ii) The balances of Değer Varlık Kiralama A.Ş. presented in the table below have been obtained from unreviewed financial statements as of March 31, 2022.

Name	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Değer Varlık Kiralama A.Ş.	İstanbul / Türkiye	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
88	74	-	-	-	24	-	-

iii) In the Board of Directors meeting dated February 25, 2015, the Parent Bank has taken a resolution on establishment a real estate portfolio management company with the name of "Albaraka Gayrimenkul Portföy Yönetimi A.Ş. whose capital is TL 5.000. The company is registered on June 3, 2015 and the foundation of the company is published on Trade Registry Gazette dated June 9, 2015 numbered 8837. The title of the company was changed to "Albaraka Portföy Yönetimi A.Ş." upon the decision of "2018 Extraordinary General Assembly" dated December 20, 2017. As of March 31, 2022, the capital of the company is TL 45.000. The balances of Albaraka Portföy Yönetimi A.Ş. presented in the table below have been obtained from unreviewed financial statements as of March 31, 2022.

Name	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Albaraka Portföy Yön. A.Ş.	Istanbul/Turkey	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
96.950	91.966	2.056	2.014	-	13.160	31.616	-

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

9. Ownership investments (continued):

b.2. Information on consolidated subsidiaries (continued):

iv) Insha GMBH has been established in Berlin (Germany) in 2018 in order to provide digital participation banking services through the banking license of Solarisbank AG to collect funds through mentioned license (mudaraba method) and to evaluate funds in accordance with the interest-free finance principles of the signed contract. As of March 31, 2022, the capital of the company is EUR 5.982 equivalent to TL 64.221 as historical cost in the Balance Sheet.

As of March 31, 2022, unreviewed financial statements of Insha GMBH is as follows:

Name	Address (City/Country)	Parent Bank's share percentage-If different voting percentage (%)	Risk share percentage of other shareholders (%)
Insha GMBH	Berlin / Germany	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
1.874.570 €	1.135.035 €	593.852	-	-	(1.788.922) €	(3.058.298) €	-

v) Movement and Sectoral Information on consolidated subsidiaries:

	Current Period	Prior Period
Amount at the beginning of the period	23.411	23.411
Movements inside the term	45.910	-
Purchases/new incorporations/capital increases	45.910	-
Bonus shares	-	-
Profit received from current year share	-	-
Sales	-	-
Revaluation increases	-	-
Impairments	-	-
Amount at the end of the period	69.321	23.411
Capital commitments	-	-
Share of the capital at the end of the period (%)	100	100

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	69.321	23.411

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

9. Ownership investments (continued):

c. Information on investments in joint- ventures:

c.1. Information on unconsolidated investments in joint-ventures:

The Group does not have unconsolidated investments in joint-ventures as of the balance sheet date.

c.2. Information on consolidated investments in joint- ventures:

The Parent Bank founded Katılım Emeklilik ve Hayat A.Ş. ("Company") a private pension and insurance company through equal partnership with Kuveyt Turk Katılım Bankası A.Ş. in the form of joint venture in accordance with Board of Directors' decision dated May 10, 2013 numbered 1186, and permission of BRSA dated September 24, 2013 numbered 4389041421.91.11-24049. The Company was registered on December 17, 2013 and noticed in Trade registry gazette dated December 23, 2013 and numbered 8470. As of March 31, 2022, Katılım Emeklilik ve Hayat A.Ş. has been consolidated by the Parent Bank using equity method. The financial data from unreviewed financial statements as of March 31, 2022 are below:

Joint-Ventures	The Parent Bank's shareholding percentage (%)	Group's shareholding percentage (%)	Current Assets	Non-Current Assets	Long Term Debts	Income	Expense
Katılım Emeklilik ve Hayat A.Ş.	50%	50%	486.546	6.764.759	6.796.580	110.751	94.548

c.3. Information on consolidated investment funds:

The financial information of the investment funds consolidated by the Parent Bank using full consolidation method as of March 31, 2022 are as follows:

Investment Funds	Share of Parent Bank (%)	Share of Group (%)	Investment Amount of the Parent Bank(TL)	Income	Expenses	Net Profit /(Loss)
Albaraka Portföy Yönetimi A.Ş. One Tower Gayrimenkul Yatırım Fonu ^(*)	0,00	99,97	-	9.066	958	8.108
Albaraka Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu ^(*)	31,03	72,39	82.770	(60.108)	4.755	(64.863)
Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu ^(*)	95,44	95,44	467.091	55.595	6.562	49.033
Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu ^(*)	78,23	89,97	38.718	9.432	2.359	7.073
Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu ^(*)	35,75	35,75	204.245	11.835	3.128	8.707
Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu ^(*)	43,31	43,31	16.661	1.415	321	1.094
Albaraka Portföy Yönetimi A.Ş. Start-Up Girişim Sermayesi Yatırım Fonu ^(*)	0,00	43,25	-	1.147	124	1.023
Albaraka Portföy Yönetimi A.Ş. İnovasyon Girişim Sermayesi Yatırım Fonu ^(*)	46,47	63,77	35.148	263	475	(212)
Albaraka Portföy Yönetimi A.Ş. Bilişim Vadisi Girişim Sermayesi Yatırım Fonu ^(*)	6,33	6,33	19.289	12.878	1.565	11.313
Albaraka Portföy Yönetimi A.Ş. Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu ^(*)	0,00	88,54	-	3.691	3.636	55
Albaraka Portföy Yönetimi A.Ş. Kısa Vadeli Katılım Serbest Fonu ^(*)	0,00	86,59	-	43.205	4.800	38.405

^(*) Relevant financial data has been obtained from unreviewed financial tables.

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

10. Information on tangible assets:

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

11. Information on intangible assets:

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

12. Information on investment property:

	Current Period		Prior Period	
	TL	FC	TL	FC
Investment properties ^(*)	1.062.565	-	1.035.405	-
Total	1.062.565	-	1.035.405	-

^(*) Includes investment properties of "Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu"

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

13. Information related to deferred tax asset:

As of March 31, 2022, the Group calculated net deferred tax asset of TL 432.567 (December 31, 2021: TL 489.049) by netting off deferred tax asset of TL 566.468 (December 31, 2021: TL 631.449) and deferred tax liability of TL 133.901 (December 31, 2021: TL 142.400) on all tax deductible/taxable temporary differences arising between the carrying amounts and the tax base of assets and liabilities in the financial statements that will be considered in the calculation of taxable earnings in the future periods.

	Current Period	Prior Period
Rediscount on profit share and prepaid fees and commission income and unearned revenues	93.822	79.209
Provisions for retirement premium and vacation pay liabilities	32.153	30.142
Difference between carrying value and tax base of tangible assets (amortization differences)	51.806	46.991
Depreciation of tangible assets	45.085	45.110
Provisions for cases on trial	8.300	6.811
Provisions	46.701	70.461
Leasing profit share expenses	36.067	33.226
Other ^(*)	252.534	319.499
Deferred tax asset	566.468	631.449
Revaluation difference of property	40.679	41.415
Rediscount on profit share	8.811	9.577
Right of use assets	67.419	60.625
Derivative financial liabilities	5.068	17.697
Other	11.924	13.086
Deferred tax liability	133.901	142.400
Deferred tax asset (net)	432.567	489.049

^(*) Includes tax asset amounts to TL 249.530 calculated from net financial losses (December 31, 2021: TL 239.292). Since the Parent Bank has projections on that it will acquire adequate taxable income to deduct these amounts in the coming periods, it has recognized TL 249.530 as deferred tax asset.

The timeout periods during which the financial losses subject to deferred tax are as follows:

	Current Period	Prior Period
The year of 2024	42.604	42.604
The year of 2026	1.153.856	1.153.856
The year of 2027	51.188	-
Total	1.247.648	1.196.460

14. Information on other assets:

As of the balance sheet date, the Group's other assets balance is TL 1.105.621 (December 31, 2021: TL 910.190) and does not exceed 10% of balance sheet total excluding off balance sheet commitments.

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II. Explanations and notes related to consolidated liabilities:

1. Information on funds collected:

a. Information on maturity structure of funds collected:

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	3.781.333	-	-	-	-	-	-	-	3.781.333
II. Real Persons Participation Accounts Non-Trade TL	-	2.712.227	10.823.489	773.627	-	20.708	1.557.912	11.584	15.899.547
III. Current Account other-TL	3.995.302	-	-	-	-	-	-	-	3.995.302
Public Sector	85.163	-	-	-	-	-	-	-	85.163
Commercial Institutions	3.717.704	-	-	-	-	-	-	-	3.717.704
Other Institutions	147.503	-	-	-	-	-	-	-	147.503
Commercial and Other Institutions	24.721	-	-	-	-	-	-	-	24.721
Banks and Participation Banks	20.211	-	-	-	-	-	-	-	20.211
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	20.187	-	-	-	-	-	-	-	20.187
Participation Banks	22	-	-	-	-	-	-	-	22
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	599.074	2.557.750	3.695.633	-	22.346	276.617	105	7.151.525
Public Sector	-	22	109	-	-	-	-	-	131
Commercial Institutions	-	475.501	1.885.317	3.616.660	-	22.324	274.066	105	6.273.973
Other Institutions	-	123.550	280.431	78.973	-	22	2.551	-	485.527
Commercial and Other Institutions	-	1	751	-	-	-	-	-	752
Banks and Participation Banks	-	-	391.142	-	-	-	-	-	391.142
V. Real Persons Current Accounts Non-Trade FC	17.541.893	-	-	-	-	-	-	-	17.541.893
VI. Real Persons Participation Accounts Non-Trade FC	-	7.319.995	10.815.055	1.037.184	-	75.323	3.289.788	10.838	22.548.183
VII. Other Current Accounts FC	14.107.125	-	-	-	-	-	-	-	14.107.125
Residents in Turkey-Corporate	8.651.772	-	-	-	-	-	-	-	8.651.772
Residents Abroad-Corporate	4.538.594	-	-	-	-	-	-	-	4.538.594
Banks and Participation Banks	916.759	-	-	-	-	-	-	-	916.759
Central Bank of Turkey	165.181	-	-	-	-	-	-	-	165.181
Domestic Banks	84	-	-	-	-	-	-	-	84
Foreign Banks	751.138	-	-	-	-	-	-	-	751.138
Participation Banks	356	-	-	-	-	-	-	-	356
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other- FC	-	1.114.244	2.740.914	18.593	-	32.115	35.951	372	3.942.189
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	780.568	2.192.419	10.784	-	10.152	35.896	372	3.030.191
Other institutions	-	37.282	29.155	131	-	-	-	-	66.568
Commercial and Other Institutions	-	296.394	519.340	7.678	-	-	55	-	823.467
Banks and Participation Banks	-	-	-	-	-	21.963	-	-	21.963
IX. Precious Metals Deposits	6.123.475	1.036.759	2.519.957	85.726	-	4.099	128.900	6.406	9.905.322
X. Participation Accounts Special Fund Pools TL	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	45.549.128	12.782.299	29.457.165	5.610.763	-	154.591	5.289.168	29.305	98.872.419

Foreign exchange-protected participation account instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL participation accounts are valued with profit rates and are protected against changes in foreign exchange rates, is offered to the Parent Bank customers. Within this scope, as of March 31,2022, TL participation accounts include TL 12.133.137 foreign exchange-protected participation accounts.

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

1. Information on funds collected (continued):

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

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	4.001.458	-	-	-	-	-	-	-	4.001.458
II. Real Persons Participation Accounts Non-Trade TL	-	3.113.067	5.518.589	161.758	-	22.416	504.010	12.734	9.332.574
III. Current Account other-TL	3.712.855	-	-	-	-	-	-	-	3.712.855
Public Sector	84.792	-	-	-	-	-	-	-	84.792
Commercial Institutions	3.423.766	-	-	-	-	-	-	-	3.423.766
Other Institutions	155.487	-	-	-	-	-	-	-	155.487
Commercial and Other Institutions	31.794	-	-	-	-	-	-	-	31.794
Banks and Participation Banks	17.016	-	-	-	-	-	-	-	17.016
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	17.000	-	-	-	-	-	-	-	17.000
Participation Banks	14	-	-	-	-	-	-	-	14
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	821.395	1.994.941	137.709	-	12.031	167.947	120	3.134.143
Public Sector	-	10	110	-	-	-	-	-	120
Commercial Institutions	-	767.040	1.598.806	135.664	-	12.024	165.558	120	2.679.212
Other Institutions	-	54.344	321.138	2.045	-	7	2.389	-	379.923
Commercial and Other Institutions	-	1	24.445	-	-	-	-	-	24.446
Banks and Participation Banks	-	-	50.442	-	-	-	-	-	50.442
V. Real Persons Current Accounts Non-Trade FC	16.580.053	-	-	-	-	-	-	-	16.580.053
VI. Real Persons Participation Accounts Non-Trade FC	-	7.392.746	11.689.171	984.545	-	73.865	3.091.153	10.588	23.242.068
VII. Other Current Accounts FC	16.467.583	-	-	-	-	-	-	-	16.467.583
Residents in Turkey-Corporate	10.655.873	-	-	-	-	-	-	-	10.655.873
Residents abroad-Corporate	4.369.003	-	-	-	-	-	-	-	4.369.003
Banks and Participation Banks	1.442.707	-	-	-	-	-	-	-	1.442.707
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	78	-	-	-	-	-	-	-	78
Foreign Banks	1.442.303	-	-	-	-	-	-	-	1.442.303
Participation Banks	326	-	-	-	-	-	-	-	326
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	1.246.953	4.051.953	28.420	-	29.869	34.009	2.014	5.393.218
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	835.571	3.394.400	21.434	-	9.968	33.959	2.014	4.297.346
Other Institutions	-	22.336	33.812	14	-	-	-	-	56.162
Commercial and Other Institutions	-	389.046	425.304	6.972	-	-	50	-	821.372
Banks and Participation Banks	-	-	198.437	-	-	19.901	-	-	218.338
IX. Precious Metals Deposits	5.520.205	1.015.474	2.487.785	140.218	-	43.979	128.270	8.798	9.344.729
X. Participation Accounts Special Fund Pools TL	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools - FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
Total (I+II+...+IX+X+XI)	46.282.154	13.589.635	25.742.439	1.452.650	-	182.160	3.925.389	34.254	91.208.681

Foreign exchange-protected participation account instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL participation accounts are valued with profit rates and are protected against changes in foreign exchange rates, is offered to the Parent Bank customers. Within this scope, as of December 31,2021, TL participation accounts include TL 1.002.062 foreign exchange-protected participation accounts.

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

b. Information on participation fund under the guarantee of insurance:

b.1. Under the guarantee of Insurance and Exceeding the limit of insurance fund:

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

	Under the guarantee of Insurance	Under the guarantee of Insurance	Exceeding the guarantee of Insurance	Exceeding the guarantee of Insurance
	Current Period	Prior Period	Current Period	Prior Period
Real persons' current and participation accounts not subject to trading transactions				
Turkish Lira accounts	7.861.317	6.207.822	11.819.564	7.126.212
Foreign currency accounts	10.426.246	8.600.262	38.798.706	38.238.727
Foreign branches' deposits subject to foreign authorities' insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

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

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

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

	Current Period	Prior Period
Foreign Branches' Profit Sharing Accounts and Other Accounts	256.716	312.319
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board Of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	33.287	39.825
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Turkey in order to engage solely in Off-Shore Banking Activities	-	-

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

2. Information on borrowings:

a.1. Information on types of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Syndication Loans	-	-	-	-
Wakala Loans	-	2.168.086	-	1.249.451
Other	71.511	938.247	53.707	841.377
Total	71.511	3.106.333	53.707	2.090.828

a.2. Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	71.511	459.192	53.707	465.339
Loans from foreign banks, institutions and funds	-	2.647.141	-	1.625.489
Total	71.511	3.106.333	53.707	2.090.828

a.3. Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	71.511	3.091.294	53.707	2.007.533
Medium and Long-Term	-	15.039	-	83.295
Total	71.511	3.106.333	53.707	2.090.828

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

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

3. Information on securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Sukuk issued	2.517.170	-	3.065.049	-
Total	2.517.170	-	3.065.049	-

4. Information on derivative financial liabilities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	12.579	-	20.861	-
Swap transactions	-	-	159.624	6.769
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	12.579	-	180.485	6.769

The Parent Bank has not any derivative financial liabilities for hedging purposes (December 31, 2021: None).

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

5. Lease payables:

	Current Period		Prior Period	
	TL	FC	TL	FC
Less than a year	13.140	-	4.631	-
1 to 5 years	106.550	22.697	108.401	-
Over 5 years	219.487	1.098	214.808	21.774
Total	339.177	23.795	327.840	21.774

6. Information on provisions:

a. Information on provisions for employee rights:

The Group's provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 133.040 (December 31, 2021: TL 130.540), vacation pay liability amounting to TL 24.106 (December 31, 2021: TL 17.764), totaling to TL 157.146 (December 31, 2021: TL 148.304). Provisions for performance premium have not been allocated in the current period. (December 31, 2021: 1.250 TL). The Group has calculated the reserve for employee termination benefits using actuarial valuation methods as indicated in TAS 19. Accordingly, following actuarial assumptions were used in the calculation of the total liability.

	Current Period	Prior Period
Discount rate (%)	14,50	14,50
Estimated increase rate of salary ceiling (%)	10,00	10,00

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

	Current Period	Prior Period
Prior period ending balance	130.540	121.163
Amount of provision during the period	2.500	25.327
Actuarial (gain)/loss	-	(15.950)
Balance at the end of the period	133.040	130.540

b. Other provisions:

	Current Period	Prior Period
Non-cash loans first and second stage expected loss provisions	19.330	16.435
Provisions allocated from profit shares to be distributed to profit sharing accounts	1.936	2.957
Third stage expected loss provision for unindemnified letter of guarantees	5.953	3.881
Third stage expected loss provision for cheques commitments	4.857	4.002
Provision for promotions related with credit cards and promotion of banking services	276	283
Provisions for cases on trial	41.501	34.057
Accrual for purchase and sale commitments	265	1.583
Free provisions allocated for possible losses ^(*)	200.000	100.000
Other	1.529	1.239
Total	275.647	164.437

^(*)Includes free provision amounting to TL 200.000, which is set aside by the Parent Bank's management apart from the requirements of the BRSA Accounting and Financial Reporting Legislation. (31 December 2021: 100.000 TL).

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

6. Information on provisions:

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

As of 31 March 2022, foreign exchange losses on foreign currency indexed loans and financial lease receivables amounting to TL 2 (December 31, 2021: None) are offset with the loans and leasing receivables in the assets of the balance sheet

7. Information on taxes payable:

a. Explanations on current tax liability:

a.1. Explanations on tax provisions:

As of March 31, 2022, the Group's has remaining tax liability after offsetting prepaid corporate tax amount to TL 20.494 (December 31, 2021: TL 21.647).

a.2. Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	20.494	21.647
Banking insurance transaction tax	35.713	26.333
Taxation on securities income	10.421	18.094
Value added tax payable	8.617	9.343
Taxation on real estate income	1.588	1.371
Foreign exchange transaction tax	8.037	17.031
Income tax deducted from wages	8.299	14.717
Other	2.873	2.611
Total	96.042	111.147

a.3. Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	7.382	6.766
Social security premiums-employer	8.200	7.447
Bank pension fund premium-employee	-	-
Bank pension fund premium-employer	-	-
Pension fund membership fees and provisions-employee	-	-
Pension fund membership fees and provisions-employer	-	-
Unemployment insurance-employee	525	482
Unemployment insurance-employer	1.051	963
Other	-	-
Total	17.158	15.658

8. Liabilities for assets held for sale and discontinued operations:

None (December 31, 2021: None).

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in calculation of	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in calculation of Tier II	-	3.510.959	-	3.119.354
Subordinated loans	-	3.510.959	-	3.119.354
Subordinated debt instruments	-	-	-	-
Total	-	3.510.959	-	3.119.354

The Parent Bank has obtained subordinated loan on November 30, 2015 from the investors not resident in Turkey through its structured entity Albaraka Sukuk Ltd. amounting to USD 250.000.000 with 10 years maturity with a grace period of 5 years. The profit rate of the subordinated loan with grace period of 5 years with 10 years total maturity was determined as 10,50 % for the first 5 years and 9.371% for the last 5 years (from May 2021). The Parent Bank has repurchased the sukuk issued in the amount of USD 16.051.000 and this amount is offset in Financial Assets Measured at Fair Value through Other Comprehensive Income and subordinated loans. The Parent Bank has realized unmatured additional Tier 1 Capital amount to USD 205.000.000 on February 20, 2018.

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

None (December 31, 2021: None).

11. Information on shareholders' equity:

a. Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	1.350.000	1.350.000
Preferred stock	-	-

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

In the Board of Directors meeting dated February 28, 2013, the Parent Bank has taken a resolution on transition to registered capital system. The application dated January 22, 2021 for the extension of the Registered Capital Ceiling to the Capital Markets Board has been approved on January 28, 2021 and the registered capital ceiling was determined as TL 2.500.000 to be valid until December 31, 2025.

Share Capital System	Paid-in Capital	Ceiling
Registered Capital	1.350.000	2.500.000

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

There is no capital increase in the current period.

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

11. Information on shareholders' equity (continued):

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

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

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

There are no capital commitments until the end of the last fiscal year and following interim period.

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

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

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

There is no privilege given to stocks representing the capital.

g. Information on marketable securities valuation reserve:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference (*)	23.194	166	11.641	6.760
Foreign exchange difference	-	-	-	-
Total	23.194	166	11.641	6.760

(*) The amount represents the net balance after deferred tax calculation.

ğ. Information on other capital reserves:

The Parent Bank has evaluated its perpetual sukuk transaction as non- monetary item as per TAS 32 which is issued by "Bereket One Ltd" quoted at Ireland Stock Exchange amount to USD 205.000.000 (Historical cost is TL 775.720) and compatible with Basel III criteria. In addition to this evaluation, considering BRSA's approval to add it to additional Tier 1 capital dated February 20, 2018, the Parent Bank recognized it in shareholders' equity under "other capital reserves" on historical cost. The settlement date of the sukuk transaction is February 20, 2023 and its yearly cost is 10% with every six-month payment. The Parent Bank has option to cancel the expense amounts. If the Parent Bank uses this option, it is not obligatory to pay the amount it has not paid in the following periods.

The coupon payment for the related transaction amounting to TL 608.025 (December 31, 2021: TL 468.589) has been recognized under prior years profit / loss.

h. Information on minority shares:

As of March 31, 2022, minority shares calculated for full-consolidated uncontrolled shares amount to TL 991.576 (December 31, 2021: TL 1.943.910).

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

1. Explanations on consolidated off-balance sheet:

a. Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for credit card limits	1.232.241	1.059.919
Payment commitments for cheques	1.078.551	834.732
Asset purchase and sale commitments	773.063	927.624
Loan granting commitments	608.901	655.296
Tax and funds liabilities arising from export commitments	18.898	17.234
Commitments for promotions related with credit cards and banking activities	530	555
Other irrevocable commitments	552	552
Other revocable commitments	41.500	39.500
Total	3.754.236	3.535.412

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

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

	Current Period	Prior Period
Letters of guarantees	13.272.614	12.371.236
Bank loans	31.678	99.278
Letters of credit	4.819.950	4.898.399
Other guaranties and sureties	38.209	34.387
Total	18.162.451	17.403.300

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

	Current Period	Prior Period
Letters of guarantees	13.272.614	12.371.236
Long standing letters of guarantees	9.141.420	8.421.227
Temporary letters of guarantees	264.874	294.638
Advance letters of guarantees	902.393	803.105
Letters of guarantees given to customs	721.463	654.451
Letters of guarantees given for obtaining cash loans	2.242.464	2.197.815
Sureties and similar transactions	38.209	34.387
Total	13.310.823	12.405.623

c. Within the non-cash loans:

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

	Current Period	Prior Period
Non-cash loans given against cash loans	2.242.464	2.197.815
With original maturity of 1 year or less	657.057	662.573
With original maturity of more than 1 year	1.585.407	1.535.242
Other non-cash loans	15.919.987	15.205.485
Total	18.162.451	17.403.300

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

1. Explanations on consolidated off-balance sheet (continued):

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

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

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

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

2. Explanations on derivative transactions:

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

3. Explanations on contingent assets and liabilities:

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

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

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

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IV. Explanations and notes related to the consolidated statement of profit or loss:

1. Information on profit share income:

a. Information on profit share income received from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share received from loans^(*)				
Short Term Loans	355.895	59.971	182.267	36.123
Medium and Long-Term Loans (**)	633.700	265.232	446.439	190.757
Profit Share on Non-Performing Loans	29.586	2.291	25.126	975
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	1.019.181	327.494	653.832	227.855

^(*) Includes fees and commission income on cash loans.

b. Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	40.451	-	20.367	-
Domestic Banks	108	-	100	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	40.559	-	20.467	-

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss	141.149	56.067	50.633	15.348
Financial Assets Measured at Fair Value through Other Comprehensive Income	68.897	3.018	28.941	4.627
Financial Assets Measured at Amortised Cost	46.303	92.374	33.018	22.594
Total	256.349	151.459	112.592	42.569

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

None (March 31, 2021: None).

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

2. Explanations on profit share expenses:

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

Current Period		Profit sharing accounts						
Account name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	More than 1 year	Accumulated profit sharing account	Total
TL								
Funds collected from banks through current and profit-sharing accounts	-	5.423	-	-	-	-	-	5.423
Real persons' non-trading profit sharing accounts	95.506	308.134	19.545	-	950	33.147	412	457.694
Public sector profit-sharing accounts	-	3	-	-	-	-	-	3
Commercial sector profit sharing accounts	20.921	62.876	64.929	-	4.525	4.160	2	157.413
Other institutions profit sharing accounts	2.008	12.922	2.204	-	1	86	-	17.221
Total	118.435	389.358	86.678	-	5.476	37.393	414	637.754
FC								
Funds collected from banks through current and profit-sharing accounts	-	644	-	-	78	-	-	722
Real persons' non-trading profit sharing accounts	8.478	13.450	1.621	-	107	7.396	26	31.078
Public sector profit-sharing accounts	-	-	-	-	-	-	-	-
Commercial sector profit sharing accounts	940	7.038	18	-	12	76	1	8.085
Other institutions profit sharing accounts	316	637	10	-	-	-	-	963
Precious metals deposits	267	1.016	65	-	6	165	8	1.527
Total	10.001	22.785	1.714	-	203	7.637	35	42.375
Grand total	128.436	412.143	88.392	-	5.679	45.030	449	680.129

Prior Period		Profit sharing accounts						
Account name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	More than 1 year	Accumulated profit sharing account	Total
TL								
Funds collected from banks through current and profit sharing accounts	-	1	-	-	-	-	-	1
Real persons' non-trading profit sharing accounts	68.286	111.035	4.154	-	790	14.149	350	198.764
Public sector profit sharing accounts	1	1	-	-	-	-	-	2
Commercial sector profit sharing accounts	9.812	118.695	5.092	-	3.604	1.301	3	138.507
Other institutions profit sharing accounts	1.940	10.447	214	-	15	89	-	12.705
Total	80.039	240.179	9.460	-	4.409	15.539	353	349.979
FC								
Funds collected from banks through current and profit sharing accounts	42	261	-	-	41	18	-	362
Real persons' non-trading profit sharing accounts	12.879	21.110	2.123	-	126	6.341	9	42.588
Public sector profit sharing accounts	-	-	-	-	-	-	-	-
Commercial sector profit sharing accounts	2.496	13.457	295	-	376	69	4	16.697
Other institutions profit sharing accounts	415	808	25	-	-	-	-	1.248
Precious metals deposits	329	1.070	55	-	17	65	1	1.537
Total	16.161	36.706	2.498	-	560	6.493	14	62.432
Grand total	96.200	276.885	11.958	-	4.969	22.032	367	412.411

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	38	8.634	-	13.835
CBRT	-	-	-	-
Domestic banks	-	292	-	412
Foreign banks	38	8.342	-	13.423
Head offices and branches abroad	-	-	-	-
Other institutions	2.387	82.090	2.039	45.176
Total	2.425	90.724	2.039	59.011

c. Profit share expense paid to associates and subsidiaries:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share paid to investments in associates and subsidiaries	161	-	-	-
Total	161	-	-	-

ç. Profit share expenses paid to marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share expenses paid to marketable securities issued	128.509	-	220.125	-
Total	128.509	-	220.125	-

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

Other Fees and Commissions Received	Current Period	Prior Period
Member firm-POS fees and commissions	24.994	14.608
Clearing room fees and commissions	23.938	13.381
Commissions on money orders	25.447	10.675
Appraisal fees	5.248	3.419
Insurance and brokerage commissions	9.998	6.330
Checks and bills commissions	1.572	1.096
Safe deposit box commissions	918	762
Advocacy service commissions and counsel fee	2.100	-
Service pack commissions	6.069	2.569
Enquiry fees received	614	721
Fees and commissions from correspondent banks	1.141	1.068
Export credit commissions	4.772	1.729
Prepaid import commissions	18.072	10.628
Pledge Put and Mortgage Release Fees	682	570
Loan Limit Allocation Fees	13.512	5.996
Other	17.142	12.040
Total	156.219	85.592
Other Fees and Commissions Paid	Current Period	Prior Period
Funds borrowed fees and commissions	1.986	2.739
Credit cards fees and commissions	14.036	7.322
Member firm-POS fees and commissions	14.873	7.627
Fees and commissions for Swift, EFT and money orders	21.569	17.974
Required Reserves Commissions for CBRT in Foreign currency	231	498
Other	4.196	4.648
Total	56.891	40.808

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

4. Information on dividend income:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	2.644	48	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	-	-	-	-
Other	-	-	-	-
Total	2.644	48	-	-

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

	Current Period	Prior Period
Income	13.123.212	9.157.612
Income from capital market transactions ^(*)	329.052	54.379
Income from derivative financial instruments	83.720	215.071
Foreign exchange income	12.710.440	8.888.162
Loss (-)	12.719.673	9.150.984
Loss on capital market transactions	176.324	20.372
Loss on derivative financial instruments	49.774	99.091
Foreign exchange losses	12.493.575	9.031.521
Trading Income/Loss (net)	403.539	6.628

6. Explanations related to other operating income:

	Current Period	Prior Period
Reversal of prior year provisions	307.842	278.344
Income from sale of assets	40.487	12.495
Communication income	10.155	4.427
Cheque book charges	914	697
Operating Lease Income	132	661
Real estate revaluation income ^(*)	132.841	29.618
Real estate rental income ^(*)	1.911	2.087
Real estate sales income ^(*)	41.386	-
Other income	8.201	5.502
Total	543.869	333.831

^(*) Represents the income from real estates' portfolio under real estate investment funds.

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

7. Informations on Expected Credit Losses and Other Provision Expenses:

	Current Period	Prior Period
Expected Credit Loss	1.097.020	225.165
12 month expected credit loss (stage 1)	58.654	3.655
Significant increase in credit risk (stage 2)	382.453	4.073
Non-performing loans (stage 3)	655.913	217.437
Marketable Securities Impairment Expense	-	-
Financial Assets Measured at Fair Value through Profit/Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Impairment Provision for Associates, Subsidiaries and Joint Ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Miscellaneous Provisions	17.232	892
Expected credit losses for 1st and 2nd group non-cash loans	2.860	9
Third stage expected loss provision for unindemnified non cash loans	2.974	-
Expected credit losses (stage 1) for banks	11.374	-
Profit and loss sharing investments' fair value provision.	-	-
Expected credit losses (stage 1) for other financial assets.	-	338
Expected credit losses for financial assets measured at amortized cost	24	545
Total	1.114.252	226.057

Expected credit losses amount to TL 1.114.252 (March 31, 2021: TL 226.057) includes TL 674.582 (March 31, 2021: TL 105.823) representing participation account share of expected credit losses of loans provided from participation accounts.

Information on Other Provision Expenses

	Current Period	Prior Period
Vacation pay provision expenses	6.341	3.796
Impairment on financial assets measured at fair value through profit/loss	6.312	1.672
Provisions for cases on trial	7.445	1.347
Free provisions allocated for possible losses	100.000	-
Provisions allocated from profit shares to be distributed to profit sharing accounts	442	-
Provisions for Profit Share to be Distributed	3.383	-
Total	123.923	6.815

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

8. Information on other operating expenses:

	Current Period	Prior Period
Provision for retirement pay liability	2.500	6.900
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	36.009	28.124
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	11.904	6.915
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and assets of discontinued operations	139	-
Other business expenses	72.976	42.025
Leasing Expenses on TFRS 16 Exceptions	496	487
Maintenance and repair expenses	9.470	8.090
Advertisement expenses	1.118	860
Other expenses ^(*)	61.892	32.588
Loss on sale of assets	71	8
Other ^(**)	137.563	88.253
Total	261.162	172.225

^(*) Other expenses under "other business expenses" are provided as below:

	Current Period	Prior Period
Communication Expenses	14.191	8.393
Donations	3.500	3.324
Cleaning expenses	8.170	5.517
Heating, lighting and water expenses	9.348	3.616
Representation and Hosting expenses	2.460	1.645
Vehicle expenses	2.661	1.334
Lawsuit and court expenses	2.372	777
Movables Insurance Expenses	1.460	1.609
Stationery Expenses	2.024	627
Expense Share for Common Expenses	712	579
Subcontractor security service expenses	8.436	-
Cash and banknote group transportation service expenses	3.764	2.021
Other	2.794	3.146
Total	61.892	32.588

^(**) Details of "other" balance are provided as below:

	Current Period	Prior Period
Saving Deposit Insurance Fund	42.062	27.668
Taxes, Duties, Charges and Funds	32.750	23.747
Expertise and Information Expenses	6.348	4.868
Audit and Consultancy Fees	9.131	3.261
Institution and Union Participation Share Expense	5.019	3.722
Residence Expenses ^(*)	6.377	6.016
Shopping Mall expenses ^(*)	1	5.618
Real estate sales losses ^(*)	-	7.991
Other	35.875	5.362
Total	137.563	88.253

^(*) Represents the expenses from real estates' portfolio under real estate investment funds.

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

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

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

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

Since the Parent Bank has no discontinued operations, there is no tax provision for this purpose.

As of March 31, 2022, the Parent Bank has deferred tax income of TL 121.143 (March 31, 2021: TL 109.158) and deferred tax expense of TL 248.170 (March 31, 2021: TL 126.653). The current tax provision is TL 3.165 (March 31, 2021: TL 1.826).

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

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

12. Explanations on net income/loss:

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

None.

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

None.

c. Income/loss of minority shares:

	Current Period	Prior Period
Net profit/(loss) of minority shares	7.509	18.406

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

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

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

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

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

1. Information on the volume of transactions relating to the Parent Bank's risk group, outstanding loans and funds collected and income and expenses related to the period:

a. Current period:

Risk Group of the Parent Bank ^(*)	Investment in associates, subsidiaries and joint ventures (Business Partnerships)		Direct and indirect shareholders of the Parent Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-Cash
Loans						
Balance at the beginning of the period	90	62	1.219.475	64.583	52	-
Balance at the end of the period	110	332	1.365.984	57.496	72	-
Profit share and commission income received	-	1	1.946	112	-	-

b. Prior period:

Risk Group of the Parent Bank ^(*)	Investment in associates, subsidiaries and joint ventures (Business Partnerships)		Direct and indirect shareholders of the Parent Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of period	6	53	818.807	34.537	187	-
Balance at end of period	90	62	1.219.475	64.583	52	-
Profit share and commission income received	-	-	357	16	3	-

^(*) Defined under Banking Law numbered 5411 in article 49 and "Communiqué Related to Credit Operations of Banks" in article 4 published on November 1, 2006.

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

Risk Group of the Parent Bank ^(*)	Investment in associates, subsidiaries and joint ventures (Business Partnerships)		Direct and indirect Shareholders of the Parent Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and profit sharing accounts						
Balance at the beginning of period	15.374	35.342	688.843	271.125	28.403	12.518
Balance at the end of period	34.945	15.374	434.102	688.843	23.232	28.403
Profit share expense	9	16	1	1	103	232

^(*) As of March 31, 2022, wakala borrowings obtained from risk group of the Parent Bank through investment purpose wakala contracts amount to USD 43.347.153 and EUR 13.628.009 (December 31, 2021: USD 42.837.711 and EUR 21.600.000). The profit share expense relating to such borrowings for the period between January 1, 2022- March 31, 2022 is TL 8.462 (March 31, 2021: TL 6.551).

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

c.1. Information on current and profit-sharing accounts of the Parent Bank's risk group (continued):

USD 155 million of the additional Tier I capital amounting to USD 205 million, which was realized on February 20, 2018, belongs to Albaraka Banking Group, the main shareholder of the Parent Bank. The related amount is accounted under other capital reserves in the financial statements.

c.2. Information on forward, option agreements, and other similar agreements with related parties:

The Group does not have forward and option agreements with the risk group of the Parent Bank.

As of March 31, 2022, the Group has paid TL 4.431 (March 31, 2021: TL 4.540) to top management.

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

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

IX. Explanations related to subsequent events:

The Parent Bank's application to increase its issued capital amounts to TL 1.350.000 to TL 2.500.000 (TL 1.150.000 increase through right issues (at the rate of 85,18518 %)) has been approved by Capital Market Board meeting dated April 14, 2022 and issued in its weekly bulletin numbered 2022/18 of the same date.

At the General Assembly of the Parent Bank held on March 30,2022, postponement of the negotiation of the financial statements and the issues in relation to them have been requested and for related items the General Assembly has been delayed as per Turkish Trade Law code 420. The delayed Assembly has been held on May 16,2022 and its registration process in progress.

X. Other Explanations

Other issues that have significant effect on the balance sheet or that are ambiguous and/or open to interpretation and require clarification:

None.

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SECTION SIX

Limited review report

I. Explanations on limited review report:

The Group's consolidated financial statements as of and for the period ended March 31, 2022 have been reviewed by PwC Bağımsız Denetim ve SMMM A.Ş. and the reviewed report dated May 20, 2022 is presented at the beginning of the financial statements and related notes.

II. Other notes and explanations prepared by the independent auditors:

None.

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SECTION SEVEN

Information on Interim Report

a. General Information

1. Summary Information about Albaraka Türk Katılım Bankası A.Ş:

Albaraka Türk Participation Bank, the first and the leading financial institution in interest free banking field in Turkey, has completed its establishment in 1984 and entered into service as of the beginning of the year of 1985. Albaraka Türk is continuing its activities subject to the Banking Law No. 5411. In the partnership structure of Albaraka Türk established under the leadership of Albaraka Banking Group (ABG), one of the leading groups of Middle East, Islamic Development Bank (IDB) and a domestic industrial group serving to Turkish economy for more than a half century, share of the foreign partners is 62,12%, share of the domestic partners is 0,95% and publicly held share is 36,93%. Partnership structure of Albaraka Türk is the guarantee of the respect and trust we bear.

Albaraka Türk, which collects funds through current accounts and participation accounts and brings the funds back to the country's economy with products such as individual financing, corporate finance, financial leasing and project-based profit-loss sharing, is authorized to offer various financing and banking services with the interest-free banking principle.

Albaraka Türk has always aimed to achieve sustainable growth with the strategy of "adding value to your values" for all its stakeholders with its "reliable", "understandable", "responsible" and "transparent" approach to all its customers, including individual, corporate and SME segments in order to offer services and improve customer experience in all-inclusive participation banking system. With its competent and dynamic human resources and interest-free banking infrastructure, Albaraka Türk is a leader in its products and services without compromising on its quality and value.

Albaraka Türk, started with the vision of being the best regional bank in offering financial products and services in Gulf, Middle East and North Africa geographies where its main partner ABG is carrying out business, is rendering fast, qualified and safe foreign trade (import, export and foreign exchange) services to its customers in more than 100 countries from Singapore to England, South Africa to Morocco, Australia to Kazakhstan, by the wide correspondent net it has established with over the 1000 banks. Albaraka Türk, is an international Participation Bank adopted the mission of adding value to its customers, partners, employees and Turkey.

2. Capital and Shareholders' Structure:

Albaraka Türk's paid-up capital is TL 1.350.000 as of March 31, 2022.

Shareholders' Structure of Albaraka Türk as of March 31, 2022		
	Share amount (TL)	Ratio (%)
Foreign Shareholders	838.604	62,12
Albaraka Banking Group	489.961	36,29
Islamic Development Bank	207.585	15,38
Alharthy Family	105.861	7,84
Others	35.197	2,61
Local Shareholders	12.841	0,95
Publicly Listed	498.555	36,93
Total	1.350.000	100,00

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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Information on Interim Report (continued):

3. Branch and Personnel Information:

As of March 31, 2022, total number of branches of the Bank is 231 and the total number of personnel is 2.681. Albaraka Türk carries out its activities with 229 domestic branches extended throughout the country and 2 branches abroad in Erbil and Baghdad.

4. Board of Directors Chairman and Members (*):

Name and surname	Administrative Function	Educational Degree	Start Date	Banking Experience
Mazin Khairy Shaker MANNA	Chairman of BOD	Bachelor	2021	31
Melikşah UTKU	Member of BOD	Master	2016	18
Prof.Dr. Kemal VAROL	Member of BOD	Doctorate	2013	11
Mustafa BÜYÜKABACI	Member of BOD	Master	2017	6
Mehmet Ali GÖKCE	Independent Member of BOD	Master	2020	41
Dr. Mohamed Ali CHATTI	Independent Member of BOD	Doctorate	2020	12
Houssein BEN HAJ AMOR	Member of BOD	Bachelor	2020	17
Tawfig MUFTI	Member of BOD	Bachelor	2020	29
Ghassan AMODI	Independent Member of BOD	Bachelor	2020	28
Azhar Aziz DOGAR (*)	Member of BOD	Master	2022	28
Malek Khodr TEMSAH	Member of BOD and Acting General Manager	Master	2017	19

(*) As of 18.01.2022, it has been decided to temporarily elect Azhar Aziz DOGAR to the vacant Board of Directors.

5. Top Management:

Name and Surname	Administrative Function	Educational Degree	Start Date	Banking Experience
Malek Khodr TEMSAH	Member of Board of Directors and Acting General Manager	Master	2017	19
Turgut SİMİTÇİOĞLU	Senior Assistant General Manager	Master	2017	32
Süleyman ÇELİK	Assistant General Manager	Bachelor	2017	33
Fatih BOZ	Assistant General Manager	Master	2017	24
Hasan ALTUNDAĞ	Assistant General Manager	Bachelor	2017	35
Mustafa ÇETİN	Assistant General Manager	Bachelor	2018	25
Volkan EVCİL	Assistant General Manager	Bachelor	2019	31
Mehmet Fatih YORULMAZ	Assistant General Manager	Master	2020	8
Yasemin AYDIN	Director	Master	2020	26
Mehmet ULUDAĞ	Director	Master	2020	18

6. Managers of Departments within Internal Systems

Name and Surname	Professional Experience (Years)	Duration of Services at Albaraka Türk (Years)	Length of Services in His Area (Years)	Education	Field of Responsibility
Ahmet UYSAL	16	16	13	Master	Internal Audit
Umut ÇAKMAK	15	15	15	Bachelor	Risk Management
Ahmet Faruk DEĞİRMENCİ	14	14	5	Bachelor	Internal Control
Ahmet KOÇ	24	24	11	Bachelor	Legislation and Compliance

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NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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Information on Interim Report (continued):

7. Committee Information After Distribution of Roles Among Board of Directors:

AUDIT COMMITTEE

Chairman: Mustafa BÜYÜKABACI
Member: Mehmet Ali GÖKCE
Member: Houssem BEN HAJ AMOR

CREDIT COMMITTEE:

Chairman: Mazin Khairy Shaker MANNA
Member: Prof. Dr. Kemal VAROL
Member: Malek Khodr TEMSAH
Member: Azhar Aziz DOGAR
Reserve Member: Mohamed Ali CHATTI
Reserve Member: Houssem BEN HAJ AMOR

CORPORATE GOVERNANCE COMMITTEE:

Chairman: Mohamed Ali CHATTI
Member: Melikşah UTKU
Member: Cihat KESKİN

REMUNERATION COMMITTEE:

Chairman: Mazin Khairy Shaker MANNA
Member: Mustafa BÜYÜKABACI
Member: Mohamed Ali CHATTI

SUSTAINABILITY AND SOCIAL RESPONSIBILITY COMMITTEE:

Chairman: Mehmet Ali GÖKCE
Member: Mohamed Ali CHATTI

EXECUTIVE COMMITTEE:

Chairman: Mazin Khairy Shaker MANNA
Member: Prof. Dr. Kemal VAROL
Member: Melikşah UTKU
Member: Malek Khodr TEMSAH

INFORMATION TECHNOLOGIES GOVERNANCE COMMITTEE

Chairman: Melikşah UTKU
Member: Malek Khodr TEMSAH
Technical Member: Hood Hashem Ahmed HASHEM

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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Information on Interim Report (continued):

II. Banks Financial Information and Evaluations:

1. Main Financial Figures:

ASSETS	Current Period	Prior Period
Cash and Balances with The Central Bank	27.484.089	26.498.611
Banks	6.232.842	5.334.061
Financial Assets- Available For Sale (Net)	18.406.310	16.389.230
Loans and Receivables	64.593.934	59.304.778
Financial Leasing Receivables	904.069	820.674
Others	1.265.221	1.677.094
TOTAL ASSETS	118.886.465	110.024.448
LIABILITIES	Current Period	Prior Period
Funds Collected	98.872.419	91.208.681
Funds Borrowed	3.177.844	2.144.535
Securities Issued (Net)	2.517.170	3.065.049
Subordinated Loans	3.510.959	3.119.354
Shareholders' Equity	5.836.238	6.699.180
Others	4.971.835	3.787.649
TOTAL LIABILITIES	118.886.465	110.024.448
INCOME AND EXPENSE ITEMS	Current Period	Prior Period
Profit Share Income	1.810.572	1.065.032
Profit Share Expense	939.331	772.529
Net Profit Share Income/Expenses	871.241	292.503
Net Fees and Commissions Income/Expenses	158.525	77.898
Trading Income/Loss (Net)	403.539	6.628
Other Operating Income	543.869	333.831
Net Operating Income/ (Losses)	243.571	115.743
Tax Provision For Discontinued Operations (-+)	130.192	19.321
NET PROFIT/LOSSES	121.643	102.705
Earnings Per Share (Full TL)	0,08	0,06

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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Information on Interim Report (continued):

2. Message from the Chairman of the Board of Directors:

Dear Stakeholders,

The effect of the epidemic on the economies is gradually decreasing. While the epidemic gradually falling off the agenda in the first quarter of 2022, the war between Russia and Ukraine is reaching up the top. The increase in demand due to monetary expansion, deterioration of supply chains, and increase in economic activity has brought global inflation to historical levels. While inflation increased due to energy commodity prices and supply-side constraints in the USA and EU countries, the war between Russia and Ukraine created an upside risk on inflation. In addition, stagflation began to take place on the world's agenda as the war had a negative impact on economic activity.

While stagflation expectations are increasing all over the world, economic activity in Turkey is still strong. Turkey, which grew by 11% in 2021, is positively differentiated from other countries. Positive growth is expected in the first quarter of 2022 as well. Leading indicators regarding industrial production also followed a strong course as of the first quarter. However, inflation continues to rise with the effect of the war. As of March, inflation rose to 61%, while year-end inflation expectations increased. The increase in energy and food prices all over the world has led to a negative course in inflation in Turkey. In the rest of the year, electricity and natural gas prices, oil prices and high exchange rates will be among the factors that pose risks on inflation. If the war continues, the risks on inflation will continue.

During the pandemic period, the Turkish banking sector has been one of the most important stakeholders of the economic recovery. Participation banks also increased their share in the sector, which recorded strong growth in 2022.

As Albaraka Türk, we have made moves that will positively affect our profitability by increasing our asset quality in this period. In addition, our Bank has accelerated its investments in the field of digitalization by adapting quickly to the new normal. Being aware of and under the responsibility of being Turkey's first and pioneering Participation Bank, we will diligently continue our sustainable-oriented works that will contribute to the financial ecosystem in our country in the long view.

Our bank will continue to be a pioneer in the sector with its employees and stakeholders in the long view as well. I would like to take this opportunity to thank my colleagues, customers, shareholders and all other stakeholders for their contributions to our success.

Sincerely,

Mazin Khairy Shaker MANNA
Chairman of the Board of Directors

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Information on Interim Report (continued):

3. Message from the Acting General Manager

Dear Shareholders,

While the coronavirus epidemic carried its presence in our lives to the second year, the cases decreased considerably in the first quarter of 2022. Although the effects of the epidemic on economic activity gradually decreased, the inflationary pressure it caused worldwide could not be prevented. In addition to this situation, Russia's occupation of Ukraine in the first quarter of the year caused supply interruptions and various sanctions. While the shadow of the pandemic on the economies has begun to fade, the emerging economic and diplomatic tensions will somewhat limit the expected recovery. Increasing commodity prices and rising inflation all over the world have become the common problem of countries. Brent oil price exceeding \$130 in the first quarter of 2022, record-breaking natural gas prices and price increases in other commodities directly and indirectly affect commodity importing countries, including Turkey. Under the current conditions, global inflation expectations have increased, and signs of tightening in monetary policies have begun to be observed all over the world. In this context, expectations for an earlier tightening by the Federal Reserve have strengthened.

In line with the developments in the world, inflation was the main agenda item in Turkey in the first quarter of the year. While the increase in consumer prices increased to 61.14% annually in March, the increase in producer prices reached 114.97% annually. Throughout this quarter, the CBRT kept the policy rate constant at 14%. In the upcoming period, it is expected that the increase in inflation will continue for a while, peaking in May-June, and then entering a downward trend towards the end of the year.

In 2022, a faster growth is expected in the banking sector compared to 2021. Although increasing inflation and exchange rate volatility had a somewhat negative impact on economic activity and loan disbursement mechanisms, Albaraka Türk increased its consolidated assets by 8,1% and reached an asset size of TRY 118,9 Billion in this period. Our bank increased its financing by 8,9% to TRY 64,6 billion and continued to support the real sector. The capital adequacy ratio of Albaraka Türk which increased its total collected funds by 8,4% to TL 98,9 billion is 13,72% as of the end of first quarter of 2022, above the legal requirement level. In addition, it was decided to increase the paid-in capital by 85% in 2021, and as a result of the planned capital increase, it is aimed to increase the paid-in capital of our Bank from TRY 1.350 million to TRY 2.500 million.

On the other hand, our Bank, which continues its activities with the aim of digital transformation, effective use of technology and sustainable efficiency, completed many projects in 2021 and introduced innovations. Pratik Finansman, Notaries Union Secure Payment System and cooperation with OYAK Securities have come to the fore in our digitalization efforts. We strive to improve and develop our sustainable digital banking operations.

In the long view, we will continue our investments in the digital field and keep the customer experience at the forefront. As Albaraka Türk, we will try to increase our sustainability activities, which we attach importance to and carry out meticulously. We will continue to work without slowing down in line with our goal of providing the highest quality banking service to our customers. I would like to take this opportunity to express my sincere thanks to all my colleagues and stakeholders for their contributions in our efforts, which were rewarded with the trust and support of our customers, and wish you healthy days.

Sincerely,

Malek Khodr TEMSAH
Acting CEO and Board Member

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NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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Information on Interim Report (continued):

4. Activities in the First Quarter of 2022:

- Our total assets have actualized as TL 118.886.465 in the first quarter of 2022.
- In the first quarter of 2022, the total funds our Bank collected through "Special Current Accounts" and "Participation to Profit and Loss Accounts" has been TL 98.872.419. Participation accounts was realized as 53.323.291 TL and current accounts was 45.549.128 in the first quarter of 2022.
- Our Bank's Fund Collecting Activities are carried out through our branches, our bank's branches throughout the country and correspondent banks abroad.

TL and USD Equivalent	Current Period		Prior Period		Change (%)	
	TL Equivalent	USD Equivalent	TL Equivalent	USD Equivalent	TL	USD
TL Funds	30.827.707	2.119.471	20.181.030	1.526.322	52,76	38,86
Current Accounts	7.776.635	534.660	7.714.313	583.445	0,81	(8,36)
Participation Accounts	23.051.072	1.584.811	12.466.717	942.877	84,90	68,08
FC Funds	68.044.712	4.678.220	71.027.651	5.371.929	(4,20)	(12,91)
Current Accounts	37.772.493	2.596.940	38.567.841	2.916.944	(2,06)	(10,97)
Participation Accounts	30.272.219	2.081.280	32.459.810	2.454.985	(6,74)	(15,22)
TOTAL	98.872.419	6.797.691	91.208.681	6.898.251	8,40	(1,46)

TL and USD Equivalent	Current Period		Prior Period		Change (%)	
	TL Equivalent	USD Equivalent	TL Equivalent	USD Equivalent	TL	USD
Credits	60.227.796	4.140.790	55.521.541	4.199.179	8,48	(1,39)
Financial Leasing	904.069	62.157	820.674	62.069	10,16	0,14
Non-performing Loans	4.366.138	300.181	3.783.237	286.132	15,41	4,91
Provisions	(3.071.870)	(211.198)	(2.658.043)	(201.032)	15,57	5,06
TOTAL	62.426.133	4.291.930	57.467.409	4.346.348	8,63	(1,25)

The currency used in the preparation of the tables are as follows;

Balance Sheet Period	USD/TL
As of March 31, 2022	14,545
As of December 31, 2021	13,222

5. Evaluation on Financial Status, Profitability and Solvency:

- Total operating income increased by %179 compared to the same period of the previous year and reached 1.979.866 TL.
- Our net profit share incomes were realized as TL 871.241, our net fees commission income increased to TL 158.525.
- Our net profit has been TL 121.643 for the first nine months of the year.
- As of March 31, 2022, our capital adequacy ratio is actualized as 13,72%, over the minimum legal requirement.

ALBARAKA TRK KATILIM BANKASI A..
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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Information on Interim Report (continued):

6. Announcements regarding important developments during January 1, 2022 - March 31, 2022 period:

- On 18.01.2022, Azhar Aziz DOGAR is elected as member to the Board of Directors of the Bank. Membership of Azhar Aziz DOGAR shall be submitted for the approval at the upcoming General Assembly of Shareholders meeting and if approved, Azhar Aziz DOGAR shall complete the office term of his predecessor.
- Our Bank's Investor Relations Administrator and Corporate Governance Committee member Mr. İbrahim Öz resigned from his duty as of 31.01.2022.
- As of 16.02.2022, Standard & Poor's, the international credit rating agency, has revised our Bank's long-term credit rating at "B-", short term credit rating at "B" and the outlook as negative, long-term national scale credit rating at "trBB+" and short-term national scale credit rating at "trB".
- Referring to Article 11, paragraph 2 of the Corporate Governance Communiqué Serial II no:17.1 published in the Official Gazette on 3rd January 2014, it was decided to appoint Cihat KESKİN who possesses "Advanced License of Capital Markets Activities", "Corporate Governance Rating Expertise License" and is working full time in our Bank, shall be appointed as the Administrator of the Investor Relations and as a member of the Corporate Governance Committee as of 22.02.2022

The issues that took place during the period **January 1, 2022 - March 31, 2022** were announced to the public and uploaded to the Public Disclosure Platform as notifications. All of these announcements are shared in the Investor Relations section of the Albaraka Türk website.

<https://www.albaraka.com.tr/ozel-durum-aciklamalari.aspx>

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
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Information on Interim Report (continued):

6. Announcements regarding important developments during January 1, 2022 - March 31, 2022 period (continued):

- As announced in public disclosure platform on February 16, 2021, our Bank's ordinary general meeting of shareholders was held on March 31, 2021 with the following agenda:
 1. Inauguration and formation of the Presiding Council.
 2. Authorizing the Presiding Council to sign the minutes of the General Assembly meeting.
 3. Reading and discussing the Annual Report of the Board of Directors (BoD) on the fiscal year 2021.
 4. Reading and discussing the Auditor's reports.
 5. Reading, discussing and approving the Financial Statements.
 6. Acquittal the Members of the BoD.
 7. Deciding on utilization and distribution of profit and dividend sharing through discussing the BoD's proposal on the utilization and distribution of the annual profit and dividends,
 8. Discussing the fiscal rights and benefits of the Board members such as salary & wages, per diems, bonus & premiums and alike.
 9. Election of the Auditor.
 10. Submitting the BoD members, who have been elected by the BoD to the vacant membership positions to complete the remaining term of their predecessors, to the approval of the General Assembly.
 11. Authorizing the BoD to be able to distribute profit to participation fund owners in loss occurring periods, in line with Article 6/10 of the "Regulation on Procedures and Principles regarding Acceptance and Withdrawal of Deposits and Participation Funds and Any Deposit, Participation Fund, The Bailed Goods and Receivable That Have Been Subjected to Prescription".
 12. Approval of reflecting those provisions set aside by our Bank for the participation accounts, on expense accounts in line with Article 19/2 of the "Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside".
 13. Permitting Members of the BoD with respect to articles 395 and 396 of Turkish Commercial Code
 14. Presenting information to the shareholders pursuant to Principle no. 1.3.6. of the Capital Markets Board's Corporate Governance Communiqué.
 15. Presenting information to the General Assembly about operations effected in scope of the buy-back Program for our Bank's own shares in 2021,
 16. Presenting information to the General Assembly about donations made by our Bank in 2021,
 17. Remarks and requests.

You may find Information Document, Profit Distribution Table, Minutes and Resolutions regarding Ordinary General Meeting of Shareholders held on March 31, 2022 from Albaraka Türk website Investor Relations section from following link:

<https://www.albaraka.com.tr/en/general-assembly-information-document.aspx>

- At the General Assembly Meeting held on 30.03.2022, PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. were elected as the Independent Audit Firm/Auditor.