

Value-centered and future-oriented banking



Annual Report 2021

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Committed to values and continuous innovation for the future

We are proceeding with the normalization of everyday life following the difficult conditions of the pandemic over the last two years. Especially during the pandemic period, we once again realized the vital importance of digitalization. At Albaraka Türk – the bank of innovations and firsts – we are making a difference in the lives of our customers. We are taking innovative steps towards the future with our digital investments.

Albaraka Türk is firmly committed to its values. We strive to further boost our performance while offering product diversity via our new banking models. We are driving our growth with digital innovation. With this approach, we are adding value to secure the future success of our Bank.





It's easier than ever to become an Albaraka customer

We continuously develop all types of innovative applications. We are now reaching out to customers with a major digital innovation that offers easy and effortless banking. By using our mobile application, those who want to become an Albaraka customer can open their accounts very easily and quickly, and benefit from the services they prefer.

albaFX delivers you the ability to buy and sell at supersonic speed

albaFX is a platform where Albaraka Türk customers can buy and sell gold, silver, and foreign currencies and give orders for trading, 24 hours a day, 5 days a week, while transacting at supersonic speed. albaFX, which is under the guarantee of Albaraka Türk, provides a simple and effortless user experience. Best of all, no fees or commissions are charged for transactions!



Violet: the color of banking for women

At Albaraka Türk, we are committed to providing private banking services to all segments of society. To this end, we developed a women-only banking world that understands the particular needs of women. Eflatun (Violet) Banking offers special solutions to meet the specific financial needs of women while adding color to everyday life with its various benefits and advantages.





Trend Banking for young people

Albaraka Türk follows current global trends very closely. We specifically target the younger generation and offer Trend Banking for their particular needs. Young people can switch to cost-free banking with Trend Banking and make their lives so much easier and more enjoyable.

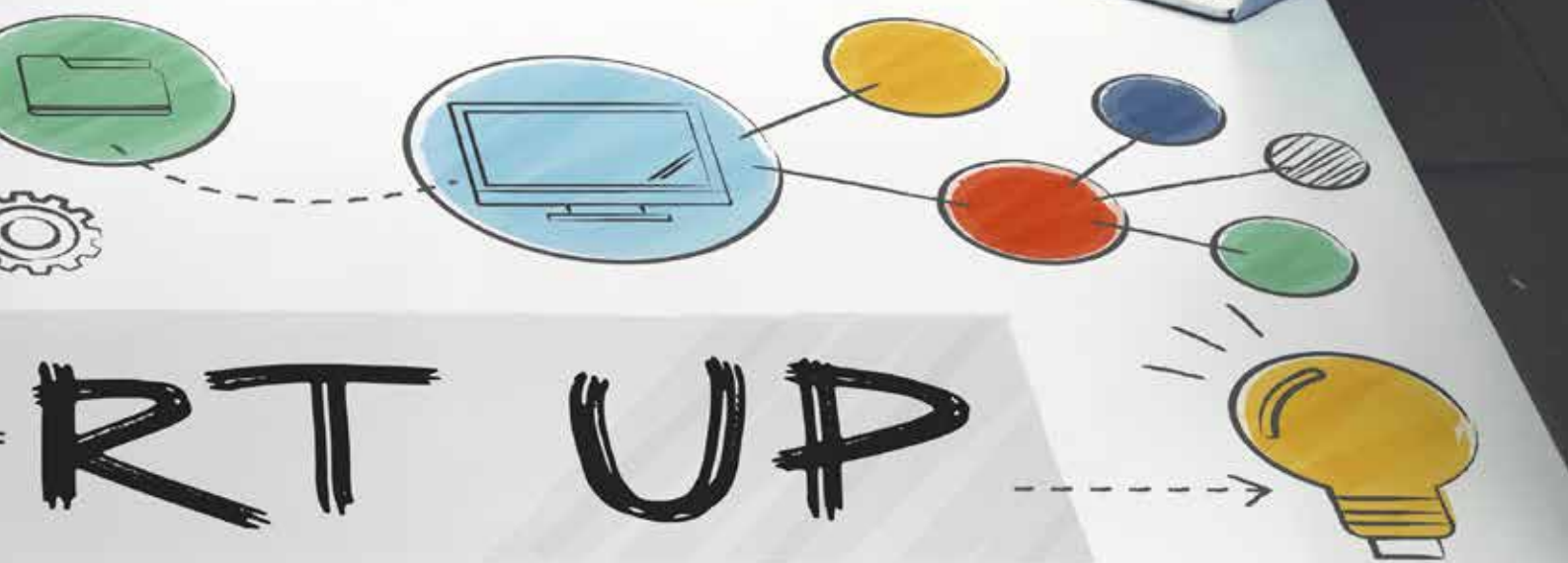
Our customers aged 18-25 can also add value to their spending and savings with the Trend Credit Card and Trend Profitable Account.



We are the best entrepreneur- friendly bank

Albaraka Türk shapes the future with its vision of innovation, collaborations with start-ups, and the support it provides to entrepreneurs. In recognition of these efforts, we were presented with the "Best Entrepreneur-Friendly Bank" award at the World Excellence Awards, a competition organized as part of the World Business Angels Investment Forum (WBAF).





XX01	✓	-10%	-	-
XX02	✓	↑5%	-	✓
<u>XX03</u>	✓	↑15%	ON TARGET	

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Once again, we are on the list of Europe's Best Workplaces

Albaraka Türk was included on the "Europe's Best Workplaces" list compiled by the Great Place to Work Institute. Our corporate culture and employee satisfaction results, as well as the opportunities we provide to our employees with our innovative projects and practices, are the reasons we received this special honor. We appeared on this prestigious list in the category of companies with 500 or more employees.

Our History is Full of Firsts

Albaraka Türk has achieved many "firsts" in the Turkish banking sector since its establishment in 1984.



Turkey's First Participation Bank

We were founded in 1984, pioneering the interest-free banking in Turkey, and started to provide services actively in 1985. We are the first participation bank established under the leadership of Albaraka Banking Group (ABG), Islamic Development Bank (IDB) and a domestic industrial group that has served the Turkish economy for more than half a century.



The First Participation Bank to Issue A Public Offering

In 2007, the shares of Albaraka Türk Katılım Bankası A.Ş., which were offered to the public, started to be traded in Borsa İstanbul. Our public offering worth USD 170 million received requests over USD 7 billion from 24 thousand investors.



Start-Up Venture Capital Fund: The First Fintech Venture Capital Fund

We established the Fintech Venture Capital Investment Fund, another first in Turkey. The fund that started to be traded on Borsa İstanbul offers an alternative financing instrument for institutional and individual investors.



Banknot: The First Financial Literacy Platform Launched by a Participation Bank

The Albaraka Banknot platform is the first application among participation banks that shares key economic and financial developments. Subscribers can sign up for the service via banknot.albaraka.com.tr. All content shared on the site is simultaneously forwarded to the e-mail addresses of Banknot subscribers.



Garage: The First Participation Bank-Sponsored Start-Up Venture Program

We launched a special initiative designed to encourage young entrepreneurs and facilitate their start-up ventures. To prepare for the new ecosystem emerging in the financial world, we set up Albaraka Garage Start-up Acceleration Center. Garage is the first participation bank-sponsored start-up accelerator in the world.



iAlbatros: The First International Participation Banking Package

Turkey's first international participation banking package, iAlbatros paves the way for the use of advanced technology and banking products in Turkey in foreign branches. Providing users with language and country accounting options, iAlbatros is based on open system technology. The forward-looking application adapts flexibly to legal and regulatory requirements of other countries and easily to different countries.



insha: The First International Digital Participation Banking Service

"insha", which is a branch-free and completely digital banking application, the first step of which we took in the field of digital participation banking abroad, is also a first in participation banking in Turkey. "insha" provides branch-free and completely digital banking services abroad.



Biometric Signature: The First Digital Security Service in the Participation Banking Sector

At Albaraka Türk, we launched another innovative offering in participation banking when we implemented the biometric signature application. Thanks to this innovation, our customers can perform their transactions in a quick and secure way. At the same time, biometric signature reduces paper usage in line with our sustainability approach.



The First Subordinated Sukuk Transaction

In 2015, we obtained two murabaha syndicated loans for the first time. We broke new ground in the industry with funds obtained from foreign markets raising a total of USD 968 million, via murabaha syndication and sukuk issuance.



Alneo: The First Artificial Intelligence Payment Platform

We introduced ALNEO, Turkey's first artificial intelligence supported easy and fast payment platform. Alneo features "POS" for SMEs and "Wallet" for its customers. Alneo card merchants can receive direct payments from all credit cards regardless of time and location, without using a POS device. Meanwhile, customers will be able to easily perform their purchase transactions by configuring all their credit cards to ALNEO's digital wallet.



LEED Gold: The First Environmental-Friendly Building Certification

Albaraka Türk is entitled to receive LEED Gold Certification for its headquarters building. The LEED certification system evaluates and grades green buildings. We became the first bank in Turkey to be granted this prestigious certification.



First Additional Principal Capital Transaction

Albaraka Türk's sukuk issuance was carried out in accordance with Basel III criteria and listed on the Irish Stock Exchange in February 2018. The issue is historically significant for the Turkish banking sector and capital markets. This was the first additional capital sukuk transaction in Turkey.



The First Participation Bank in the BIST Sustainability Index

We were one of the companies assessed by the BIST Sustainability Index in 2019. As a result of the assessment, we became the first participation bank included in the index as of November 1, 2019.



First Covid-19 Safe Service Certification

Albaraka Türk, Turkey's pioneering participation bank, became the first banking institution to obtain "COVID-19 Safe Service Certification" from the Turkish Standards Institute.

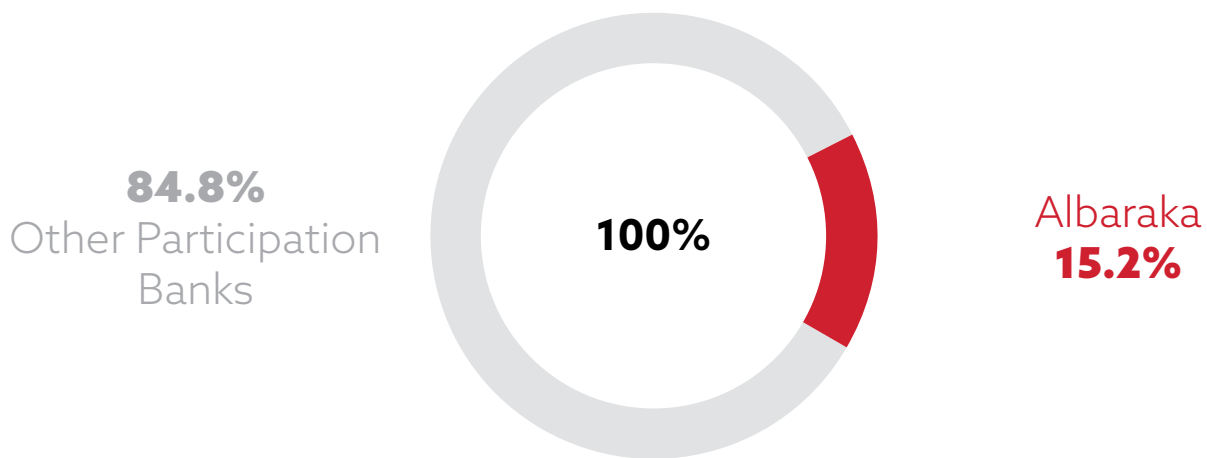
Our Main Competitive Advantages

Experience +
Performance +
Trust



Achievements in 2021

15.2% Market Share in Assets Among All Participation Banks



Our operational figures strengthen our future.

We increased our total assets by **57.2%.**

Total shareholders' equity reached **TL 4.6 billion.**

We extended funds with an increase of **40.3%.**

We have become the symbol of trust by boosting our collected funds by **76.8.**

Our reserves increased by **70%** in 2021.

Annual General Meeting Agenda

BOARD OF DIRECTORS' RESOLUTIONS

SESSION NR. : 2330
DATE : 22 February 2022

The below resolution/s, circulated to all Members of the BoD upon the proposal of Malek Khodr TEMSAH (Acting General Manager & Member of the BoD), has/have been APPROVED by the under-signed, in line with Turkish Commercial Law (Article 390/4) and the Bank's Articles of Association (Article 26/4):

RESOLUTIONS:

1. It has been DECIDED that the Ordinary Annual General Assembly of Albaraka Turk Participation Bank shall be held on 30/03/2022, at 10:00, at the Bank's Head Office, located in Saray Mah, Dr. Adnan Buyukdeniz Cad. No:6, Umraniye, Istanbul, to discuss below agenda items.
2. It has also been DECIDED that the Information Document on 2021 Ordinary General Assembly and the Procedure on Participation to the General Assembly, both prepared by the General Management and submitted to the approval of the Board, shall be announced to shareholders through our Bank's web page.

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 Communique.
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.

In their own language, above resolutions have been read to the undersigned foreign members.

Resolutions have been agreed upon with no objection.

Mazin Khairy Shaker MANNA

Chairman

Kemal VAROL

Board Member

Mustafa BÜYÜKABACI

Board Member

Mohamed Ali CHATTI

Board Member

Mehmet Ali GÖKCE

Board Member

Housseem BEN HAJ AMOR

Board Member

Melikşah UTKU

Board Member

Azhar Aziz DOGAR

Board Member

Malek Khodr TEMSAH

Board Member and Acting General Manager





Our Vision

To become the best participation bank in the world.



Our Mission

To meet the financial needs of society by sharing our common benefits with the customers, employees and shareholders who participate in our success, while remaining committed to the principles of interest-free banking, our core values and the ethical principles of banking.





Our Core Corporate Values

Collaboration

- Growing by sharing the value created with shareholders, employees, customers and society,
- Establishing strong, long-term relationships with stakeholders,
- Ensuring continuous development of knowledge and skills of employees, and
- Supporting the growth of the participation banking and banking sector.

Focus

- Utilizing our resources in productive projects, and
- Converting our energy and perseverance into social value and making a positive impact on the lives of our customers for the greater good of society.

Sincerity

- Valuing our customers and always offering friendly service, and
- Providing utmost customer satisfaction through our products and services in line with our customer-oriented approach.

Solidity

- Adhering to participation banking principles and banking ethics while allocating resources for the economy, and
- Managing our customers' financial interests with the highest ethical standards.

Social Responsibility

- Supporting economic development to improve society's living standards while moving forward to increase our Bank's value, and implementing environmentally-friendly policies in line with legal and regulatory requirements while also contributing to numerous social and cultural projects.



Our Strategic Objectives

Financial

- Focusing on core banking activities and ensuring sustainable growth and profitability.

Customers

- Improving customer experience and being more effective in customer acquisition.
- Strengthening the brand perception through communications, social responsibility, and sustainability activities.

Process

- Adopting innovative business models and completing the digitalization program to boost efficiency.

Competency and Organization

- Achieving strong IT competencies and an agile organizational structure.
- Maintaining employee satisfaction and improving corporate performance through a team spirit based on trust.



Our Quality Policy

- By working hand in hand with our well-trained employees who embrace quality as a way of life and continuously renew themselves;
- To offer products and services to meet the current and future expectations of our customers;
- To boost customer satisfaction through "personalized customer attention" and a "cheerful service" approach;
- To continuously improve all our business processes as well as our product and service quality;
- Keep a close watch on technology and business developments and rapidly transform them into added value.

Albaraka Türk in Brief

Albaraka Türk continues its operations in line with its vision of "Becoming the Best Participation Bank in the World."

Robust Capital Structure of Albaraka Banking Group (ABG)

Albaraka Türk, which is the first participation bank of our country and which is the only participation bank traded in Istanbul Stock Exchange, was founded via a synergy of Albaraka Banking Group (ABG), one of the most distinguished groups operating in the Middle Eastern finance sector, Islamic Development Bank (IDB), and a domestic industry group which has been operating in the Turkish economy for over half a century.

The main partner of the Bank, Albaraka Banking Group, enables the Bank to focus on the future with greater objectives thanks to its robust capital structure. As of the end of December 31, 2021, the share of foreign partners in the partnership structure of the Bank is 62.12%, the share of domestic partners is 0.95%, and the public share is 36.93%.

"Single Mission, Single Vision, Single Identity"

One of the leading proponents of interest-free banking in the global finance industry, Albaraka Banking Group (ABG) delivers retail, corporate and investment banking services in line with the principles of participation banking. Boasting strong global brand recognition, ABG's core strategic objective is establishing a shared corporate values system and providing services built on the philosophy of "One Mission – One Vision – One Identity."

Total Shareholders' Equity of USD 2.1 Billion

Focusing on continuous development in order to reinforce stakeholder confidence, Albaraka Türk offers a seamless experience through its extensive service network comprised of 229 domestic branches spread across the country and two overseas branches as well as alternative distribution channels as of the end of 2021.

As of the end-2021, Albaraka Banking Group has total assets of USD 28.2 million and shareholders' equity of USD 2.1 billion. Consolidating its stakeholder trust with sustainable profitability, the Group recorded net profit of USD 190 million as of end-2021. Al Baraka Banking Group's shares are traded on the Bahrain and NASDAQ Dubai stock exchanges. Standard & Poor's assigned ABG with long-term and short-term credit ratings of BB and B, respectively.

Regional Solution Partner of the Turkish Private Sector

Powered by its main shareholder Albaraka Banking Group's solid capital structure, Albaraka Türk is among the most important financial partners of Turkish industrialists and investors in global markets. The Bank operates two branches in Iraq (Erbil and Bagdad) and is taking firm steps towards becoming a regional financial power in the Gulf, Middle East and North Africa.

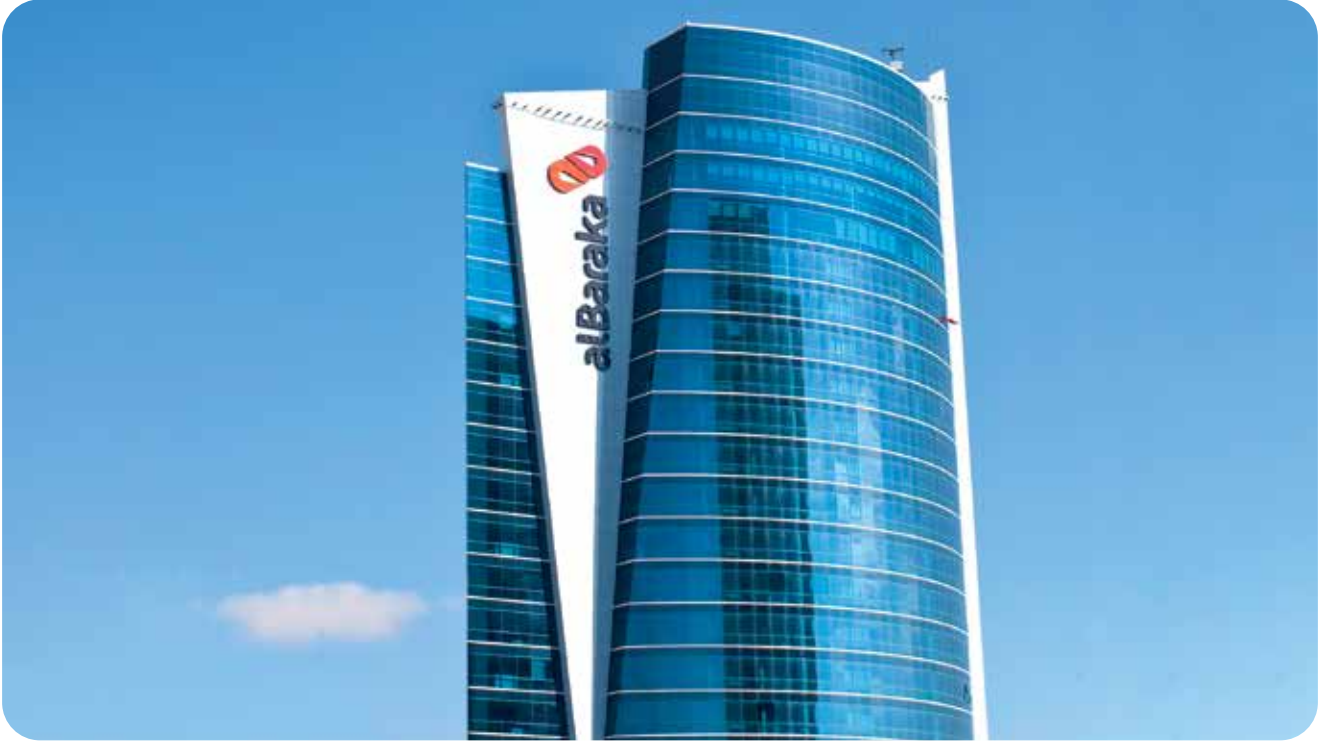
Access to Three Continents

Al Baraka Banking Group operates globally with subsidiaries and representative offices across three continents with sound financing opportunities. ABG provides quality and uninterrupted services in 16 countries with 12 banks, one digital bank, two representative offices and one investment firm. In addition to Turkey, ABG has banking institutions in Bahrain, Algeria, South Africa, Lebanon, Egypt, Pakistan, Sudan, Syria, Morocco, Tunisia and Jordan; an investment firm in Saudi Arabia; a branch in Iraq; digital bank in Germany; and a representative office in Libya.

Always Standing By Turkish Economy

To achieve its vision of "Becoming the Best Participation Bank in the World," Albaraka Türk expends efforts to deliver all its physical branch services via end-to-end digital solutions.

Albaraka Türk supports the real economy by pursuing its mission of financing production and trade in line with the principles of participation banking. The Bank channels funds collected through private current accounts and participation accounts toward the real economy via value-adding services such as retail finance, corporate finance, leasing and profit/loss sharing on the basis of individual projects. The Bank also financially supports the development of SMEs – the engine of the Turkish economy – and their contribution to economic development.



The Bank offers incubation and acceleration support to entrepreneurs with technology-based business ideas and projects, via Albaraka Garage – a first among participation banks. Following the surge in start-up activity and entrepreneurial drive prompted by Albaraka Garage, the Bank established Fintech Venture Capital Investment Fund to establish commercial partnerships with highly talented entrepreneurs and startups who want to meet the Bank.

Albaraka Portföy Yönetimi A.Ş. Founded by the Innovation Venture Capital Investment Fund, insha Ventures started to operate in July 2020 as an affiliate of Albaraka Türk Participation Bank. This new affiliate was founded to research, evaluate, test, and implement technologies and applications that will bring innovative solutions to meet the financial needs of the Bank's customers. insha Ventures aims to develop financial technologies (fintech) projects and grow by managing them.

High Quality and Friendly Service

Albaraka Türk is committed to meeting the ever-changing needs and expectations of its customers in line with its core principle of delivering unconditional customer satisfaction. The Bank further bolsters its high service standards with a sincere and friendly service approach. Albaraka Türk conducts all its business processes in line with ISO 9001: 2008 Quality Certification. In 2015, the Bank took a big step forward to ensure the continuity of its business operations by obtaining ISO 22301 Business Continuity Certification.

Agile Organizational Structure in the Face of Risks

Albaraka Türk adopts a professional approach to corporate governance. As a result, the Bank benefits from agility when faced with risks. Albaraka Türk also boasts key competitive advantages including advanced technology infrastructure and well-trained personnel. The Bank not only delivers modern banking services to savers and investors but also accelerates Turkey's sustainable development.

The Only Participation Bank in Istanbul Stock Exchange Sustainability Index

Albaraka Türk, the first participation bank in our country and the only participation bank traded in the Istanbul Stock Exchange (BIST), achieved significant success in 2021 thanks to its expert human resources as well as its technological competencies. Taking voluntary steps to solve many environmental problems such as climate crisis, carbon emission and water problems, Albaraka Türk has been included in Istanbul Stock Exchange Sustainability Index for the third time, and successfully maintained its title as the first and only participation bank in this index in 2021.

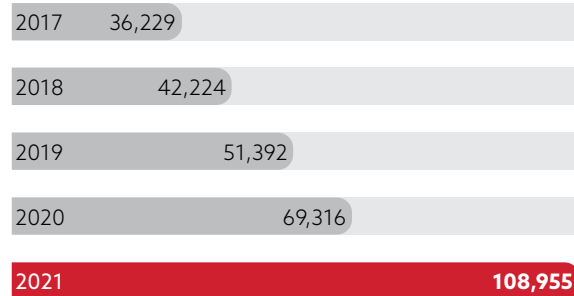
ABG conducts its business activities within the framework of the Al Baraka Social Responsibility Program. ABG also published its Sustainability and Social Responsibility Report in the 2021 operating period and strengthened the trust of stakeholders. Al Baraka Banking Group annually presents its progress report to stakeholders pursuant to the UN Global Compact.

Financial Indicators

As of end-2021, Albaraka Türk's total assets increased to TL 109 billion and **total shareholders' equity** exceeded TL 4.6 billion.

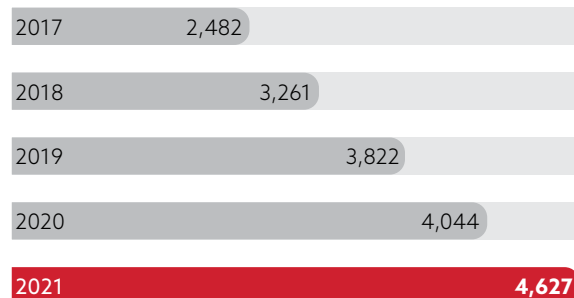
TL 109 billion
Total Assets

Total Assets (TL Million)



TL 4.6 billion
Total Shareholders' Equity

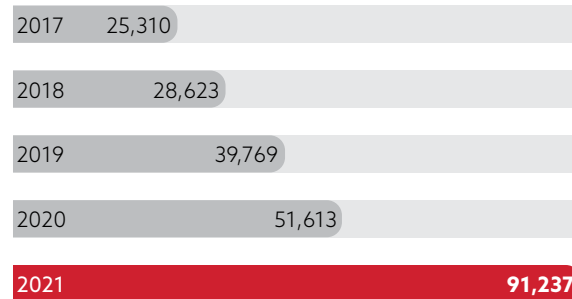
Total Shareholders' Equity (TL Million)



Total collected funds of Albaraka Türk exceeded TL 91 billion and the extended funds reached TL 57 billion.

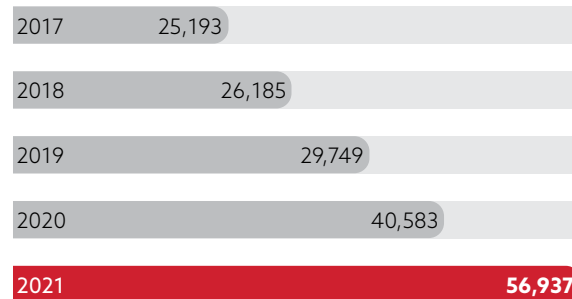
TL 91 billion
Total
Collected Funds

Total Funds (TL Million)



TL 57 billion
Funds
Extended

Funds Extended (TL Million)



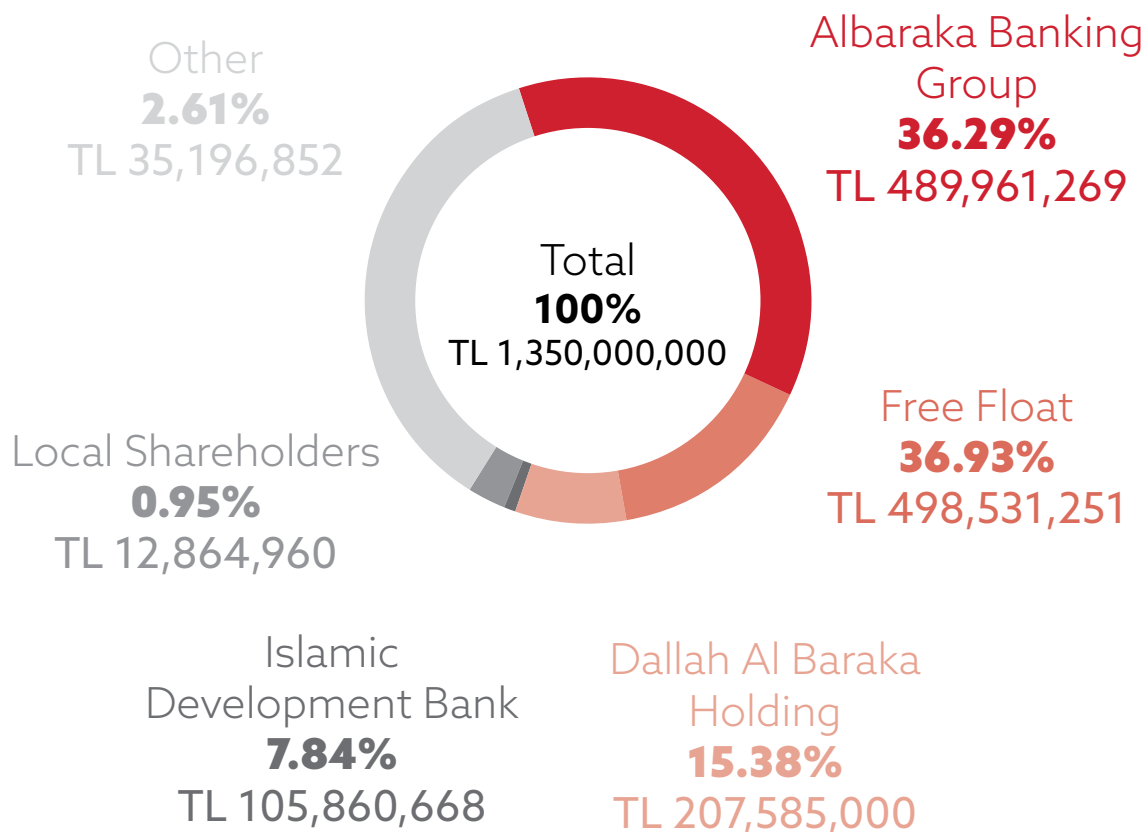
Financial Ratios

As of end-2021, Albaraka
Türk's capital adequacy ratio
increased 14.9%

Financial Ratios (%)	2017	2018	2019	2020	2021
Funds Extended/Total Assets	69.5	62.0	57.9	58.5	52.3
Funds Extended/Funds Collected	99.5	91.5	74.8	78.6	62.4
Total Funds/Total Assets	69.9	67.8	77.4	74.5	83.7
Non-Performing Loans Ratio	4.7	6.9	7.2	4.8	6.3
Net Non-Performing Loans Ratio	2.0	3.6	4.1	1.9	1.9
Ratio of Provisions for Non-Performing Loans	57.7	47.3	42.6	61.0	70.3
Capital Adequacy Ratio	17.1	14.7	15.0	13.5	14.9

Capital and Shareholding Structure

Aiming to strengthen its capital structure, Albaraka Türk has applied to the CMB to increase its paid-in capital from TL 1.35 billion to TL 2.5 billion.



Operational Map

Albaraka Group in the World



As of the end of 2021, the total
asset size of Albaraka Banking
Group, which provides services in
16 countries, **exceeded**
USD 28.2 billion.



Albaraka Türk Branches

Branches in Turkey

Adana (6)
Adıyaman (1)
Afyonkarahisar (1)
Aksaray (1)
Amasya (1)
Ankara (20)
Antalya (5)
Aydın (2)
Balıkesir (2)
Batman (1)
Bolu (1)
Bursa (8)
Çanakkale (1)
Çankırı (1)
Çorum (1)

Denizli (2)
Diyarbakır (2)
Düzce (1)
Edirne (1)
Elazığ (1)
Erzincan (1)
Erzurum (1)
Eskişehir (1)
Gaziantep (5)
Giresun (1)
Hatay (2)
Isparta (1)
İstanbul (94)
İzmir (7)
Kahramanmaraş (1)
Karabük (1)

Albakara Türk offers service
to its expanding customer
base in domestic and overseas
branches as well as alternative
distribution channels.



Karaman (1)
Kastamonu (1)
Kayseri (4)
Kocaeli (6)
Konya (11)
Kütahya (2)
Malatya (1)
Manisa (2)
Mardin (1)
Mersin (3)
Muş (1)
Nevşehir (1)
Ordu (1)
Osmaniye (1)
Rize (1)
Sakarya (1)

Samsun (2)
Siirt (1)
Sivas (1)
Şanlıurfa (2)
Tekirdağ (3)
Tokat (1)
Trabzon (2)
Uşak (1)
Van (1)
Yalova (1)
Zonguldak (1)

Foreign Branches

Baghdad (1)
Erbil (1)

Albaraka Türk's Milestones

Albaraka Türk became one of the Climate Leaders by receiving the "Leadership" award at the CDP Turkey 11th Climate Change Virtual Conference in 2021.

1984

- The founding of Albaraka Türk was initiated with an offer from Albaraka, which conducts interest-free banking.

1985

- Albaraka Türk commenced operations as Turkey's first special finance house.

1988

- Leasing operations began.

1992

- The branch network expanded to 10 locations, and total assets exceeded USD 400 million.

1998

- The number of branches climbed to 22, while Albaraka Türk started offering credit card services after reaching a deal with Visa.

2002

- The branch network reached 24 locations, and shareholders' equity amounted to USD 70 million.

2007

- A total of 24 thousand investors submitted more than USD 7 billion in demand in Albaraka Türk's IPO, valued at USD 170 million.

2011

- The first foreign branch opened in Erbil, Iraq.
- Albaraka Türk records the sector's biggest syndicated loan with a USD 350 million murabaha syndication.
- Albaraka Türk's first wakala transaction.

2012

- The Bank embarked on the SIMURG transition program in line with its vision of being "The Best Participation Bank in the World."

2013

- Number of domestic branch locations reached 166.
- The Bank provided subordinated loans with the murabaha sukuk method for the first time in Turkey.

2014

- With 35 new branch openings during the year, the Bank broke a record while expanding the branch network to 202 locations.
- Significant gains started to be realized through the SIMURG program.

2015

- The first subordinated sukuk compliant with Basel III criteria was issued in Turkey.
- Albatros, a new core banking system that shifts the Bank's focus from operations to customers, was launched.
- The Bank's Mobile Branch and Mobile Branch Touch ID projects were completed.

2016

- Four lease certificates (sukuk) in TL were issued for qualified investors.
- The head office building of Albaraka Türk was granted LEED Gold Certification.
- The Albatros (New Core Banking System) project received the "Best Technology Utilization in Retail Banking" award at the "Banking Technology Awards."

2017

- The Bank's domestic branch network expanded to 230 locations.
- Albaraka Garage was launched, as the first start-up accelerator in the world established by a participation bank.
- The Bank undersigned major projects for digitization, a strategic priority area for Albaraka Türk.
- Albaraka Türk was named "Turkey's Best Participation Bank" by Islamic Finance News (IFN) magazine.

2018

- The total number of branches rose to 225.
- The Bank received the "Best Participation Bank of the Year" award at the Adding Value to Turkey Awards organized by Turcomoney in 2018.
- Albaraka Mobile was enhanced with the addition of QR code, voice assistant and face recognition features.
- Albaraka Türk was a standout at the WIFA 2018 Awards, collecting three first prizes in three separate categories.
- Albaraka Türk has taken the first step in Europe into branch-free banking and fully digital participation banking to globally develop participation banking and implemented the "insha" project to provide digital banking services in Europe.

2019

- Albaraka Türk's mobile banking application was presented with two awards – for "Best User Experience" and "Experience & Innovation" – in the "Mobile Applications and Sites" category at The Communicator Awards.
- Albaraka Türk launched Albaraka Publishing in order to expand its publishing activities, where it serves readers with many prestigious works.

- Albaraka Türk increased its capital to TL 1,350 million and maintained its strong capital structure.
- Alneo, a new digital product, has reached a user base of more than 11 thousand customers.
- In 2019, Albaraka Türk became the first participation bank to be included in the BIST Sustainability Index thanks to its efforts in the environment, human rights and occupational health as part of the Bank's corporate social responsibility.
- Albaraka Baghdad Branch commenced operation on March 25, 2019.

2020

- The Startup Venture Capital Investment Fund, established by Albaraka Portföy Yönetimi A.Ş. and commencing operations in May 2020, began trading on the qualified investors market with a bell-ringing ceremony at Borsa Istanbul Stock Exchange.
- Albaraka Türk was deemed worthy of four awards – one silver – by Brandon Hall Group in recognition of its applications in human assets in 2020. The Bank also received the Gold Stevie award for its digital education technology "Virtual Classroom Application" at the Stevie Awards for Great Employers competition.
- Albaraka Portföy Yönetimi A.Ş. Founded by the Innovation Venture Capital Investment Fund, insha Ventures commenced operating.
- A venture capital investment fund was set up at Albaraka Türk to establish commercial partnerships with highly skilled entrepreneurs who wanted to cooperate with the Bank
- Albaraka Türk received the CDP (Carbon Disclosure Project) Turkey 2020 Climate Leadership Award.

2021

- Thanks to its determined efforts in the field of sustainability, Albaraka Türk received a B- rating in the field of Climate Security and a B- rating in the field of Water Security.
- With fair and equal human values practices, Albaraka Türk was included in the list of "Europe's Best Employers" held by the "Great Place to Work" Institute and the Economist Magazine in 2021.

Letter from the Chairman

We stood by and supported small and medium-sized enterprises which experienced growing financing needs due to the pandemic. We remained committed to fulfilling our responsibility to Turkey in the best way possible.

Esteemed Stakeholders,

2021 saw the Covid-19 pandemic continue to disrupt our daily routines as well as every aspect of social life and economic activity. During the year, the restrictive measures taken in 2020 against the pandemic were gradually lifted thanks to growing vaccination rates. Across the board, steps were taken toward normalization. The global rise in inflation and commodity prices and the policies of economic actors to combat inflation also topped the world agenda in 2021. Although the global economy regained vitality in 2021, rising energy and food prices in addition to critical issues in the supply chain caused inflationary pressure on the world's economies. This environment led to a global monetary policy tightening cycle. The Fed and ECB revised their expectations regarding the implementation of contractionary policies due to the upward trend in inflation, especially in the United States and the European Union. Both central banks raised the outlook for an interest rate hike by decreasing asset purchases.

In Turkey, inflation and foreign exchange rates topped the domestic economic agenda in 2021. Higher-than-expected inflation and extreme exchange rate volatility reduced the ability to make accurate forecasts and planning. This instability was the most important factor that increased costs and negatively affected the course of the Turkish economy this year.

The depreciation of the Turkish lira and the real effective exchange rate index were the key indicators closely monitored by the market throughout 2021. Actions were taken to minimize further depreciation of the local currency during the year. The Turkish lira rose in value dramatically after the Exchange Rate-protected Deposit Account product was introduced on December 21, 2021.

As steps towards post-pandemic normalization accelerated throughout the country, Turkey recorded strong economic growth in 2021 compared to the rest of the world. This robust performance was driven by vibrant growth in the industrial sector, a rapid rise in exports and higher government spending. At Albaraka Türk, we strived to support Turkey's industrial sector and its exporters. We stood by and supported small and medium-sized enterprises which experienced growing financing needs due to the pandemic. We remained committed to fulfilling our responsibility to Turkey in the best way possible.

With the Banking Regulation and Supervision Agency's directive on non-performing loans about to expire, the management of asset quality is one of the most pressing issues facing Albaraka Türk, as other players in the sector. We continued to lead the industry by establishing the Asset Leasing Company to make our Bank's corporate banking activities more inclusive.



TL 109 billion
Total Assets

Letter from the Chairman

In 2022, Albaraka Türk aims to take further steps to boost its sustainable profitability, efficient use of capital and asset quality while maintaining its proactive approach to developments in global and local markets.



TL 4.6 billion
Total
Shareholders'
Equity

We once again hosted Albaraka Garage initiatives with the collaboration of TÜBİTAK to further develop the entrepreneurship ecosystem in the country. We plan to step up our investment in this strategically important area via Albaraka Portföy Yönetimi A.Ş.

In 2021, Albaraka Türk took two major steps to strengthen its capital structure. We decided to boost Albaraka Türk's capital by 85% in response to the global and local market environment and submitted our application to the CMB. We plan to bolster our capital structure further with a capital increase, raising it from TL 1,350 million to TL 2,500 million.

At Albaraka Türk, we are actively pursuing our vision: "Becoming the Best Participation Bank in the World." As part of our Sustainable Banking Program, launched under the leadership of Albaraka Banking Group, our main shareholder, we are fulfilling our responsibilities towards the environment, our shareholders and stakeholders. Albaraka Türk promotes a fair and equal financial system. We support the Sustainable Development Goals of the United Nations Development Program (UNDP).

We conduct our business operations in line with the policies and principles of national and international organizations in the field of sustainability, especially the United Nations Global Compact (UNGC), of which Albaraka Banking Group is also a member. Albaraka Türk is charting a course for the future that will combat the climate crisis. We are closely monitoring recent events in Turkey and globally toward this end. Albaraka Türk fulfills its social responsibilities by communicating with all its stakeholders. These are among our top priorities, as always. At Albaraka Türk, our ultimate objective is to achieve net-zero emissions for the environmental impact resulting from our business activities.

Our sustainability efforts are recognized by the leading organizations that set the operating principles in combating the climate crisis. We are proud to have earned a place among the Climate Leaders by receiving the "Leader" award at the CDP Turkey's 11th Climate Change Virtual Conference held as part of the Carbon Disclosure Project (CDP).

In 2022, Albaraka Türk aims to take further steps to boost its sustainable profitability, efficient use of capital and asset quality while maintaining its proactive approach to developments in global and local markets. We are confident that the comprehensive digital transformation program we launched under the leadership of Albaraka Banking Group will support the Bank's growth in the retail segment and accelerate its efforts geared at boosting efficiency and expanding automation. Albaraka Türk is also committed to increasing the competencies of its employees in line with the Bank's growth strategy. Investing in Human Values and achieving an agile organizational structure are among the Bank's strategic priorities.

I would like to take this opportunity to thank all my colleagues who made great efforts to improve Albaraka Türk by adapting quickly to the "new normal"; our customers who placed their trust in us; our supportive shareholders; and all our stakeholders for their valuable contributions to our success.

With regards,

Mazin Khairy Shaker Manna
Chairman

Board of Directors



Mazin Khairy Shaker Manna
Chairman

He was born in 1968. He received his bachelor's degree on Economics from London School of Economics and Political Science. He started his professional career at Citibank and has undertaken various duties in Citibank for 24 years. He served as the CEO for Bahrain from 2010-2015, during which time he was responsible for Citibank's corporate, investment and consumer banking businesses as well as key relationships in Saudi Arabia. He also co-headed Citi's corporate and investment banking business in the Middle East and held senior positions in corporate and investment banking in the Gulf region, which included serving as Managing Director of Citi Islamic Investment Bank. As of January 2020, he has been serving as the Group CEO and Board Member of the Al Baraka Banking Group. Prior to his duty at Al Baraka Banking Group, he served as CEO of Abu Dhabi Islamic Bank. Prior to that, he was the CEO for the Middle East and North Africa at Credit Agricole CIB and Group Senior Country officer for the UAE and was a member of the Extended Executive Committee of Credit Agricole CIB. He has been elected as a Board of Directors Member of Albaraka Türk in March 2021 and appointed as the Chairman of our Bank's Board of Directors on 5 April 2021. He is currently the Chairman of the Credit Committee, the Remuneration Committee and the Executive Committee.



Prof. Dr. Kemal Varol
Board Member

He who was born in 1943 in Iğdır. He had his master's degree on Textile Chemistry from the Institute of Science and Technology of Manchester University in 1965 where he had also completed his doctorate in 1968. Since 1974, he has been working as a senior manager in numerous companies including Sümerbank where he worked as the General Manager and the Chairman of the Board. He is currently working as a Professor at Istanbul Commerce University. He has served as an Independent Board Member to the Board of Albaraka Türk between 2013 and 2019. He was also the Chairman of Corporate Governance Committee from July 2014 to March 2017. Currently, he is a member of the Credit Committee and the Executive Committee.



Mustafa Büyükbacı
Board Member

He was born in 1961. He graduated from Boğaziçi University, Department of Industrial Engineering in 1984 and earned his master's degree in the same field in 1987. He then worked as a research associate at the same department. From 1989 onwards, he assumed various management roles at capital markets and investment firms, mainly focusing on Asset/Portfolio Management and Investment. In 1993, he joined Yıldız Holding as the Founding Director and Board Member of Taç Investment Trust. In addition, he served as Capital Markets and Financial Advisor at Yıldız Holding with regard to capital, commodity and money markets; and as Board Member at Family Finans and other group companies. He founded Bizim Securities, where he worked as Founding Director and Board Member. He founded the real estate division of Yıldız Holding, turning real estate operations into a major line of business. He worked as Founding President of the Real Estate Group. He left Yıldız Holding at the end of 2010. Later, he founded his own investment company, where he continues to engage in investments in agriculture, livestock, real estate and capital markets. Between 2013 and 2016, he served as a Board Member at Borsa İstanbul, and between 2012 and 2018 he served as Independent Board Member at BİM Birleşik Mağazalar A.Ş. He currently serves as a Board Member at Albaraka Portfolio Management Company. He has been serving as a Board Member, the Chairman of the Audit Committee and Member of the Executive Committee and the Remuneration Committee at Albaraka Türk Participation Bank. He is also the Vice Chairman of the Board of Trustees at İstanbul Sabahattin Zaim University.



Dr. Mohamed Ali Chatti
Board Member

He was born in 1984 in Tunisia. He earned his bachelor's degree in Finance from the Institute of High Commercial Studies in Tunisia and his master's degree from Paris X Nanterre University in France. He then completed his doctorate in Finance in 2010 at Paris X Nanterre University, in France. He began his professional career in 2010 as a Young Professional at the Islamic Development Bank (IsDB). Between 2011 and 2017, he worked as an Investment Analyst and Senior Investment Officer at the Investments Department of the IsDB. He was also a lecturer about Islamic Finance at the ESSEC Tunisia in 2012. Since 2018, he is the manager of the Islamic Finance Investments Division and managing three strategic portfolios for the IsDB: equity portfolio of the IsDB (in the Islamic Financial institutions), Awqaf Portfolio (managing the Awqaf Properties Investment Fund) and the microfinance portfolio. In total, he is managing a portfolio worth more than US\$ 2 billion. In October 2019, he was appointed as Acting Director for the Islamic Financial Sector Development Department at the IsDB. Prior to be elected to the Board of Directors of Albaraka Turk, he represented the IsDB in various other boards (first Islamic Bank in Nigeria for more than 6 years, a trading company in Bahrain for 4 years, a microfinance Bank in Sudan for 3 years). Currently, he is a Member of the Sustainability Committee and Substitute Member of the Credit Committee.

Board of Directors



Mehmet Ali Gökce
Board Member

He was born in Çankırı in 1957. He obtained his bachelor's degree from Ankara University – Faculty of Theology and Master's Degree from University of Turkish Aeronautical Association, Institute of Social Sciences, Business. He commenced his banking career at Töbank as "Banking Officer" and worked there until 1984. Between 1987 - 1991 he served as Assistant Manager at Faisal Finance Institution. Then he worked as Ankara Branch Manager of Kuveyt Türk Participation Bank between 1991 and 1999. In 1999, he was appointed as Assistant General Manager of Anadolu Finance Institution and served there until 2005. Between 2006 and 2011 he served as Assistant General Manager of Türkiye Finans Participation Bank. In 2011, he was appointed as the CEO of Termikel A.Ş. and served there until 2012. He served as a Board Member of Asya Participation Bank between 2015 – 2016 and served as the CEO and the Chairman of "RCT Varlık Yönetim A.Ş." between 2012 and 2017. He served as a Board Member at the Türkiye Halk Bank between 2016 and 2017. On March 2020, he has been elected as a Board Member of Albaraka Türk Participation Bank and still he is a member of the Audit Committee, the Executive Committee and the Chairman of the Sustainability Committee.



Housseem Ben Haj Amor
Board Member

He was born in Tunis, 1975. In 1997, he received his bachelor's degree on Accounting and Finance from Higher Institute of Accounting and Business Administration (Tunis). He started his professional career at Arthur Andersen/Moore Stephens then he served as the Head of Accounting at Societe Generale. He served as the CFO and the General Manager of the SHUAA Capital. He served as the CFO of Amlak Finance. He is a certified public accountant and, is currently the Deputy Chief Executive - Head of Business Development and Investments at Al Baraka Banking Group. He has been elected as a Board of Directors Member of Albaraka Turk in March 2020 and he is currently a member of the Audit Committee and a Substitute Member of the Credit Committee.



Melikşah Utku
Board Member

He was born in Ankara in 1968. He graduated from Mechanical Engineering Department of Boğaziçi University (Istanbul, 1990). He completed his graduate studies in London School of Economics (1990-1992) and Master's Degree on economic development in Marmara University (Istanbul, 1998). In 2004, he served as a consultant to the General Manager of Albaraka Turk. In 2006-2007, he was the head economist in Albaraka Turk. In addition, he was an economics columnist for Yeni Şafak newspaper for over 10 years (1995-2009). He later worked as Investor Relations Manager between 2007 and 2009. He continued as CIO-Assistant General Manager in December 2009, and was appointed as CFO-primarily responsible for Financial Affairs, Budget and Financial Reporting and Corporate Communication Departments. He was a Board Member of Borsa Istanbul from 2013 to 2016. Between October 2016 and October 2021, he served as the General Manager of Albaraka Turk. As of 13 October 2021, he has been serving as a Board Member at Albaraka Turk and he currently serves as the Chairman of the Board of Bereket Asset Leasing Company, Albaraka Portfolio Management Company, İnsha Ventures Technology Development and Marketing Company, Albaraka Technology Information System and Marketing Trade Company, Albaraka Culture Art and Publishing Company as well as the Deputy Chairman of the Katılım Pension and Life Company. Currently, he serves as the Chairman of the Information Technologies Governance Committee, member of the Corporate Governance Committee and the Executive Committee of our Bank.



Azhar Aziz Dogar
Board Member

He was born in Pakistan, 1967. In 1990, he received his bachelor's degree on Economics and Political Science from University of Pennsylvania. He received his master's degree in 1992, from Brown University as a result of his studies on development economics. He commenced his career with Citigroup in its investment banking division and later moved to ABN AMRO Bank taking on a variety of leadership roles including Deputy Regional Risk Manager for MENA and Head of Credit Portfolio Management. He served as Chief Risk Officer for DIB Capital, and for SAMBA Capital. At National Bank of Abu Dhabi, he served as the Chief Risk Officer and the Chief Credit Officer for Wholesale & International Banking. He has also been a board member of Dubai Islamic Bank in Pakistan. Mr. Dogar who has over 28 years of international banking experience, currently serves as the Senior Vice President - Head of Credit and Risk Management at Al Baraka Banking Group and as a board of directors member at Al Baraka Bank (Pakistan) Limited.

Board of Directors



Ghassan Ahmed M. Amodi
Board Member

He was born 1972. He received his bachelor's degree from "The American University" (California - USA) on Business Administration. He commenced his professional career in 1994, at SABB (Saudi British Bank) as a management trainee. Then, he promoted to Assistant Relationship Manager in Corporate Banking Division. Between 2007 and 2017, he served as the Head of Corporate Banking at SABB, responsible for all aspects of regional business in corporate banking. He served as the General Manager of the SABB between 2017 and 2019. Since 2020, he has been serving as the Chief Executive Officer of Dar Altamleek. Amodi who has been elected as a board of directors member of our Bank at the Ordinary General Assembly of Shareholder meeting in March 2020, will start commencing his duty at our Bank following his oath-taking.



Tawfig Shaker M. Mufti
Board Member

He was born in 1969. He received his bachelor's degree on International Business Administration from Bridgeport University (Connecticut - USA). He started his banking career in 1993, at Al Bank Al Saudi Al Fransi within "Professional Development Program", where he served in the field of corporate banking until 1997, and between 1997 and 1999 in the field of private banking. From 1999 until 2002, he worked at Andersen - Middle East Financial Transaction House. Between 2005 and 2007 he served at Samba Financial Group as the Regional and Group Business Compliance Officer. He has served as the Group Treasurer at Dallah Albaraka Holding Co. Mufti who currently serves as a board of directors member at Al Baraka Banking Group, has been elected as a board of directors member of our Bank at the Ordinary General Assembly of Shareholder meeting in March 2020, and will start commencing his duty at our Bank following his oath-taking.



Malek Khodr Tamsah

Acting General Manager and Board Member

He was born in Beirut, Lebanon in 1981. He received his Bachelor of Business Administration from The George Washington University (Washington D.C., 2003) and completed his Master's Degree in Business Administration from Thunderbird, the Garvin School of International Management (Arizona, 2006). In 2003, he began his career with Bank of America Business Banking in Washington DC followed by his tenure in the Treasury & Capital Markets Department at the London-based European Islamic Investment Bank between 2007 and 2009. In 2010 he joined leading global Islamic bank Al Baraka Banking Group, Bahrain as Vice President of Treasury where he established & oversaw the global sukuk investment portfolios until 2014. He was also a member of the Board of Directors for one of Morocco's first Islamic banks, BTI Bank, between 2017 and 2020, where he served on the Audit and Board Affairs Committees. He has joined Albaraka Turk in 2014 and since 2017, he has been serving as the Assistant General Manager in charge of Treasury, Financial Institutions and Investment Banking Departments. In addition to his aforementioned duty, he has been appointed as the Acting General Manager of Albaraka Turk on 13 October 2021. Tamsah who is fluent in English, Arabic, and Turkish; also serves as the member of the Credit Committee, the Executive Committee and the Information Technologies Governance Committee.

Message from the CEO

We actively support the Sustainable Banking Program, which we started under the leadership of Al Baraka Banking Group.

Esteemed Stakeholders,

2021 witnessed countries around the world attempt to bandage the wounds caused by the Covid-19 pandemic and eliminate disruptions in the global supply chain. Due to the sharp price increases in basic inputs, especially oil, global inflation rose to unprecedented levels. In the Eurozone, the producer price index jumped more than 20% year-on-year, while the USA recorded a PPI of 9.6%. America's consumer price index also reached its highest level for 30 years – 6.8%. As global gross product growth rebounded in 2021, employment also surged, especially in developed countries. However, due to the ongoing effects of the Covid-19 pandemic, many sectors, especially tourism, failed to fully return to their pre-pandemic performance.

Among developing countries, Turkey came to the fore with its successful economic recovery in 2021. During the year, factors such as rising inflation and tightening monetary policies squeezed the Turkish economy, as in other advanced and developing economies around the world. However, Turkey recorded a strong economic performance thanks to a robust domestic manufacturing sector, rapid export growth, increase in expenditures, and the rebound of the service industry as a result of the normalization process.

The banking industry was able to withstand the pandemic's impacts thanks to the financial instruments and regulations introduced following the 2008 global financial crisis and the sector's successful risk management approach.

In line with their growth-driven policies, Turkish banks took measures to protect their asset quality while keeping their loan channels open to support the real sector. Non-performing loans caused risks for banks' balance sheets in this period. However, the regulations and measures implemented by the Banking Regulation and Supervision Agency helped the banking sector to emerge from this environment in a healthy way. The breakthroughs in digital transformation in recent years also supported Turkish banks during this challenging period. Investing in digital transformation for many years, Albaraka Türk had no problem adapting to the competitive market conditions in 2021.

At Albaraka Türk, we acted in parallel with the banking sector to improve our asset quality. In 2021, we successfully boosted our asset quality even though we underperformed in terms of profitability due to markedly higher inflation and extreme currency volatility. Albaraka Türk undertook efforts related to both concentration and restructuring and increased the effectiveness of its early warning systems. We helped spur Turkey's economic growth by constantly standing by and providing significant support to the real sector.



TL 91 billion
Total Funds

Message from the CEO

We expanded our qualified investor base with lease certificate issuances and public offerings and we also facilitate the access of small investors to capital markets.



TL 57 billion
Extended
Loans

At year-end 2021, Albaraka Türk reported total assets of TL 109 billion. The extended loans portfolio climbed to TL 57 billion, up 40%. Funds collected through profit and loss participation accounts and private current accounts rose 77% to TL 91 billion. At year-end 2021, Albaraka Türk posted net profit of TL 104.

As part of our investment banking activities, we issued 70% more lease certificates in 2021 compared to the previous year. This strong performance gave the Bank's liquidity position a significant boost. Our total issuance volume amounted to TL 22.2 billion in 2021. We expanded our qualified investor base with lease certificate issuances and public offerings. Albaraka Türk also contributed to the development of Turkey's capital markets by facilitating the access of small investors to capital markets.

In 2021, we maintained our market leadership in foreign trade. Albaraka Türk's foreign trade volume jumped by 19% in 2021 compared to the previous year in USD. With its extensive correspondent network, Albaraka Türk provides privileged services to its customers in foreign trade transactions.

During the year, we completed our infrastructure upgrade initiatives in line with our growth strategy in the retail segment. We aim to improve our core retail banking products portfolio in 2022.

We actively support the Sustainable Banking Program, which we started under the leadership of our main partner, Al Baraka Banking Group, in conjunction with our efforts geared toward the 2030 United Nations (UN) Sustainable Development Goals. Albaraka Türk aims to carry out its corporate social responsibility activities in light of these goals. We strive to fulfill our responsibilities towards our stakeholders by reporting our sustainability efforts on an annual basis and participating in CDP studies and assessments. In 2021, Albaraka Türk's Climate Change and Water Security score was assigned as "B-."

We also started working with the Science-Based Targets initiative (SBTi) to calculate the entire climate load of the Bank and to set science-based targets. Listed on the BIST Sustainability index since 2019, Albaraka Türk remains committed to leading the way forward with its sustainability activities.

I would like to thank all my colleagues, customers, shareholders, and stakeholders for their trust in us and their many valuable contributions to Albaraka Türk's sustainable success.

With regards,

Malek Khodr TEMSAH
Acting General Manager and Board Member

Senior Management



Malek Khodr Temsah

Acting General Manager and Board Member

He was born in Beirut, Lebanon in 1981. He received his Bachelor of Business Administration from The George Washington University (Washington D.C., 2003) and completed his Master's Degree in Business Administration from Thunderbird, the Garvin School of International Management (Arizona, 2006). In 2003, he began his career with Bank of America Business Banking in Washington DC followed by his tenure in the Treasury & Capital Markets Department at the London-based European Islamic Investment Bank between 2007 and 2009. In 2010 he joined leading global Islamic bank Al Baraka Banking Group, Bahrain as Vice President of Treasury where he established & oversaw the global sukuk investment portfolios until 2014. He was also a member of the Board of Directors for one of Morocco's first Islamic banks, BTI Bank, between 2017 and 2020, where he served on the Audit and Board Affairs Committees. He has joined Albaraka Turk in 2014 and since 2017, he has been serving as the Assistant General Manager in charge of Treasury, Financial Institutions and Investment Banking Departments. In addition to his aforementioned duty, he has been appointed as the Acting General Manager of Albaraka Turk on 13 October 2021. Temsah who is fluent in English, Arabic, and Turkish; also serves as the member of the Credit Committee, the Executive Committee and the Information Technologies Governance Committee.



Turgut Simitcioğlu

Deputy General Manager

Turgut Simitcioğlu was born in Erzurum in 1961. After graduating from King Saud University, Faculty of Education in Saudi Arabia in 1989, he received his Master's degree in Business Administration from Fatih University, Institute of Social Sciences. Mr. Simitcioğlu joined Albaraka Türk in 1990 and worked in the Fund Allocation Department from 1990 to 1995, and at the Central Branch from 1995 until 2001. He was Director of the Central Branch between 2001 and 2003, and later Director of the Corporate Banking Department, before serving as Central Branch Manager from 2003 to 2009. In December 2009, he was appointed Assistant General Manager, thereafter serving as Assistant General Manager in charge of Credit Operations, Foreign Transactions Operations, Payment Systems Operations, Banking Services Operations and Risk Monitoring. Still serving as a Member of the Board of Directors at Katılım Emeklilik ve Hayat A.Ş. Yönetim and Deputy General Manager in charge of Business Lines as of January 2017, Simitcioğlu has been serving as the Assistant General Manager in charge of Credit Risks since October 2018.



Süleyman Çelik
Assistant General Manager

Süleyman Çelik was born in Samsun in 1963. He graduated from Marmara University, Faculty of Economics and Administrative Sciences, Department of Public Administration. Mr. Çelik started his professional career in 1988 at Albaraka Türk. He worked in the Foreign Transactions Department from 1988 to 1996, at the Fatih Branch between 1996 and 1997, and at the Ümraniye Branch from 1997 until 2000. Between 2000 and 2011, Mr. Çelik worked at Türkiye Finans as Ümraniye and Sultanhamam Branch Manager, Credit Operations Manager, and Human Resources Manager. In 2011, he was appointed Üsküdar Branch Manager at Albaraka Türk, before assuming the role of Human Values Manager between 2012 and 2017. Mr. Çelik was appointed Assistant General Manager in January 2017, and is in charge of Human Values, Administrative Affairs, Directorate of Construction & Real Estate, Department of Training and Career Management. Çelik is also a member of the Board of Directors of Albaraka Culture, Art and Publishing Inc. and Albaraka Tech Global Inc.



Fatih Boz
Assistant General Manager

Fatih Boz was born in Edirne in 1973. He graduated from Ankara University, Faculty of Political Sciences in 1995. Mr. Boz completed his master's degree on Political science in the same university. He worked in different companies as director between 1995-1998. In 1998 he started to work as Assistant Inspector in Albaraka Türk. He served as Deputy Director of the Operations Department in 2003, Branch Manager between 2006-2009, Manager in Project Management Department from 2010 to April 2011 and Manager from 2011 to 2017 in Credits Operations Department. In January 2017, he was appointed as Deputy General Manager responsible of Central Operations. As of August 2019, Fatih Boz has been serving as Deputy General Manager responsible of Corporate Loans Allocation Department, Commercial and SME Loans Allocation Department and Retail and Micro Loans Allocation Department.

Senior Management



Hasan Altundağ

Assistant General Manager

Hasan Altundağ, who graduated from Ankara University Faculty of Political Sciences, Department of Economics, started his banking life in 1986 as an inspector at the Board of Inspection of Yapı ve Kredi Bankası. Until 1999, he worked as Inspector, Operations Manager and Field Manager respectively. Altundağ, who worked as the Branch Manager of the participation bank between 1999-2004, joined the Albaraka Türk Participation Bank family in March 2004. He worked at Albaraka Turk as Sultanhamam Branch Manager between 2004-2005, Marketing Regional Manager between 2005-2011, Transformation Management Office Manager between 2011-2013 and Strategy and Corporate Performance Management Manager between 2013-2016. Hasan Altundağ, who was appointed as the Deputy General Manager Responsible for Marketing in 2017, has been serving as the Corporate Sales Manager, Commercial and SME Sales Manager, Retail and Private Banking Sales Manager and Sales Deputy General Manager in charge of Regional Directorates since July 2020. Altundağ is also Albaraka Culture Art and Publishing Inc. He also acts as the Deputy Chairman of the Board of Directors.



Mustafa Çetin

Assistant General Manager

Mustafa Çetin was born in Afyonkarahisar in 1971. In 1991, he ranked 20th in the national university exam. He went on to graduate from Boğaziçi University, Department of Management in 1996. In the same year, Mr. Çetin started his professional career at Finansbank in the Corporate Banking Management Trainee Program. He worked as a manager in Corporate and Commercial Banking at Türk Dış Ticaret Bankası between 1999-2004. He started to work at Albaraka Turk in the year of 2004 and continued his duty as Head of Branch until 2008, as the Marketing Manager from 2008 to 2011, the Head of Foreign Operations from 2011 to 2012, the Unit Manager responsible for Financial Institutions and Investor Relations and a member of the Corporate Governance Committee from 2012 to 2017, and the Deputy General Manager responsible for Finance and Strategy from 2018 to 2020. He has been working as the Deputy General Manager of Finance and Investor Relations, responsible for the directorates of Financial Reporting, Financial Affairs, Business Excellence and Innovation, Investor Relations as well as for the Data Governance Service units since July 2020. He is also a member of the Board of Directors of Insha Ventures Technology Development and Marketing Inc., one of the Albaraka Turk affiliates. Mustafa Cetin, who speaks English and German, has Capital Market Activities Advanced License and Corporate Governance Rating Specialist License.



Volkan Evcil
Assistant General Manager

Volkan Evcil was born in 1966 in Eskişehir. In 1987, he graduated from Anadolu University, Faculty of Economics and Administrative Sciences, Department of Economics. In 1990, he began his career as Assistant Inspector at Tütünbank's Internal Audit Department after winning the exam for this position. In 1992, he joined the Albaraka Türk family as Assistant Inspector, before serving as Inspector, Chief Inspector, Vice Chairman of the Internal Audit Department, and President of Risk Management. He was named President of Risk Management in 2006. Since February 2017, he has been serving as Internal Systems Senior Manager in charge of Internal Audit Department, Internal Control Department, Risk Management Department, and Legislation and Compliance Department. On August 2019, he became the Assistant General Manager in charge of Central Operations which consist of Credit Operations Department, Foreign Trade Operations Department, Banking Services Operations Department and Collateral Management Department. In January 27, 2020 he was appointed to the Banks Association of Turkey Risk Center Management's Board Member as the representative of Participation Banks Association of Turkey.



Mehmet Fatih Yorulmaz
Assistant General Manager

Mr. Yorulmaz was born in Kahramanmaraş in 1980. He received his bachelor's degree in Civil Engineering from Middle East Technical University in 2001 within 3.5 years with a ranking of 3rd. Having completed his master's degree with high distinction at Georgia Institute of Technology in 2002, Mr. Yorulmaz contributed to the engineering designs of several high-rise structures in Atlanta, USA. In 2005, he moved to Jeddah, KSA and joined Islamic Development Bank as a Portfolio Manager where he led projects in Afghanistan, Pakistan and Sudan. Mehmet Fatih Yorulmaz received his MBA degree from Harvard Business School with high distinction (top %5) in 2009. Afterwards, he worked at the Boston Consulting Group's Boston and Istanbul offices to provide management consulting services to several world-renowned clients in finance sector. Starting from 2011, he served as CEO Advisor at Turk Telekom and Senior Director of Marketing, Corporate Sales & Business Development at TTNET, the biggest telecom company in Turkey. Mr. Yorulmaz took the role of Principal at ICD, Islamic Development Bank's private sector arm, where he was responsible from credit allocation to Turkey & CIS countries. In 2016 as Country Manager, he established Turkish office of a multinational fintech start-up, Compare Europe Group. Mehmet Fatih Yorulmaz joined Albaraka Türk Participation Bank as CEO Advisor in 2017 and was appointed as Chief Marketing Officer in July 2020 to be in charge of Marketing, Product Management, Corporate Communications and Pricing Departments. Yorulmaz is also a member of the Board of Directors of Albaraka Culture, Art and Publishing Inc.

Senior Management



Mehmet Uludağ
Director

He was born in 1979 in Konya. He graduated from Dumlupınar University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 2001 and completed his Master's degree in Business Administration at Gediz University in 2013. He started his professional career in 2004 with the title of Assistant Specialist in the Albaraka Türk Denizli Branch. He worked as a specialist between 2006 and 2008 and as an assistant manager between 2008 and 2011 in our Bank. Between 2011 and 2017, he served as Branch Manager in Manisa and Uludağ Branches, Aegean Regional Manager between 2017 and 2019 and Commercial and SME Sales Manager between 2019 and 2020. In July 2020, he was appointed as the Director of Arbitration and Business Excellence to the head of the Ombudsman, which was established to coordinate and resolve issues related to digitalization, new products, organizational changes and improvement of the Bank processes with the Branches. He still continues to work in this position.



Yasemin Aydın
Director

She was born in 1974 in Kahramanmaraş. She graduated from Istanbul University, Faculty of Political Sciences. Then, she completed her Master's degrees in MBA and Marketing Communications. She started her business life in the banking sector in 1996. Between 1996 and 2011, she worked and managed in the fields of Digital Banking, Card Payment Systems, Retail Banking, Organization & Quality and in the business lines of Marketing, Operations, Product Development, and Information Technologies in this sector. Between 2012 and 2017, she managed consultancy projects in various sectors such as Organizational Structuring, Process Development & Management, Restructuring, and Digitalization and selection and assessment activities in the field of Human Resources. In 2017, she started to work as Digital Channels and Payment Systems Development Manager at Albaraka Türk. Ms. Aydın, who was appointed as the Director Responsible for Digital Channels and Payment Systems in July 2020, is also a Board Member at Albaraka Teknoloji Bilişim Sistemleri ve Pazarlama Ticaret A.Ş.

Macroeconomic and Sectoral Outlook

Despite the pressure created by the new variants of the coronavirus, the recovery in the global economy continued in 2021.

Global Economic Outlook

The global economy, which was suppressed due to the Covid-19 pandemic, witnessed the precautionary closures of countries, and then the normalization phases in 2021. Due to the increase in economic activity and the base effect, global growth predictions of global organizations for 2021 have been around 5.5-6%.

2021 was a year when the increase in the global commodity prices and the shipment costs, as well as the supply constraints, caused global inflation to rise beyond expectations. The United States of America, EU Member States and China witnessed the most significant increase in both producer prices and consumer prices in recent years. As the disruptions in supply chains, increasing uncertainty and risk environment brought inflationary pressures, the Covid-19 pandemic in 2020 caused the central banks of developed countries to cease their expansionary monetary policies. The firm monetary policy stance was visible in the interest rate hikes of the central banks in 2021 and the revision of rate hike expectations. As it was thought that the inflation is temporary, central banks increased interest rates, while the FED and ECB began to decrease their asset purchases against the rising inflation.

Despite the pressure created by the new variants of the coronavirus, the recovery in the global economy continued in 2021. Thanks to developments regarding vaccination, increase in consumption due to deferred

demands, and the recovery of production, it is expected to record the fastest global growth in the last 50 years, with a rate of over 5%. Although the strong economic recovery, it is evident that the labor market cannot compensate for its losses at the same level. The changes in the way of doing business and the slow recovery of the service sector negatively affected the employment outlook, especially in developing countries. On the other hand, many developed countries are facing labor shortages in certain sectors. This situation, which poses a threat to the global economic recovery, is especially threatening the manufacturing sector.

Inflation is expected to be one of the most important topics in the global economy in 2022, as it was in 2021. Especially the war between Russia and Ukraine is a risk factor for inflation. At the beginning of 2021, it was predicted that the FED will hike the interest rates in 2023; however, as of the beginning of 2021, markets expect the FED to raise interest rates five times in 2022. Raising interest rates since mid-2021, the central banks of developing countries are expected to maintain this rhythm in 2022 as well. Even though the global economy largely recovered its losses in 2021, many sectors, especially tourism are still yet to reach their pre-pandemic levels despite rapid vaccinations. With the impact of the course of the pandemic, the tightening in the monetary policies and geopolitical risks, the global economy is expected to lose momentum in 2022.

Macroeconomic and Sectoral Outlook

As the fastest-growing
G20 country in Q3 2021,
Turkey is expected to
maintain economic
growth in 2022.

Turkey's Economic Outlook

Despite the impact of the increasing inflation and commodity prices, the Turkish economy has shown a strong growth performance in 2021 with the support of household consumption and export revenues. Growing by 7.4%, 22% and 7.4% in the Q1, Q2 and Q3 of 2021, respectively, the Turkish economy grew 11% in 2021. In 2021, topics such as inflation, developments in the monetary market and the volatility in the exchange rates were the most important items on Turkey's economic agenda. The WPI inflation, which started with 14.97% in January 2021 and closed the year with 36.08%, rose to 54.5% in February 2022. Price increases in energy, food, housing and services sectors had an impact on consumer price inflation throughout the year. Due to the volatility in the exchange rates and the global commodity price inflation, the difference between producer prices and consumer prices reached peak levels at 51%. The forecasts on inflation demonstrated an upward trend.

Raising the interest rates by 200 basis points in the first half of 2021, the CBRT has cut the interest rate by 500 basis points since September. Due to the high exchange rate transitivity in 2021 and while the high inflation depreciated the value of the local currency, the real value of the Turkish Lira recorded historic lows as a result of exchange rate volatility. Despite the significant fluctuations in the value of the Turkish Lira in 2021, it is expected that the balance in the exchange rate will be achieved as a result of especially the Exchange Rate-protected Deposit Account.

In addition to these developments affecting the recovery trend in exports; strong normalization steps, significant progress in vaccination and vitalization in the global economy are the factors positively affecting the current account balance. In addition to the outlook in the foreign trade balance, the service sector also tried to start the recovery process after the pandemic in 2021. On the other hand, the industrial sector has been one of the important factors supporting the Turkish economy in 2021; and the start of industrial activities has positively affected the growth.

Inflation is rising rapidly and is expected to remain an important subject both in global and Turkish markets in 2022. In 2022, it is expected that the Turkish economy will become more predictable and therefore the risk indicators will improve. On the other hand, global economic developments such as supply chain problems and increases in commodity prices may also affect the Turkish economy. It is expected that the inflation increase in Turkey will continue, by raising over 45% in the last quarter of 2022, with a downward trend towards 2023 due to the base effect. The volatility in the value of the Turkish lira has a significant impact on Turkey's economic outlook. Although the negative effects of inflation and exchange rate volatility may be felt for a while; it is expected that Turkey will enter the stabilization process and continue its economic growth by eliminating uncertainty.



Depending on the course of the coronavirus epidemic, it is expected that the effects felt in daily life and the economy will decrease. As the fastest-growing G20 country in Q3 2021, Turkey aims to maintain economic growth and to achieve significant growth in exports. With the support of normalization, it is expected that the increase in tourism and export revenues will continue to support the current account balance positively.

Banking Sector Outlook

The Turkish banking sector surpassed growth expectations with the macroeconomic measures taken in 2020 to eliminate the negative impact of the pandemic on the economy. Although the growth rate of the sector slowed down in 2021, participation banks continued to grow above the sector. Keeping the loan channels active to support the real sector in line with the growth-oriented policies in Turkey, the banks also strived to improve their asset quality. Even though non-performing loans caused risks for banks' balance sheets in this period, the regulations and measures implemented by the BRSA helped the banking sector to get through this process more healthily. With the support of the BRSA regulations, banks managed to keep their asset quality under control and registered a profit of TL 97 billion.

Participation banks also acted in parallel with the sector while private banks managed to increase their asset profitability. With the capital increase announced for public banks in addition to the strong capital adequacy of private banks, it is expected that the sector will grow faster in 2022 compared to the previous year.

The banking sector was able to withstand the pandemic's impacts thanks to the experience gained in risk management through new instruments and legal regulations developed after the 2008 global financial crisis. With the decreasing trend in risk-weighted assets in bank balance sheets around the world, it was observed that the decreases in return on equity have been tolerated. The breakthroughs made in the field of digital transformation in recent years were among the factors that supported the extension of Turkish banks.

Albaraka Türk's Position in the Sector

Albaraka Türk's total asset size is 15.2% among participation banks.

Sectoral Growth (%)	2019-2020			2020-2021		
	Albaraka Türk	Participation Banks	Banking Sector	Albaraka Türk	Participation Banks	Banking Sector
Total Assets	34.9%	53.7%	36.0%	57.2%	64.1%	50.9%
Funds Extended	36.4%	45.0%	32.4%	40.3%	54.0%	37.1%
Funds Collected	29.8%	50.0%	34.9%	76.8%	71.9%	52.9%

Market Shares (%)	2020			2021		
	Albaraka Türk/ Participation Banks	Albaraka Türk/ Banking Sector	Participation Banks/ Banking	Albaraka Türk/ Participation Banks	Albaraka Türk/ Banking Sector	Participation Banks/ Banking
Total Assets	15.9%	1.1%	7.2%	15.2%	1.2%	7.8%
Funds Extended	16.3%	1.1%	6.6%	14.9%	1.1%	7.4%
Funds Collected	15.7%	1.4%	9.1%	16.1%	1.6%	10.2%

Assessment of Activities in 2021

In line with its integrated digital channel strategy, Albaraka Türk takes firm steps towards its goal of transferring all services provided from its branches to digital channels.



DIGITAL CHANNELS AND PAYMENT SYSTEMS

In line with its integrated digital channel strategy centered on Albaraka Mobile, Albaraka Türk takes firm steps towards its goal of transferring all services provided from its branches to digital channels. In addition to the web courier onboarding process, the Bank provides users the opportunity to become Albaraka Türk customers and access Albaraka Türk products and services via NFC (Near Field Communication) video call from anywhere, without having to go to the branch and sign any documents.

Believing that digital transformation can be achieved with a human-centric model, Albaraka Türk aims to focus on digitalization by maintaining its values and providing a simple and user-friendly experience in all channels it operates. In this context; Albaraka Türk's corporate website albaraka.com.tr has been renewed and currently provides services in 3 different languages.

Assessment of Activities in 2021

Based on the principle of simplicity, Albaraka Türk strives to simplify its business processes and continuously improve user experience.

It's time to become a member of Albaraka instantly with video calls!

With Albaraka Mobile, you can video chat with our customer representatives from anywhere you want and become an Albaraka native.

**TL DIGITAL PARTICIPATION
ACCOUNT WITH 98/8 PROFIT
SHARING RATIO**

**7/24 FAST, EFT AND
FREE MONEY TRANSFER**



Based on the principle of simplicity, Albaraka Türk strives to simplify its business processes and continuously improve user experience. Focusing on doing business with its stakeholders, the Bank aims to create a digital ecosystem through collaborations with different institutions. Collaborating with more than 160 institutions in this regard, Albaraka Türk establishes many collaborations such as salary payment integrations, school installment integrations and integrations with e-commerce sites within the scope of "Pay with Albaraka".

Albaraka Türk continues to provide services to its customers using the latest technologies and offer new payment methods to mediate their banking transactions and payments. In addition to QR code withdrawal/deposit transactions via Albaraka Mobile, Albaraka Türk launched a QR code shopping solution via POS for its customers. Albaraka Türk developed the "Albaraka Türk Digital Debit Card" product, which can be used in online shopping and created digitally from both Albaraka Mobile and the Internet Branch.

Albaraka Mobile

In 2021, the total number of Albaraka Mobile users reached 620 thousand and the number of users using the system in the last year rose to 425 thousand. With its ever-increasing user base, the Albaraka Mobile platform is improved with new functions and services in line with the developments in digital channels.

In 2021, the total number of Albaraka Mobile users reached 620 thousand.

Onboarding via Video Call: With the contactless chip reading and video call function added to Albaraka Mobile, all you need is a mobile device with NFC (Near Field Communication) feature and a new type ID Card for the onboarding process. You can become an Albaraka Türk customer from anywhere, without having to go to the branch and sign any documents.

Digital Debit Card: In line with the needs brought by digitalization and increasing e-commerce habits as a result of the pandemic, Albaraka Türk launched its virtual card product. Without the need to go to the branch to make an application or the printing of a physical card, Albaraka Digital Debit Card can be created via the Internet Branch, providing a fast, reliable and innovative solution to the customers.

Mobile Approval via Notification: Albaraka Türk launched the Mobile Approval service, which allows Internet Branch logins and Internet Branch transactions to be approved via notifications sent to mobile devices instead of SMS.

Single Password: The Single Password project was completed to allow customers to use the digital banking password they use in the Internet Branch and Albaraka Mobile in the Call Center as well. Customers can now use their digital channel passwords in the Alo Albaraka voice response system.

Jet Financing: Customers receiving preliminary approvals following their applications via Albaraka Mobile can complete their financing transactions by uploading invoices for products and services they need financing. Customers can perform the entire application, allocation and utilization stages via Albaraka Mobile without having to go to the branch.

Setting a Password and Secret Word: In the "Forgot Password" and "New User" processes, the verification processes with the information contained in the ID were removed. The customers can now set their password change period themselves. Customers are provided the opportunity to set their Albaraka Mobil first use passwords. With the password change period added to the Albaraka Mobile password change screen, customers can now set their password change periods as 1 month, 3 months, 6 months and 1 year. The "Secret Word", which is used as a verification element by the customer in Alo Albaraka processes can now be changed via Albaraka Mobile. In line with the legislation, necessary arrangements were made for customers logging in to Albaraka Mobile via Face ID to log in at least once in 90 days with a password instead of Face ID.

Confirmation During e-Mail Submissions: For customers who want to receive their Albaraka Mobile statements and receipts via e-mail, necessary arrangements were completed to check whether their registered e-mails are confirmed and, if necessary, to confirm their e-mail addresses.

Instant and Continuous Transfer of Funds (FAST): The CBRT's 24/7 FAST money transfer transactions were also made available via Albaraka Mobile.

Easy Addressing System (KOLAS): KOLAS was launched to enable customers to match their accounts with their mobile phone numbers, TR ID Number, e-mail address, foreign identity number, passport numbers or tax identification numbers for FAST transactions.

Arbitrage Transactions: Arbitrage transactions were made available in Albaraka Mobile.

Lease Certificate Book Building: In addition to the existing channels for lease certificates, customers are provided with opportunity to access lease certificates via Albaraka Mobile.

Assessment of Activities in 2021

Albaraka Internet Branch continues to be one of the most popular channels used by customers with a volume exceeding TL 8 billion per month.

Albaraka Assistant (Chatbot)

As the first banking robot that carries out transactions through written and verbal commands, Albaraka Assistant responded to over 400 thousand questions of more than 87 thousand Albaraka Türk customers. Albaraka Assistant can make transactions for registered bills and other payments as well as money transfers such as registered EFT and wire transfers. Albaraka Assistant is also planned to be made on the Bank's corporate website, albaraka.com.tr, to offer its users a unique customer experience in the field of digital banking.

Internet Branch

Albaraka Internet Branch continues to be one of the most popular channels used by customers with a volume exceeding TL 8 billion per month. In 2021, the products and services provided through the Internet Branch were improved further. Key changes in 2021 included the following:

"Secure Payment" Service in Second-Hand Vehicle

Purchases: Thanks to the collaboration with the Union of Turkish Public Notaries, the "Secure Payment System", valid at all notary publics across Turkey was made available for our customers via the Internet Branch. The system eliminates the need to carry cash in second-hand vehicle purchases and the risk of payment while preventing fraudulent transactions and reducing physical contact with money.

Innovations Regarding Accounts: Customers can now monitor their Honey Cream accounts via the Internet Branch including their participation account and lease certificate amounts. The customers can monitor their profit share rates and the rates defined for the user, during the opening of their participation account, via the Internet Branch. Albaraka investment accounts and the securities within these accounts were included in the account list menu, where the current and participation accounts of customers are listed.

My Documents Menu: "My Documents Menu" was launched in order to allow customers to view the contracts and other documents they have signed for Albaraka Türk products/services. The system where contracts and documents included in the system can be viewed, now supports adding different types of documents to the menu as well.

Logging in to e-Government System via Turkish ID number: It is possible to access the e-Government System via the turkiye.gov.tr website using the Internet Banking login method with the Turkish ID number, in alternative to the Internet/Mobile Branch password and customer number.

Monitoring All Notifications from My Messages

Menu: The "My Messages Menu" was launched in the Internet Branch in order to allow customers to access all notifications sent by the Bank regarding transactions, special situations, etc. from a single address, and to encourage them to view transaction information directly via digital channels instead of e-mail/SMS.

e-Mail Verification: In the Internet Branch, the e-mail addresses of the customers can be verified over the internet when they send an e-mail.

"New User" and "Forgot Password": Arrangements were made in the ID verification process when a customer is a digital channel user and his/her password is blocked/forgotten. "New User" and "Forgot Password" options were made available in accordance with the criteria specified in the legislation. At the end of the process, the password is sent to the customer via a channel preferred by the customer instead of an SMS. Additionally, customers can now select their mandatory password change periods.



"SMS" and "Digital Statement" alternatives were included in the preferences of credit card statements.

SIM Card Block Transactions: With the collaboration made with telecommunication companies, the Bank is informed in the event a customer changes the SIM card used in the mobile phone registered in Albaraka Türk. For risky transactions carried out via a mobile phone, the customer identity verification process is applied in advance. In order to eliminate security gaps, arrangements were made in SIM card block transactions in line with the relevant legislation and the necessary criteria have been complied with.

Improvements in the Password Block Process: If the Internet Branch login password is entered repeatedly incorrectly, the user is prevented from logging into the system for security reasons and must obtain a new password. With the arrangement made, a mobile phone verification phase was added to this process, and the number of failed attempts was increased in order to reduce blocks.

"Mobile Confirmation" in Internet Branch Login and Transaction Approvals:

The "Mobile Confirmation" function was developed to make it easier for customers to log in to the Internet Branch and to allow them to log in and carry out their transactions more securely. Allowing users to log in to the Internet Branch and approve transactions using the notification received via Albaraka Mobile instead of an SMS password or a one-time password, "Mobile Confirmation" was made available to customers.

Mobile Approval for Logging into e-Government: When the Internet Banking/Albaraka Türk option is selected while logging into the e-Government system, customers can log in practically via Mobile Approval.

POS Statement Preference: "POS Statement Preference" option was added to the menu so that the POS statements of the customers, which include the transactions of the contracted merchants, can be issued via the Internet Branch.

Debit Card Transaction Authorities: Customers who want to increase the security of their transactions with their debit card, can set authorities such as "Withdrawal from the ATMs of other banks" and "Making purchases via Physical POS" according to their needs via the Internet Branch. Customers can change these authorizations whenever they want.

Debt Payment for Credit Cards in Administrative Monitoring: Customers are allowed to view the default fees of their credit cards under administrative monitoring and make their debt payments via the Internet Branch.

Display of Business Card Installment Transaction Limit: Customers are allowed to view the current installment limit defined for their business credit card transactions via the Internet Branch.

Arrangements in Credit Card Statement Preferences: "SMS" and "Digital Statement" alternatives were included in the preferences of credit card statements, which include credit card transactions and are sent monthly via e-mail and physically according to customer preferences.

Receiving HGS Pass Details in Excel Format: HGS pass details, which can be viewed instantly over the Internet Branch, are now sent to customers via e-mail in Microsoft Office Excel file format.

Assessment of Activities in 2021

The "Mobile Confirmation" application was also made available in the "Pay with Albaraka" service.

Adding Documents to SWIFT Transactions: In SWIFT (Foreign Money Transfer) transactions carried out for freight payments, advance payments, invoice payments and goods payments, the manual process was transferred to the digital environment by allowing customers to upload invoices via the Internet Branch.

Arrangements in Wire Transfer/EFT Batch Payment File Format: The content and format of the Microsoft Office Excel file on the File Transfer screen of the Wire Transfer/EFT Batch Payment menu, where customers can perform multiple money transfers or card debt payments, has been simplified and updated. Customers are allowed to use the new or old file structures as per their preferences.

Opening a Future Date Participation Account: Customers can now open Classic, Flexible-Term and Fix Participation Accounts via the Internet Branch at a later date, by entering instructions and keeping the account opening amount at the date of their choice.

IBAN Verification Service in EFT Transactions: In order to prevent errors in EFT transactions with IBAN, the IBAN verification service started to be offered by showing the first two characters of each word in the account name.

Monitoring of Contactless Transactions: A "Contactless" icon was added to card transactions in order to allow customers to view their contactless transactions with their credit cards.

Payment from Albaraka Account on "Pay with Albaraka" e-Commerce Sites: Thanks to the "Pay with Albaraka" function on e-commerce sites, an innovative and different payment alternative is offered to customers, allowing them to make payments directly through their account when shopping on e-commerce platforms. The following e-commerce websites were added to the scope of "Pay with Albaraka": www.n11.com.tr, www.hepsiburada.com, www.ereyon.com.tr, www.krc.com.tr, www.karaca-home.com, www.emsan.com.tr, www.jumbo.com.tr, www.jumbogastro.com, www.cookplus.com, www.kitapcim.biz, www.superkitap.com.tr, www.genpa.com.tr, www.incehesap.com.

Making the "Pay with Albaraka" Platform Responsive: Allowing customers to pay directly from their account on e-commerce sites, the "Pay with Albaraka" service was made responsive and can be used easily from mobile phones and smart devices.

"Mobile Confirmation" for "Pay with Albaraka" Transactions: Introduced to facilitate customers' access to the Internet Branch and to increase the security of their transactions, the "Mobile Confirmation" application was also made available in the "Pay with Albaraka" service, which allows customers to make direct payments on e-commerce sites.

"Deficient Repayment Plan Approval" and "Incomplete Invoice/Document Upload" for Financing: Customers were provided with the chance to upload their deficient invoices, etc. documents related to the financing option they use via the Internet Branch, and approve their repayment plans, without going to the branch.



Oyak Securities Integration: Thanks to the collaboration between Albaraka Türk and OYAK Yatırım Menkul Değerler A.Ş. (OYAK Securities), it was possible to carry out stock transactions within the scope of the Participation Index, which was carried out only through BMD, for both institutions via the Internet Branch. The Bank's retail customers can open investment accounts via the Internet Branch while corporate customers can do so from the branch. Online account opening, portfolio viewing, stock trading, bulk trading, order monitoring/update/cancellation, investment statement viewing, transferring from/to investment to/from current accounts, public offering application, public offering request monitoring/update/cancellation service offered through OYAK Securities is now available to customers via Albaraka Türk Internet Branch.

Renewal of Internet Branch Login Page Design: With the renewal of the Albaraka Türk corporate website, the Forgot Password, New User, Sim Unblocking, Pay with Albaraka (Compay) pages and the e-Government Login page of the Internet Branch were also renewed to be modern and convenient.

Deed Trusted Account Application: Launched in cooperation with the Land Registry and Cadastre Directorate, the Deed Trusted Account puts an end to carrying cash in real estate transactions and enables real estate and cash to be exchanged simultaneously. The service can be accessed via the Internet Branch.

Contracted Merchant Consumable and Terminal Requests: Customers are allowed to perform their Additional Terminal Requests (Additional IP POS, Mobile POS and Cash Registers), POS-Consumable Requests (Roll receipt) and POS-Regular Notification (regular transmission of daily transactions via e-mail) preferences in relation to the contracted merchant and POS terminals via the Internet Branch.

Foreign Currency Transfer Tracking (SWIFT GPI): Thanks to the integration with the SWIFT GPI (Global Payments Innovations) system, customers are now able to monitor their international transfers simultaneously via the Internet Branch from the moment the amount leaves their account until the amount is transferred to the recipient account.

Special Exchange Rate: Customers are offered a special exchange rate defined for them in foreign exchange and precious metal trading transactions, and are able to use this rate in transactions they perform in the branch as well via the Internet Branch.

24/7 Money Transfer with FAST (Instant and Continuous Transfer of Funds): With the Instant and Continuous Transfer of Funds (FAST) system, customers are able to carry out EFT transactions 24/7.

Online Traffic Insurance Application: Customers can purchase compulsory traffic insurance via Albaraka Internet Branch. With the digital traffic insurance application, the expiring policies can be renewed.

Assessment of Activities in 2021

With the AlbaFX Mobile app launched in 2021, Albaraka Türk offers its customers the opportunity to buy/sell foreign currency and precious metals on a 5/24 basis.

Effective Portfolio Management Under All Circumstances

In consideration of the volatility in foreign exchange and the balance of the Bank's assets and liabilities, Albaraka Türk Treasury Department maintains a conservative balance sheet management in terms of foreign exchange position.

With the foreign exchange demand generated in the market as of the third quarter of 2021, secondary TL sukuk sales slowed down in line with customer demands. The foreign currency liquidity generated by Albaraka Türk is used for fixed-income securities according to customer preferences.

2021 was a difficult year in which both Turkish and global markets significantly contracted, supply and demand balance deteriorated and monetary tightening policies applied. The decrease in the foreign capital coming to Turkey also affected the banking sector, in which Albaraka Türk operates.

In 2021, Albaraka Türk focused on USD and EUR cost control and decreased its wakala and murabaha volumes.

Transaction Types	Transaction Volumes (USD)		Closing Balance (USD)	
	31.12.2020	31.12.2021	31.12.2020	31.12.2021
Murabaha (CMI)	516,616,747	154,541,415	7,421,700	-
Reverse Murabaha	614,258,430	686,706,318	91,117,423.55	62,719,034
Wakala	2,396,607,078	1,880,785,000	296,807,599.23	95,905,761
Reverse Wakala	215,790,000	70,000,000	16,127,500.00	-
Participation Accounts	500,270,250	316,500,000	1,500,000.00	16,500,000
TOTAL	4,243,542,505	3,108,532,733	412,974,223	175,124,795

As of the end of 2020, USD wakala and murabaha portfolio weighted average cost was 2.53%; it was reduced to 1.87% at the end of 2021. Likewise, the EUR wakala and murabaha portfolio weighted average cost of 1.07% in 2020 was reduced to 0.89% at the end of 2021. The weighted average cost details of foreign currency wakala and murabaha between December 31, 2020, and December 31, 2021, are as follows:

Interbank Borrowing Wakala	31.12.2020 (%)	31.12.2021 (%)
Cost of USD Funds from Banks	2.22	1.65
Cost of EUR Funds from Banks	0.96	1.03
Interbank Borrowing Murabaha	31.12.2020 (%)	31.12.2021 (%)
Cost of USD Funds from Banks	3.21	2.30
Cost of EUR Funds from Banks	1.48	0.72

With the AlbaFX Mobile app launched in 2021, Albaraka Türk offers its customers the opportunity to buy/sell foreign currency and precious metals on a 5/24 basis. Customers can trade with competitive prices via AlbaFX Mobile both instantly and by placing orders. It is expected that the increasing transaction volume with AlbaFX Mobile to have a positive impact on Albaraka Türk's foreign exchange profitability.

The increasing issuances in the field of lease certificates were the main reason for the acquisition of new customers of Albaraka Türk branches and the increase of existing customers' assets in the Bank. Sukuk transactions, which can be done via the Albaraka Türk Internet Branch provide customers with great ease since the need to go to a branch is eliminated.

Albaraka Türk develops trading strategies for different market conditions to manage its foreign exchange position as a result of customer transactions. In order to increase the profitability of FX transactions, Albaraka Türk carries out hedge transactions in accordance with the course of the market and the price movements.

The newly-established Trading System allows the Treasury Sales Team to provide the private customers and Albaraka Türk branches with instant and competitive exchange rates and transfers the systematic records of transactions directly to the Main Banking System. The new system contributes to increasing internal and external customer satisfaction, managing foreign exchange positions more effectively and raising profitability. Efforts were made to increase the transparency, effectiveness and accountability regarding the foreign exchange and derivative transactions carried out by the Trading Service. In order to prevent the foreign currency rates offered by Albaraka Türk to be affected negatively by market conditions, a cross-check is applied to the prices generated by the exchange rates, through a different source.

Established within the Treasury Department, the Treasury Sales Service contributes to customer acquisition by making improvements in the field of customer-oriented pricing.

Albaraka Türk Treasury Department maintains its policy of providing proactive efficiency in decision-making processes by making improvements to the systemic data flow that will increase the efficiency of the assets and liabilities of the Bank.

With the FX liquid assets that became idle as a result of the increasing dollarization, it is aimed that the FX sukuk portfolio, which was expanded in 2021, will continue to be supported in 2022 and be developed effectively by taking maturity and yield into account.

Assessment of Activities in 2021

Albaraka Türk operates with its network of **over 1,000 correspondents** in 115 countries.

INCREASING FOREIGN TRADE VOLUME WITH A WIDE CORRESPONDENT NETWORK

Relations with Correspondent Banks

To meet its clients' international banking needs with high quality and efficient service approach, Albaraka Türk undertakes intense efforts with domestic and overseas correspondent banks in line with the reciprocity principle. Albaraka Türk provides effective and high-quality services to its corporate and SME customers with its network of over 1,000 correspondents operating in 115 countries, and nostro accounts in 14 currencies under 41 banks located in 22 countries. In 2021, new correspondent relations were established with banks located in different countries of the world such as Mexico and South Africa.

Foreign Trade Volume (USD billion)

Export



Import



Rising Foreign Trade Volume

Albaraka Türk's foreign trade volume increased by 19% in 2021 compared to the previous year in USD. With export volume increasing by 20%, import volume rose 18% compared to 2020 in USD.

In 2021, the letter of credit volume rose 14% compared to the previous year in USD. In 2021, the letter of credit volume rose 14% compared to the previous year. In 2021, Albaraka Türk's letter of credit volume in export transactions increased 19% in USD over the prior year.

Aiming to fund the transactions of its exporting customers carried out with the credit account payment method, Albaraka Türk signed an agreement with FCI (Factors Chain International) in 2021. Coming up with effective solutions to the Turkish exporters' needs, Albaraka Türk aims to guarantee the receivables of its exporting customers and meet their funding needs by leveraging FCI's extensive network of members in more than 90 countries.

Aiming to play a more active role in foreign trade transactions of Turkish exporters with the Far East and Asia-Pacific regions and to guarantee the export payments of its customers, Albaraka Türk plans to expand this cooperation with other organizations operating in other geographies in 2022.

Cooperation with DEİK

Foreign Economic Relations Board (DEİK), established in 1985, conducts foreign economic relations of the Turkish private sector, especially foreign trade, international investments, services, contracting and logistics. It researches domestic and abroad investment opportunities and aims to increase Turkey's exports and coordinates efforts for business development. Within the scope of the close collaboration with DEİK, Albaraka Türk became a member of Bahrain, Iraq, Malaysia, Ghana, Morocco and China business councils and participated in events held by the business councils.

Export LC Volume (USD billion)



70% GROWTH IN LEASE CERTIFICATES AMOUNT

In the first half of 2021, the recovery process continued thanks to the rapid administration of vaccines across the country, the easing of restrictive measures and the increase in consumer and investor confidence due to the normalization of consumer behavior. In the second half of 2021, the positive outlook in economic activity was maintained thanks to the foreign demand, and the tourism sector made a significant contribution to growth.

In 2021, which has been quite active in terms of Turkey's capital and money markets, there was a significant increase in the number of companies going public. In 2021, a total of 52 companies went public and the total volume of the IPOs exceeded TL 21 billion. The steady growth in money markets throughout the year. The rapid rise in the exchange rates in the last quarter of the year shifted investors' attention to foreign currency assets and precious metals. Despite the slight recession in the money markets in the last quarter of 2021, a stable course prevailed throughout the year.

Another important element that supported capital and money markets in 2021 was the private pension system. According to the data of the Pension Monitoring Center dated December 31, 2021, the number of participants reached 7 million and 92 thousand, with a total fund volume of TL 228 billion. In the automatic participation system where the number of participants is 6 million and 197 thousand, the total fund volume reached TL 16.5 billion. It is expected that the private pension system will contribute to the development of money and capital markets.

Albaraka Türk Investment Banking

Albaraka Türk Investment Banking Department carries out medium and long-term funding transactions with interest-free banking instruments on behalf of the Bank in the domestic and international capital markets. The lease certificate product is used as a strategic product in both domestic and international transactions. Developments that are effective in determining the bank's strategy, market data and regulations regarding capital markets are thoroughly followed by the Investment Banking

Department. In order to increase the effectiveness of the instruments used in capital markets, customer analyses are performed and evaluations regarding investor trends are shared with the Bank's management on a regular basis.

The Investment Banking Department carries out medium and long-term borrowing transactions from foreign institutions. In order to transact in foreign markets at the most affordable cost, the news feed is followed closely on a regular basis and effective communication is established with banks, portfolio management companies and other service providers residing abroad.

Focusing on investment banking activities to offer the most beneficial products and services to its customers, Albaraka Türk follows the latest trends in investment products in both domestic and international markets and conducts studies on designing new products and improving current processes in the light of the latest developments.

Albaraka Türk demonstrated successful performance in 2021 in the field of investment banking. The issuance of lease certificates increased by 70% approximately in 2021 compared to the previous year, making a significant contribution to the liquidity Bank. The total issuance volume of Albaraka Türk reached TL 22.2 billion. The portion of around TL 2.5 billion of the lease certificate issuance consists of the issuances made through the public offering method; through these issuances, the Bank expanded its investor base and facilitated the access of small investors to capital markets.

Assessment of Activities in 2021

The lease certificate issuance volume of Albaraka Türk in 2021 rose to TL 22 billion.



Transaction Volumes

Albaraka Türk's lease certificate issues in circulation reached TL 4,195,000,000 in 2021 (2020: 4,145,000,000). In 2021, The total issuance volume rose 70% from TL 13,092,000,000 to TL 22,213,000,000. Leveraging actively from lease certificates in fund collecting activities, Albaraka Türk became the bank that issued the most lease certificates among participation banks in terms of both the number of transactions and the nominal size (according to TKBB data), with an issuance volume of TL 22.2 billion as of the end of 2021. However, the secondary subordinated debt-like sukuk transaction worth USD 250,000,000 that took place in 2015 and the additional capital transaction (AT1 Sukuk) of USD 205,000,000, which was carried out in 2018 are still in circulation.

Değer Varlık Kiralama A.Ş.

In 2021, customer/branch visits were carried out in order to promote and inform about the activities of Değer Varlık Kiralama A.Ş., which was established by the Bank in 2020 with the aim of funding private sector companies from the capital market. Değer Varlık Kiralama A.Ş. plans to commence its brokerage activities in 2022.

Digital Transformation

All operational processes of the Investment Banking Department were digitized, and business development activities were carried out in order to provide the best experience to customers and stakeholders. In 2021, the Investment Banking Department moved most of the transactions carried out with physical documents to the digital platform. The studies for signing the letters sent to the institutions such as CMB, MKK via the digital platform will be completed soon. With the completion of 20 different projects developed in cooperation with the IT department in 2021, it is aimed that the business processes will reach a lean and agile model.

Targets for 2022

With the steps to be taken by the economic administration in the new period, it is expected that the Turkish Lira liquidity conditions will improve and the Bank lease certificate will gain momentum. In 2022, it is predicted that the interest of private sector companies in Islamic capital market products, especially in corporate sukuk issuances, will increase. It is aimed to contribute to the customers by mediating their lease certificate issues through Değer Varlık Kiralama A.Ş., a 100% affiliate of Albaraka Türk. It is expected that the increased volume provided with the improvement of the private pension system and the investment funds will generate a significant demand regarding the sales of lease certificates issued.

Green Status: Normal customers with no findings in the early warning system are categorized in the green status and the credit relationship is managed according to the current credit decision. The loan limits are open for use and the Rota flows are not subject to approval in terms of early warning.

Blue Status: Although an early warning signal was identified earlier in the early warning system, the adverse condition has disappeared and will not affect the credibility of the customer. There is no difference with the green status in terms of the loan utilization process.

Red Status: A finding was identified in the early warning system and the early warning signals are considered to have a negative impact on company activities. These customers are followed with a red status. Loan limits are suspended and in consideration of the overdue days of the company and whether the overdue amount was restructured, loans can be provided with the approval of the Collection or Credit Monitoring department.

Yellow Status: The customers for whom a finding was identified in the early warning system are tracked under the yellow status. The customers under yellow status whose relationship with the bank are considered are assessed by the Credit Risk Monitoring Department (CRMD) through Rota - EWSAK flow. If it is determined that the signals will not have a negative impact on the company's activities, the status will be changed as green; if it is decided that they will have a negative effect, it is changed as the red status.

Targets for 2022

In 2022, Albaraka Türk aims to improve the efficiency of corporate customers and increase their profitability, raise its portfolio quality by focusing on customers operating in industry and manufacturing sectors and keep its non-performing loans ratio (NPL) below the sector averages by performing effective collection management and distributing the risk concentration between sectors.

Albaraka Türk
strives to raise
its portfolio.



Assessment of Activities in 2021

Boasting a product portfolio that meets all of its customers' needs digitally and on-site without the need to visit a branch or sign physical documents, **Albaraka Türk** earns a place in the future of banking.

SUPPORT TO KEEP PRODUCTION AND ECONOMY ACTIVE

It is seen that the changing business rules and consumer habits in 2020 as a result of the pandemic have become permanent after the normalization process in 2021. The banks are complying with the new standards emerging in all areas of economic activity by developing new service models, new channels, communication and marketing methods. In 2021, Albaraka Türk Products Management Department focused on the provision of treasury, financing, fund collection and cash management products via digital channels with projects based on providing service to customers independent of place and time.

Aiming to reach more customers through the variety of digital products faster and at a lower cost, Albaraka Türk Product Management optimizes the credit infrastructure and processes of individual and corporate products by making use of innovative technologies. All products regarding the financing needs of customers expand the credit volume of the Bank while reducing the customer visit numbers of branches, therefore increasing customer satisfaction and branch personnel productivity. Nearly all new products of the Bank possess the automatic allocation structure and can be used directly with the contracts signed via digital channels. Closely monitoring the customer needs in the field of retail banking in 2021, Albaraka Türk is among the pioneers in the industry with products such as Financing at the Dealer - OTS, Financing at the Dealer - General-Purpose, Jet Financing, Online

Shopping Financing and Pratik Card. Boasting a product portfolio that meets all of its customers' needs digitally and on-site without the need to visit a branch or sign physical documents, Albaraka Türk earns a place in the future of banking.

With the Financing at the Dealer product, Albaraka Türk was deemed worthy of the third prize in the "Best Business Enablement Project of the Year" category at the IDC CIO (International Data Corporation-Chief Information Officer) Awards 2021, where successful digital transformation projects were awarded.

In 2021, Albaraka Türk supported small and medium-sized enterprises (SME) with Profit Shared Corporate Financing Support, Flexible Financing, Financing with Preclosure Option, ELÜS Secured Loan, Sukuk Secured Loan, Business Loan, Commercial Vehicle Loan and Leasing products.

Eximbank-Insured Export Receivables Secured Loan:

According to the protocol signed with Eximbank, it was made possible for exporter customers to utilize loans by presenting Eximbank-insured policies as collateral.

Cash Against Goods Export Financing:

In 2021, Albaraka Türk became a member of the FCI, the umbrella organization of financial institutions providing guarantee and collection services for export receivables against goods. Albaraka Türk aims to offer the Cash Against Goods Export Financing product as of the second quarter of 2022 for its exporter customers.

New products and services introduced in 2021 are as follows:

Check Integration:

In order to allow small and medium-sized enterprises, who receive their payments mostly via checks, to track and report their checks, the Check Integration product was developed.

Flexible Package:

In addition to the Banking Service Packages offered to customers in different content and periods, the Flexible Banking Service Packages were developed. The content and periods of the Flexible Banking Service Packages are determined entirely by the customers.

The AlbaFX Mobile application, a foreign exchange trading and ordering platform at advantageous rates, was introduced.

Physical Gram Gold Withdrawal:

Enabling customers to physically withdraw their gold savings in their accounts from branches in 1, 5, 10, 20, 50 and 100-gram units, the Physical Gram Gold Withdrawal service was launched.

FAST and KOLAS:

With this product, customers can perform EFT transactions up to TL 5 thousand via the Instant System Transfer of Funds (FAST) system using Mobile and Internet Banking on a 24/7 basis. With the development made in the system, customers can use details such as telephone number, Turkish ID number, e-mail instead of IBAN to perform transfers via KOLAS (Easy Addressing System).

Financing at the Dealer - OTS Education Financing:

Aiming to provide ease and satisfaction for educational institutions and offer fast and easy financing solutions for students and parents, Albaraka Türk launched the Financing at the Dealer - OTS Education Financing product. The Financing at the Dealer - OTS product provides Tuition Financing during enrollment, which students and parents who are not Bank customers can also benefit from on a 24/7 basis.

Fund Saving Account:

The Fund Saving Account product was developed to allow customer to place regular fund purchase orders from their current accounts on a daily, weekly, monthly basis.

AlbaFX Mobile: The AlbaFX Mobile application, a foreign exchange trading and ordering platform at advantageous rates, was introduced. Making a positive contribution to customer satisfaction and loyalty thanks to its accessibility and benefits, the AlbaFX Mobile expands the Bank's customer base while increasing fund volume.

Assessment of Activities in 2021

In 2022, it is planned to launch even more services and products to facilitate customer experience.

Online Shopping Financing:

Thanks to the integrations made with the most popular e-commerce platforms of Turkey, customers are offered the opportunity to make payments through Bank financing in a very short time, without the need to visit the branch and upload documents. As the first bank to offer an Online Shopping Financing service, Albaraka Türk is pioneering the sector.

Digital Loan Jet Financing:

The Digital Loan Jet Financing product, which allows customers to apply for general loans via Albaraka Türk corporate website and the Mobile Branch without visiting the branch, was launched.

Pratik Financing Card (pilot)

A pilot product was launched to enable customers to use consumer financing from all bank POS devices via Pratik Financing Cards. Pratik Financing Cards are given a limit and can be used as a debit card. Pratik Financing Card provides ease of use to its customers and allows rapid allocation.

Digital Traffic Insurance:

The Digital Traffic Insurance product was launched in the Albaraka Türk Internet Branch to allow customers to purchase insurances with one click.

24/7 RBV:

The trading time between 08:30 - 12:30 for the Short-Term Lease Certificate Investment Fund (RVB), a fund that allows daily investment, was eliminated. The Fund is now available for transactions on a 24/7 basis.

Direct Debiting System:

Albaraka Türk Direct Debiting System aims to guarantee the forwards sales of goods and services to be made by corporate customers to their dealers. With the improvement made, funding is provided to the dealers via the Corporate Internet Banking, according to the limits allocated; allowing the main companies to make cash collections without waiting for the invoice payment date.

In 2022, it is planned to launch even more services and products to facilitate customer experience, and to take actions to improve the processes and products in line with the feedback received. The Products Management Department aims to improve the digital customer acquisition process with more digital products and services provided to customers.

PERFECT SERVICE APPROACH TO CUSTOMERS FROM ALL STRATA

Albaraka Türk invests in remote customer acquisition systems in accordance with its growth strategy in the next-generation retail customer segment. The studies towards customer acquisition via courier, initiated in 2020, continued with customer acquisition via video calls in 2021. The service model and campaigns specially developed for customers acquired via digital channels contribute to high customer satisfaction. As of the end of 2021, the number of customers acquired via digital channels reached 15 thousand, and the fund volume reached TL 65 million.

Albaraka Türk aims to offer a personalized marketing experience by serving with different banking models in the mass and mass star segments. In 2021, Albaraka Türk introduced new banking models, namely Trend Banking for young people, Violet Banking for women and Agricultural Banking for farmers.

The credit card product developed for female customers within the scope of Violet Banking offers shopping campaigns with installments and World Points and aims to increase customer satisfaction through brand collaborations and promotion kits. Violet Assistance Services provides free assistance to cardholders. Violet PPS and insurance products provide an alternative tool for female customers to make investments and support them to provide future security in difficult economic conditions.

With Trend Debit and Trend Credit Card products designed for customers between the age of 18-25 within the scope of Trend Banking, the Bank aims to make it easier for young customers to meet their basic needs and educational expenses.

Aiming to diversify the products and services of farmers with the Agricultural Banking model, Albaraka Türk contributes to sustainability while supporting the farmers with sector-specific products. With financing campaigns allowing farmers to make flexible payments at harvest time, Albaraka Türk contributes to the financing of the basic raw material purchases of the farmer customers for agricultural production. In 2021, within the scope of marketing projects, the Agricultural Banking Customer

Campaign was held in 30 pilot branches and the customers were informed by paid and free of charge communication activities.

With Direct Debiting System (DBS), Supplier Payment System, Dealer Payment System products, improvements were made in terms of customer needs and it is aimed to increase customer satisfaction. With the Financing at the Dealer product, the dealers of companies who are Albaraka Türk customers are provided with instant financing services for product purchases, regardless of whether they are Bank customers or not.

In 2021, Albaraka Türk expanded its branch network with new commercial branches in Adana, Bursa, İzmir and Konya in addition to its commercial branches in Istanbul and Ankara. Albaraka Türk offers financial services specially tailored for large-scale companies in Anatolia.

In the field of Private Banking services, Albaraka Türk provides services to customers who want to invest their savings in qualified banking investment products through Private Banking corners and experienced private customer representatives at 11 branches in Istanbul, Yalova and Bursa.

In 2021, Albaraka Türk achieved penetration in existing customers with World point and cashback credit card campaigns held as part of its marketing activities, while supporting customer acquisition with business card activation campaigns.

Albaraka Türk focused on supporting its customers with vehicle, housing and general-purpose loan campaigns at advantageous prices during the pandemic. Within the scope of the SME support campaign, the access of micro and SME customers to financing was facilitated, and a wide range of products and services were offered to help them meet their basic banking needs.

Campaigns Held Within the Scope of Marketing Activities

Albaraka Türk carried out many campaigns to gain new customers and penetrate current customers during the 2021 operating period. Albaraka Türk focuses on interacting with customers in every aspect of their lives and creating solutions for their needs through activities such as advantageous rates in financing products, lottery campaigns and brand collaborations.

Assessment of Activities in 2021

In 2021 Albaraka Türk achieved an increase of 77% in total participation volume compared to the previous year and reached TL 91.2 billion.

The campaigns for digital customers in 2021 are as follows:

- Free money transfer from digital channels, money transfer via EFT, FAST with Fee-Free Banking throughout the year,
- Within the scope of brand collaborations; TL 50 discount for 1,000 people with Yemeksepeti campaign, TL 25 discount for 2,000 people with the n11 campaign, TL 50 discount for 500 people with the Kitap Yurdu campaign,
- Mobile Banking lottery campaign which offers a chance to win one of 3 iPhone 13, 3 Apple Watch SE and 3 XIAOMI Pro Electric Scooters for customers who participate in the lottery,
- TL 50 World points for credit card applications,
- 98/2 participation rate for TL participation accounts,
- 50% discount on digital platform purchases.

With the OTS campaign held in 2021, sales offices were set up in 11 universities and activities were carried out to support the acquisition of new customers with the support of field personnel. In 2021, OTS collaborations were held with 136 institutions, 15 of which were universities. A total OTS volume of TL 652,641 was reached with 48,235 individual customers. Within the scope of OTS, a total of 1,792 education insurances were sold and a commission income of TL 155,342 was generated through a total of TL 621,376 gross sales revenue.

With sales campaigns held for products such as POS, Insurance, Salary Payment System, Automatic Bill Payment and Bill Paying Account, the customers were provided with alternative cash management products.

Through campaigns held for strategic products such as Financing at the Dealer and DBS, efforts to acquire new customers continued by supporting the dealers working with our customers.

The number of active customers of Albaraka Türk rose 14% compared to the previous year and reached 867,681. In addition to the active marketing activities held throughout the year, a 40% decrease in dormant customers and a 36% increase in customer acquisition was achieved through digital banking applications and campaigns focusing on improving customer experience.

Participation Fund

In 2021 Albaraka Türk achieved an increase of 77% in total participation volume compared to the previous year and reached TL 91.2 billion. 49% of the total fund volume consists of profit/loss participation accounts, and the share of private current accounts is 51%.

In line with the Bank's financial inclusion strategy, active marketing activities are conducted to increase the funds collected in retail and SME business lines and to reduce the concentration rates. In 2021, the fund development of retail and corporate segment customers increased compared to the previous year. Private current account fund volume skyrocketed by %100 while participation accounts grew by 58%.



In 2021, Albaraka Türk's funds extended reached TL 57 billion. There was also a 76% increase in the financial leasing volume of commercial customers.

Financing volumes increased in the first three quarters of 2021; however, the exchange rate increases and dollarization in the last quarter affected the development of retail and commercial financing volumes. In 2021, land financing volume rose 50% compared to 2020.

Targets for 2022

Focusing on digital service provision quality and customer satisfaction, Albaraka Türk plans to continue marketing activities for financial services and solutions and double the number of digital branch customers in 2022.

It is aimed to increase the product and service diversity in Violet Banking, Trend Banking and Agricultural Banking models. Albaraka Türk also plans to support the credit cards segment with sector-based campaigns and brand collaborations, as well as special customer campaigns for card products. It is important to increase customer loyalty by penetrating to existing customers with special campaigns for cash management products.

867 thousand
Active
Customers

Assessment of Activities in 2021

As the first start-up accelerator established by a participation bank, Albaraka Garage Startup Acceleration Center supported 11 startups within the scope of its 5th Acceleration Program, which started in 2021.



BUSINESS EXCELLENCE AND DIGITAL TRANSFORMATION

In 2021, many important breakthroughs were made in the field of open banking, the legislative work carried out by regulatory institutions accelerated, and the foundations of developments that would shape the sector in 2022 and beyond were laid. These developments are expected to lead to a period in which different players, known as third-party organizations, participate in the sector, and where both competition and cooperation came is prioritized by these new players.

The banking service transforms to a structure that is provided indirectly by APIs by using bank infrastructures by third-party institutions, rather than mobile and internet branch channels internally managed by the Banks themselves.

Determining digital transformation as the basic element of business excellence and innovation approach, Albaraka Türk aims to accelerate its efforts with Robotic Process Automation (RPA).

RPA Training Maintained its Effectiveness in Digital Transformation.

Regarding the Robotic Process Automation (RPA) process, which is the critical component of digital transformation, Albaraka Türk made a quick start to 2021 by providing basic analyst trainings to 85 new RPA champions and basic developer trainings to 50 new champions. After completing their training, RPA champions determined the needs and created the software demands of the processes that could be automated, and RPA developers initiated the software processes in this regard. Software for 100 new processes was completed in 2021. The pool of RPA process requests created by the Robotic Process Automation Service is expanding with new needs and demands, contributing to the Bank's digitalization goals.

RPA Robot Fleet was Expanded with the Addition of New Robots.

Initiating its Robotic Process Automation in 2018 with 2 robots, Albaraka Türk increased its total number of robots to 15 with 5 new robots added in 2021 in order to meet RPA process demands and make capacity utilization more efficient. Robot licenses were extended until the end of 2022 through new license agreements.

"Journey of a Hero - RPA Champions" Short Film Released.

Albaraka Türk RPA project has always been fertile soil for the development of employees. In order to demonstrate the successful works under the motto "There is More...", Albaraka Türk released the "Journey of a Hero" film series, the first of which is about the Bank's RPA Champions. In the film witnessing the success stories of RPA Champions, the Champions shared their memories that contributed to the culture of Albaraka on their RPA journeys.

Albaraka API Platform Awarded the "Best API Platform of the Year".

Pioneering the sector in the field of Open Banking, Albaraka Türk provides services to corporate companies, fintech initiatives and start-ups with the APIs developed within the Albaraka Türk API platform, which was established in 2019.

In 2021, the Albaraka Türk API platform was chosen as the platform that offers the best experience in the sector by BirAPI Open Banking Solutions, crowning the efforts of Albaraka Türk in the field of open banking.

Albaraka Garage 5th Acceleration Program Started.

As the first start-up accelerator established by a participation bank, Albaraka Garage Startup Acceleration Center completed its 2021 program completely online. By adding a preliminary program to the Acceleration Program in 2021, Albaraka Garage continued its efforts to examine the initiatives closely, follow their developments and provide the maximum benefit to their growth.

With the demoday held after the training and mentorship program organized for 20 initiatives selected for the preliminary acceleration program among hundreds of applications to the 5th Acceleration Program, the participants made presentations to the senior management. 11 of these initiatives were deemed worthy of continuing the Acceleration Program. Within the scope of Albaraka Garage Acceleration Program, the initiatives are given support in fields such as growth, marketing, sales, globalization, projects that will contribute to their area-specific development, business development efforts, Proofs of Concept (POC), cross-sales and campaign scenarios.

Albaraka Türk considers contributing to the Turkish economy and entrepreneurship ecosystem among its primary goals and conducts projects as one of the few Implementing Organizations in Turkey within the scope of the TÜBİTAK 1512 Individual Young Initiative Program (BİGG), simultaneously with Garage programs.

Within the scope of TÜBİTAK BİGG Program, the applications made to the four calls opened until the end of 2021 were thoroughly evaluated within the framework of the determined criteria. Business plans were prepared following the entrepreneurship trainings and mentorships, and submitted to the approval of TÜBİTAK to earn a grant of TL 200,000. Offering the right to participate in the preliminary acceleration program to the start-ups that have received the second stage approval by TÜBİTAK, Albaraka Türk conducts an end-to-end program from idea to investment in addition to supporting the initiatives in the MVP or commercialization stage.

Assessment of Activities in 2021

Albaraka Türk aims to launch the Collection Automation Project, which automates collections across the Bank, in 2022.

Projects focused on digital transformation by the Albaraka Türk Business Excellence and Innovation Department in the 2021 reporting year included the following:

WFM Pools Project: With the WFM project, Albaraka Türk aims to provide opportunities for its employees to improve themselves in different business areas, to gain multi-business expertise, to increase their performance, to develop a culture of cooperation at the Bank and to balance the workload. Within the scope of the project, online training sessions are held regarding workflows of units under the Bank Operations Business Family. Transactions held by Branch Operations employees under WFM pools contribute to the performance points of employees and are considered in assessments. Increasing performance by encouraging personnel, the WFM common pool project raised compliance with waiting times to 99%.

Temporary Authorization Requests Mobile App: The Authorization Management Module, which ensures the management of temporary authorizations at branches were integrated into the Field App, allowing the delegations to be made digitally.

Dynamic Flow: Thanks to the Dynamic Flow Module developed with the Low-Code method, improvements were made in business processes such as internal correspondence, e-mail, etc. that do not allow effective reporting and follow-up. Dynamic Flow Module enables quick implementation of flow designs while reducing IT costs.

Organizational Changes: The Process Support and Solution Team was formed to effectively meet the information needs of branch employees about new products and processes and to offer solutions and support. The responsibilities of the team are:

- Providing information, support and solution for the use of bank applications, processes, products, screens, documents;
- Bringing the parties together on informing about the bank approval processes, following the processes and updating the flows;
- Collecting all process improvement and development requests;
- Providing support on what to do regarding flows stuck in the process.

Collection Automation: Taking firm steps in its digitalization journey by focusing on customer analytics, Albaraka Türk aims to launch the Collection Automation Project, which automates collections across the Bank, in 2022. The project aims to increase customer satisfaction by optimizing operational workload at the branches and the Head Office.

SLA (Service Level Agreement): In order to standardize the business processes in the bank in terms of time and quality, operational transaction SLAs were determined as a pilot by using process mining methods. These SLAs started to be followed through the system. With the SLA methodology, which is focused on process excellence, bottlenecks in processes have been identified; as a result of the steps taken, the average processing times for operational transactions were reduced and service quality was increased.

Process Optimization: Shaped by the “continuous improvement” culture, Albaraka Türk’s process management efforts prioritize productivity, change, restructuring, process-based management, and process improvement. In addition to Lean, 6 Sigma and Kaizen process optimization models, 85 process improvement projects were held by making use of the Agile Process Improvement methodology specific to Albaraka Türk. Within the scope of process improvement efforts, actions based on internal and external customers were determined and improvement was achieved.

Albaraka Tech Global

While focusing on the provision of the software and hardware infrastructure necessary for the Bank to achieve its strategic goals, the projects to establish the necessary infrastructure and skill set are carried on consistently. Albaraka Türk identified the following as priority areas for its technology investments: artificial intelligence analytics, open banking infrastructure, microservice architecture, and mobility.

As of the end of 2021, AlbarakaTech Global operates with its 228 experienced personnel in Teknopark Istanbul Campus to provide the necessary skillset for the technology goals of the Bank, making use of the R&D ecosystem and turning technology outputs into products.

AlbarakaTech Global’s priority is to produce technologies that will enable Albaraka Türk to achieve its strategic goals. AlbarakaTech Global also provides services to banks under the Albaraka Banking Group and other institutions in the sector.

The projects carried out by the Artificial Intelligence Solutions Department to bring artificial intelligence competence to corporate business processes in 2021 are as follows:

- Product Training and Dormant Customer services, which support Customer Relationship Management (CRM) modules, were transformed through innovative technologies.
- Consultancy services and university collaborations were realized in order to expand the Artificial Intelligence ecosystem.
- ATM fraud detection system was launched as the first step in developing AI-backed fraud detection projects.
- Within the scope of incorporating artificial intelligence competency into pricing processes; the letter of guarantee pricing optimization and participation account pricing optimization models were launched.

- R&D studies were carried out on the first artificial intelligence development project regarding image processing technology.
- Training and seminars were held to determine more areas of development in the field of artificial intelligence of the institution.

As a pioneer in the development of the API portal in the Turkish banking sector, Albaraka Türk aims to consolidate the financial technology ecosystem and continue its API banking activities.

In line with Albaraka Türk’s agile product development strategies, Albaraka Türk aims for continuous product development and delivery. This objective is being pursued by expanding the micro-service-based mobile framework infrastructure and switching to micro-service architecture in every possible area.

In 2020, Albaraka Türk completely overhauled the hardware and related software in its information technology systems infrastructure. The renewed infrastructure was designed and installed on a scale that will allow the Bank to achieve its next five-year targets. The renewal process was carried out without any interruption to ongoing banking services. Albaraka Türk’s systems infrastructure revamp is a major success story in the industry.

insha Ventures

Established as an Albaraka Türk affiliate in 2020 to develop financial technologies, insha Ventures offers technological solutions to customers’ financial needs. In 2021 insha Ventures continued to develop innovative solutions and applications for the sector through many fintechs.

Reaching 70 thousand users in 2021, insha Ventures family continued to grow together with Alneo, its easy payment platform and diversified its services by acquiring PosBasit, a virtual POS platform; Kozmos, a fee collection and management solution; NakitBasit, a platform that meets cash needs from markets and fuel stations; Semosis, an online note payment platform and KimlikBasit, a remote customer acquisition service.

As one of the first AI-supported payment platforms of Turkey, Alneo features two applications: one that will function as the retailer’s safe and another that the customer will use as a wallet if they wish. Alneo is an application that can be used with credit cards of 22 different banks and receive payments in various ways such as QR Code, SMS, e-mail, and credit card viewing.

Assessment of Activities in 2021

As one of the first AI-supported payment platforms of Turkey, **Alneo** increased its transaction volume by 163% in 2021 compared to the previous year and reached TL 515 million.

Reaching 23 thousand contracted merchants in 2021, Alneo increased its transaction volume by 163% in 2021 compared to the previous year and reached TL 515 million, while the number of transactions increased by 74% to over 122 thousand. The highest transaction amount made at one time in 2021 was around TL 750 thousand.

Joining the insha family in 2021, PosBasit product achieved a transaction volume of approximately TL 10 million in a very short time. With the aim to digitize the collection and administrative works of apartment and estate administrations, the digital collection platform "Kozmos" was launched. Following its launch on January 10, 2022, the integration of NakitBasit was completed with more than 1,000 points of sales. In 2021, the volume of bills uploaded to the digital note payment platform "Semosis" exceeded TL 150 million in 482 transactions and these bills were left at the Bank branches. With the Semosis app, note debtors can make payments using the platform with credit cards, debit cards or prepaid cards. It is planned to add an EFT payment feature to the application.

As another application initiated in 2021, KimlikBasit provides call center representative training and customer experience-focused process management services.

Another member of the insha family, getinsha reaches thousands of users by providing digital financial services in Germany. In addition to Germany, it aims to offer innovative and unique products to Belgium, the Netherlands and Austria very soon, with the e-money license of its service partner. insha Ventures also supports the technology, infrastructure, license and investment processes needed by startups through FLYP (Fintech Build and Growth Platform). 8 collaborations were completed in 2021 within the scope of FLYP, generating revenue of TL 1.3 million. The process is ongoing for 5 new collaborations. With the integration completed with Sipay, Ozan Elektronik Para, ininal and Param, millions of people are using foreign exchange APIs on the FLYP platform. In 2021, integration studies with Param, Gaboras, Gri Ventures, Payfix, Sipay and Support Finance were completed, providing services to a total of 10 customers, 5 of which are active.

Amendments to the Articles of Incorporation

OLD TEXT

Bank's Capital Article 7:

(1) The Bank has accepted the registered capital system pursuant to the provisions of the Capital Market Law, and switched to the registered capital system with the permission of the Capital Markets Board dated 06/03/2013 and numbered 7/259.

(2) The upper limit of the registered capital of the Bank is TL 2,500,000,000 (two billion and five hundred million Turkish Liras), divided into 2,500,000,000 registered nominative shares with a value of TL 1 (One) Turkish Lira each.

(3) The permission given by the Capital Markets Board in relation to the upper limit of the registered capital shall be in effect for a 5-year period between 2017-2021. Even if the upper limit of the registered capital is not reached until the end of 2021, in order to make a decision by the Board of Directors to increase the share capital after 2021, it is obligatory to obtain authorization for a new time period not to exceed 5 (five) years from the General Assembly for the previously permitted or a newly determined upper limit of the registered capital, after having been received the permission of Capital Markets Board. In case of failure in obtaining the said authorization, the Bank shall be deemed to be logged off from the registered capital system.

(4) The Bank's issued share capital is TL 1,350,000,000, and this amount has been fully paid in cash being free of collusion.

(5) The shares representing the Bank's Capital shall be traced on the basis of the records within the framework of the principles of dematerialization.

NEW TEXT

Bank's Capital Article 7:

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(5) The shares representing the Bank's Capital shall be traced on the basis of the records within the framework of the principles of dematerialization.

Board of Directors' Resolution

BOARD OF DIRECTORS' RESOLUTIONS

SESSION NO: 2337

DATE: March 3, 2022

The below resolution/s, circulated to all Members of the BoD upon the proposal of Malek Khodr TEMSAH (Acting General Manager & Member of the BoD), has/have been APPROVED by the under-signed, in line with Turkish Commercial Law (Article 390/4) and the Bank's Articles of Incorporation (Article 26/4):

RESOLUTION:

It has been DECIDED that in line with the Banking Regulation and Supervision Agency's letter (dd. 11.01.2022, nr. 38083), allocation of the profit made in the year 2021 as indicated below shall be submitted to the Annual General Assembly of Shareholders.

Profit of the Year	TL 104,403,420.66
Profit of the Previous Year	TL 0,00
Accounting Profit	TL 104,403,420.66
First Tier Legal Reserve (-)	TL 5,220,171.03
Distributable Net Profit of the Year	TL 99,183,249.63
Tier I. Dividends to Shareholders (Gross)	TL 0,00
Tier II. Dividends to Shareholders (Gross)	TL 0,00
Tier II. Legal Reserve	TL 0,00
Special Reserves (Profit of Real Estate Sales)	TL 25,411,001.75
Allocated to Extraordinary Reserve	TL 73,772,247.88

In their own language, above resolution have been read to the undersigned foreign members. Resolution have been agreed upon with no objection.

Mazin Khairy Shaker MANNA

Chairman

Kemal VAROL

Board Member

Mustafa BÜYÜKABACI

Board Member

Mohamed Ali CHATTI

Board Member

Mehmet Ali GÖKCE

Board Member

Housseem BEN HAJ AMOR

Board Member

Melikşah UTKU

Board Member

Azhar Aziz DOGAR

Board Member

Malek Khodr TEMSAH

Board Member and Acting General Manager

Annual Report Compliance Opinion

(Convenience translation of a report originally issued in Turkish) INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders of Albaraka Türk Katılım Bankası A.Ş.

1) Qualified Opinion

We have audited the annual report of Albaraka Türk Katılım Bankası A.Ş. ("the Bank") and its subsidiaries ("the Group") for the period of 1 January 2021-31 December 2021.

In our opinion, except for the matter stated in the Basis for Qualified Opinion section, the consolidated and unconsolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated and unconsolidated financial statements and the information we obtained during the audit.

2) Basis for Qualified Opinion

As we stated in our auditor's opinions dated 25 February 2022 and 8 March 2022 on the financial statements of the Bank and the Group for the accounting period of 1 January - 31 December 2021, the unconsolidated and consolidated financial statements of the Bank and the Group as of 31 December 2021 include a free provision at an amount of TL 100.000 thousands which was provided in the current period by the Bank management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

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

3) Our Auditor's Opinion on the Full Set Consolidated and Unconsolidated Financial Statements

We have expressed qualified opinion in our auditor's reports dated February 25, 2022 and March 8, 2022 on the full set unconsolidated and consolidated financial statements of the Bank and the Group for the period of 1 January 2021-31 December 2021.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and communiqué on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks', the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated and unconsolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the Board of Directors is also included in this report.
- The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Group,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits,
 - Other matters prescribed in the communiqué on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks' published in official gazette no.26333 dated November 1, 2006.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks' published in official gazette no.26333 dated November 1, 2006, "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 (BRSA), circulars, interpretations published by BRSA and "BRSA Accounting and Financial Reporting Legislation" which includes the provisions of Turkish Financial Reporting Standards (TFRS) for the matters which are not regulated by these regulations, on whether the unconsolidated and consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated and Bank's audited unconsolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and BRSA Independent Audit Regulation. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated and unconsolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated and unconsolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Emre Çelik.

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



Emre Çelik, SMMM
Partner

March 9, 2022
İstanbul, Türkiye

Sustainability Organization

Albaraka Türk leads the sector in the fight against climate change with its environmental investments in 2021.

Sustainability and Social Responsibility is a theme at the core of Islam, which teaches people benevolence and kindness. Operating in light of Islamic principles, Al Baraka Banking Group is driven by this fundamental understanding and observes social responsibility across all its business processes.

Successfully implementing its sustainability approach in all components of its organizational structure, Albaraka Türk continues to strengthen important steps day by day, such as becoming the first participation bank to be included in the Istanbul Stock Exchange (BIST) Sustainability Index, and obtaining one of the highest ranks in the banking sector with its activities under the Carbon Disclosure Project (CDP) and tries to do its best for sustainable success in a sustainable future.

Sustainability and Social Responsibility Principles of Albaraka Türk are as follows:

- Sustainability and Social Responsibility activities are conducted in the target areas such as education, healthcare, environment, vulnerable groups and culture, and in collaboration with persons, institutions or NGOs operating in these fields.
- In selecting the persons, institutions or NGOs for collaboration in Sustainability and Social Responsibility efforts, interest-free finance and participation banking principles, as well as Albaraka Türk's vision, mission and ethical principles are taken into consideration.
- Carbon Disclosure Project (CDP), BIST Sustainability Index, and LEED Green Building Certification efforts are undertaken as part of sustainability activities.

- The Bank conducts efforts in relation to Governance, Environment, Human Rights, Anti-Corruption and Anti-Bribery, Management of Emergencies and Unexpected Incidents, Occupational Health and Safety, Business Continuity Management, and Banking Activities, which are identified as the Bank's strategic areas for sustainability.
- The Bank supports the social responsibility activities of the Social Responsibility Club founded by employees.
- While extending cash and non-cash loans, the Bank prioritizes projects that will create new employment opportunities and contribute to the easy access of all members of society to quality education and healthcare services.
- Best practices in sustainability and social responsibility around the world are monitored to enable the Bank to implement social responsibility projects that comply with its core values and ethical principles, and contribute to economic development.
- Activities are carried out in priority areas of the Bank to help preserve our cultural assets and achieve UN Sustainable Development Goals.

Donation and Aid Principles are also a reflection of the sustainability approach:

- Interest-free finance and participation banking principles, Albaraka Türk's vision, mission, ethical rules, and annual budget allowances are taken into account when the persons, institutions or NGOs for donations and contributions are determined by the Senior Management's decision.



- Albaraka Türk provides in-cash and in-kind donations and contributions to the socially-responsible persons, institutions or NGOs with activities in the fields of healthcare, education, environment, vulnerable groups, culture etc. in accordance with the framework specified in the Banking Law No. 5411.
- Donations and contributions are provided by considering the laws and regulations the Bank is subject to.
- According to Article 59 of Banking Law No. 5411, "The amount of donations to be extended by banks and institutions subject to consolidated supervision in a fiscal year shall not exceed four per thousand of the bank's equity. However, minimum of half of the donations and contributions shall be composed of donations and contributions that may be considered as expenditure or deductible costs in the calculation of the corporate tax base. The principles and procedures applicable to the implementation of this provision shall be set by the Board."
- According to Principle numbered 1.3.10 under the CMB's Corporate Governance Communiqué No. II-17.1, "a policy regarding donations and contributions shall be formed and submitted to the approval of the general assembly. Information regarding the amounts and beneficiaries of all donations and contributions made within the term in line with the policy approved by the general assembly and the amendments in the policy shall be provided to the shareholders through a separate agenda item at the general assembly meeting."
- Shareholders are provided with detailed information on the donations and contributions made by the Bank at the first Ordinary General Assembly Meeting of the relevant year. The compliance and effectiveness of the

Bank's practices and activities in relation to donations and contributions with the provisions of applicable laws and this policy are subject to regular audits and assessments as part of internal audit activities.

Activities are Conducted Under the Leadership of the Board of Directors

Sustainability practices at Albaraka Türk are carried out under the leadership of the Board of Directors. The Sustainability Committee and Sustainability Executive Committee report to the Board of Directors and figure among the most important committees at Albaraka Türk. As per the resolution dated March 2021, Mehmet Ali Gökce was appointed as the Chairman and Mohamed Ali Chatti was appointed as the Member.

Other bodies within the Bank that play a role in sustainability activities are as follows:

- Sustainability Committee (Board of Directors Committee)
- Corporate Governance Committee (Board of Directors Committee)
- Sustainability Executive Committee (Executive Committee)
- Strategic Planning and Economic Research Directorate (Sustainability and KSS Activities Coordination)
- Administrative Affairs and Procurement Directorate (Environmental Management Services)
- Communication and Brand Management Directorate (Sponsorship and Communication)
- Investor Relations Directorate (Corporate Governance Activities)
- Other Related Directorates of the Bank (Other Necessary Activities)

Human Resources Investments

Albaraka Türk was included in the list of "Europe's Best Employers" held by the "Great Place to Work" Institute and the Economist Magazine in 2021.



Human Values Policy

Albaraka Türk's Human Values Policy is designed to employ, improve and retain well-trained and skilled people with the qualifications and expertise required at the national as well as international level. This way, the Policy aims to help Albaraka Türk achieve and uphold – in the most effective, rapid, reliable and efficient manner – its purpose, vision, mission and corporate values.

The Human Values Policy is formulated and laid down by the Head Office. The Assistant General Manager in charge of Human Values is primarily responsible for implementing, developing and following up on the Human Values Policy. This responsibility is also applicable to all relevant managers within their areas of responsibility.

The core principles of Albaraka Türk's Human Values Policy include:

- Respecting the personality of employees, and protecting their rights arising from employment;
- Communicating the corporate culture, ensuring staff commitment to the corporate values and culture, and encouraging all employees to pursue shared objectives;
- Employing people in the sufficient number required, proper for the job, with appropriate intellectual and professional knowledge and skills, while ensuring that they work with the commitment to achieve the highest level of productivity and profitability;
- Providing occupational training, improvement and development opportunities to the entire staff in line with the work to be performed;
- Providing work environments that encourage the staff to think innovatively and progressively and generate new ideas and products;
- Exerting efforts to internally train people for management and officer positions, and giving priority to trained staff within the Bank for appointments to vacant positions;
- Informing Bank staff on subjects relevant to them, developing communication procedures and principles that enable employees to convey their opinions and ideas to managers easily;
- Creating a working environment that boosts employee motivation for work, and conducting efforts to improve their social relations;
- Encouraging the Bank's staff to achieve success, developing practices in this regard, and rewarding outstanding performance.

Albaraka Türk's Human Values Profile

Title	Number of Employees	Average Age	University Graduation Rate	ABAT Seniority	Newly Recruited	Resigned in 2021	Male Employee	Female Employee	Retired Employee	Disabled Employee	English (TOEFL)	Other Foreign Languages
Senior Management	11	49.7	100%	17.5	0	1	10	1	3	0	-	-
Unit/Regional Manager	45	44.1	100%	15.6	0	2	44	1	0	0	-	-
Branch Manager	230	42.4	99.1%	14.8	0	22	230	0	0	1	-	-
Vice President	415	40.9	98.6%	14.0	1	27	389	26	3	5	22	2
Director/Specialist	1,859	35.8	98.8%	9.2	28	200	1,576	283	3	32	50	23
Assistant Specialist/ Authorized	349	29.6	89.1%	4.2	75	69	255	94	1	30	13	53
Auxiliary Personnel	9	41.1	0.0%	14.9	0	5	9	0	0	0	0	0
Security	0	0	0.0%	0.0	0	250	0	0	0	0	0	0
Total	2,918	36.5	97%	9.8	104	576	2,513	405	10	68	85	78

Employee Experience

The experiences of Albaraka Türk employees throughout their journey are measured via eNPS (employee Net Promoter Score), and new contact points are included every year. In 2021, employee experiences on in-house training platforms and private health insurance satisfaction provided by the institution were added to the experience pool.

Recruitment and Talent Management

In line with the recruitment policy determined within the framework of Albaraka Türk's strategy and targets, the characters and motivations of candidates, in addition to their competencies are identified. Candidates are employed in the areas where they can work most efficiently by focusing on their personality traits.

Youth Albaraka Academy reaches talented university students and provides them with the opportunity to work part-time. The young talents discovered with this program gain experiences that will guide their careers and are considered for suitable positions in line with the recruitment strategy of Albaraka Türk.

Best Employer

With fair and human values policies and practices that focus on continuous development, Albaraka Türk was deemed worthy of being included in the list of "Best Employers of Europe" from the "Companies with over 500 Employees" category at the organization conducted jointly by the "Great Place to Work (GPTW)" Institute and the Economist Magazine in 2021.

There is More...

Within the scope of the Albaraka Türk Employer's Brand "There Is More," online branch visits are made to establish a business culture. With the aim of establishing Albaraka Türk's common culture among employees, it is planned to consolidate the GPTW studies with coaching programs and workshops, and to continue the experience and culture transfer to the new generation of Albaraka employees through the Masters in the Field project.

Change Council

It is planned to support the Change Council to provide the necessary solutions by evaluating the employee requests by the council formed by the employees themselves. The Council will continue to regularly hold meetings online and receive feedback on its agenda items for discussion.

Human Resources Investments

Albaraka Türk Human Values processes are managed with an innovative approach in line with the vision of becoming the best participation bank in the world.

Developments on the Covid-19 Pandemic

Within the scope of Covid-19 measures, online seminars on Covid-19 Vaccines, Covid-19 Antibody Tests and Ergonomics at Home and Office were held with the contributions of professors and specialist doctors. Online dietitian, psychologist and doctor services were provided for employees and their families. Employees were given pandemic premium support payments.

Digital Investment in Human Values

Albaraka Türk Human Values processes are managed with an innovative approach in line with the vision of becoming the best participation bank in the world. Human Values processes are designed to make employees happier, more productive and more creative. In 2021, the following processes regarding the human values of the Bank were digitized and made more efficient.

Digital Recruitment Processes

Albaraka Türk moved all recruitment processes to the cloud system of HRPeak company and took the first step in digital investment in human values applications. Innovations regarding digitalization in the 3 year period from 2018 are as follows:

- Job advert posting via the Bank's special system,
- Online handling of applications,
- Systematic monitoring of candidate processes,
- Creation of a resume pool,
- Completion of reference processes,
- Entering interview notes,
- Contacting candidates,
- Online exam and inventory assignment,
- Reporting of candidate processes.

Online Interview

In Albaraka Türk's recruitment process, online interviews, which were rarely carried out before the pandemic, became permanent. In addition to face-to-face interviews, more candidates were evaluated in the pre-selection process and time was saved via the video interview system. In 2021, recruitment approval processes were moved to Anka, Albaraka Türk's communication platform, and all approval steps were digitalized to accelerate the procedure. With the digitalization achieved, no physical documents regarding candidates are printed up to the contract signing process.

Online Assessment

The assessment application used for manager pools was digitalized and started to be used for the recruitment procedures of managerial and critical positions as online assessment. Evaluations within the scope of online assessment carried out through the HRPeak company were also carried out by recruiters holding an online assessor certificate.

Personnel Assignment and Request System

By establishing a personnel assignment and request system, requests of employees to be assigned to a different task and the needs of unit/branch managers are submitted and monitored via a single digital platform.

A total of 11,515 hours of digital training was given to 1,656 employees in 2021.

Remote Working Model - Location-Based/Time Based/Working from Home

Implementing the compulsory remote working system within the scope of pandemic measures, Albaraka Türk conducted a survey on voluntary remote working within the scope of the Employee Experience Project following normalization. According to the survey, the employees requested the implementation of the voluntary remote working system. The Voluntary Remote Working model was introduced as a result of the process design supported by feasibility and benchmark studies and implemented in cooperation with many different departments of the Bank.

Robotic Process Automation (RPA)

Within the scope of the digitalization of Albaraka Türk's Human Values process, projects to increase effectiveness are realized with the use of robots to meet employee demands. In order to make life easier for its employees; leave approvals, signatory authorizations, assistant application authorizations, etc. are carried out via robotic process automation.

Training Activities

In 2021, Bank employees are given a total of 22,584 hours of training, 67.5 hours per person. Around 92% of this training was carried out in the digital environment. The digitalization efforts of Albaraka Türk enabled uninterrupted training activities during the pandemic. Employees participated in the trainings remotely through live virtual classrooms. As a result, occupational health among the workforce was maintained at the maximum level. The training activities held digitally, promoted employee comfort, work-family balance and employee satisfaction. In 2021, the average score of the training satisfaction surveys was 88.36%.

Declaring 2021 as the "Digital Development Training Year", Albaraka Türk's Training and Career Management Department held Excel (Basic, Advanced, Macro), Word, Power Point, Power BI (Basic and Advanced), Digital Transformation and New Technologies, Introduction to Algorithms and Coding, Visual Design, Artificial Intelligence trainings for all employees regardless of their positions and titles. In this context, a total of 11,515 hours of digital training was given to 1,656 employees.

Certificates

Albaraka Türk focuses on the development of its employees by supporting their participation in certificate programs within the scope of collaborations with institutions, universities and training companies that are experts in their fields to empower human values and develop their competencies.

Compulsory Certificates (as per legal and regulatory requirements):

Certificate	Total Staff
Capital Market Licensing (SPL)	1,086
Private Pension Licensing (BES)	1,033
Technical Staff Competence (SEGEM)	1,494
Basic First Aid	295

Other External Certifications:

Prioritizing professional development, Albaraka Türk encourages employees to participate in national and international certificate programs. In 2021, 77 people who participated in certificate programs successfully completed the program they attended and received their certificates.

Postgraduate Education Programs and Foreign Language Payments

With the aim to train well-equipped bankers and to make its employees part of a high-performance team, Albaraka Türk supports its employees throughout their postgraduate and foreign language education programs. Education payments were made to 43 personnel who graduated from doctoral and master's degree programs in 2021.

Human Resources Investments

Albaraka Türk supports the development of candidates by identifying the managerial development areas of candidates objectively through Digital Assessment Center applications.

Manager Development Programs

Head Office Service Manager Development Program

In 2021, the "Service Manager Development Program" was designed for employees preparing for the "Manager" position. During this three-month journey, preparatory assignments, and a reading list were suggested to Manager candidates. A 10-day live virtual classroom training program was held that covered the following subjects: Problem Solving and Decision Making Techniques, Behavior, Performance, Time Management, Management Skills/Team Coaching, Motivation, Feedback/Delegation and Management in the Digital Age. The development journey included sufficient time for trainees to complete book and video recommendations as well as project assignments. In 2021, the development journey of manager candidates were supported with 13 e-trainings and 37 videos.

Branch Manager Development Program

The "Branch Manager Development" training program, held for branch manager candidates, was carried out through the virtual classroom during the pandemic period, with each participant receiving 21 hours of training.

Educational Technologies

Virtual Classroom Project

Digital transformation in training procedures continues in line with the digitalization process of Albaraka Türk. In virtual classroom training sessions, personnel can engage in video and audio interaction with instructors over their computers, ask questions, take notes, and reinforce their learning process with assessment questions posed during training. Online trainings were made interactive with surveys submitted by instructors to participants. Training sessions are recorded and then shared with participants to help them consolidate the information learned.

e.MOBILE Application:

In 2021, Albaraka Academy launched its e.Mobile application with a design compatible with mobile browsers. As a result, the app can be accessed by employees from anywhere and training sessions can be viewed quickly and easily 24/7. e.Mobile application has been implemented in Albaraka Academy in order to support learning more closely anytime and anywhere with its new interface specially designed for mobile devices. Thanks to Albaraka Academy's e.Mobile app, Bank staff can continue their personal development and learn on the road, on the service bus during their commute, at home – in short, anywhere.

Performance Management

Digital Assessment Center Applications

Albaraka Türk supports the development of candidates by identifying the managerial development areas of candidates objectively through Digital Assessment Center applications. Candidates for manager and unit/region/branch manager positions participate in the digital assessment center applications online. As a result of the Assessment Center procedures, the candidates are given one-on-one feedback and their development is followed.

Mentor Albaraka Project

Mentor Albaraka Project aims to establish a platform where professional knowledge is shared, employees are supported in their personal and career development, and institutional knowledge and cultural characteristics are adopted. Within the framework of the voluntary project, some of the interviews were held face-to-face, and the majority of them were held via online platforms In 2021. At the end of the project, participation certificates were awarded to mentors and mentees.

Performance Assessment Activities

The performance of the bank personnel is assessed twice a year every six months. The performance of regional sales and branch personnel is assessed with numerical data. As of the first performance period of 2021, Head Office and Regional Allocation employees were assessed with numerical data (personal targets) as well.

3D Performance Assessment System

Within the scope of Albaraka Türk performance management, the 360 Degree Performance Assessment and 3D Performance Assessment system adapted to the Bank is also applied in addition to the manager assessments (competency assessment) and assessment with numerical data regarding employees. With the 3D Assessment, the employee is enabled to express his/her opinions about both his/her direct manager and second manager via manager assessment forms.

Business relationship evaluation forms help teams that have business relations with each other to evaluate the service they receive and develop constructive suggestions. The personnel working together in the same unit/region/branch are allowed to assess each other via peer assessment forms. Power BI screens were prepared and opened to all head office unit managers to view the results of the assessment.

Potential Assessment

Within the scope of the potential assessment process launched in 2021, the managers conduct SWOT analyses for their personnel and determine their competency, knowledge, skill and training needs, strengths and areas of development. With the potential assessment process, the strengths and weaknesses of employees are identified with the aim to support them with various actions.

Plans and Targets in 2022

In 2022, within the framework of its growth strategy, Albaraka Türk aims to continue to be the most preferred bank in the sector with its valuable employees who are open to change and innovation and to maintain this position continuously.

Occupational Health and Safety

Albaraka Türk renewed its Covid-19 Safe Service Certification by maintaining the necessary measures in 2021.

Albaraka Türk is committed to fully complying with all applicable laws, rules and regulations in Occupational Health and Safety (OHS). The Bank introduces new practices to safeguard the health and safety of employees at the Head Office and all branch locations.

Occupational Health and Safety activities are carried out by the OHS Board in Albaraka Türk. The Bank's OHS Board carries out activities for:

- Identifying required health and safety conditions, measures and tools that should be in place at Albaraka Türk to prevent any diseases or bodily injuries that may be caused by devices, equipment, machinery, raw materials, and the like used in the workplace.
- Adopting, implementing and checking the necessary tools and safety measures to prevent occupational accidents at Albaraka Türk; notifying employees of their responsibility to comply with principles and conditions stipulated for this purpose; and instructing employees on necessary health and safety measures.
- Preventing occupational accidents and illnesses through continuous enforcement of the provisions of applicable regulations.

TSE Covid-19 Safe Service Certification

Prioritizing the health of its employees and society, Albaraka Türk implements a series of procedures, from protection and control measures to hygiene conditions, and from security measures to communication in challenging situations, in order to prevent all problems that may arise due to pandemics.

Thanks to all these difference making efforts carried out in all these areas, Albaraka Türk became the first bank in Turkey to receive the Covid-19 Safe Service Certification in 2020. Maintaining the necessary measures in 2021, Albaraka Türk renewed its Covid-19 Safe Service Certification.



Occupational Health and Safety Activities

In 2021, the OHS Board held 4 board sessions in 3-month periods. Employee representatives, employer representatives, occupational safety specialists, institution doctors and subcontractor representatives attended the meetings. OHS Board's Internal Regulation and the Board Protocol were updated.

In line with the Law No. 6331 on Occupational Health and Safety, Albaraka Türk executed the following activities at the Head Office and all branch locations:

- Preparing risk analyses,
- Preparing emergency plan,
- Setting up emergency crews,
- Selecting an employee representative,
- Drafting floor plans,
- Conducting evacuation drills,
- Delivering OHS and emergency training,
- OHS needs assessment,
- Periodic controls of the work equipment of the head office building were completed.

The recommendations and notifications of official institutions and the Ministry of Health regarding the pandemic are constantly followed and all measures have been taken in this regard.

Risk analysis assessments of a total of 9 branches (Manisa Branch, Kağıthane Branch, Giresun Branch, Balıkesir Branch, Esenyurt Cumhuriyet Caddesi Branch, Diyarbakır Kayapınar Branch, Elazığ Branch, Mall of İstanbul Branch and Karaman Branch) that were newly opened and moved in 2021 were conducted.

Emergency Activities

The following activities were carried out in 2021 as part of Emergency Activities by Albaraka Türk:

- The Bank effectively organizes Emergency Management efforts to ensure the safety of customers, employees, documents, computer systems and data against possible damages that may arise at Head Office and the branches. These efforts are relevant to all employees, assets, activities and systems of the Bank in the event of acts of God, terrorist acts, economic crisis, civil movements, system damages, workplace movements and other such unexpected and extraordinary situations.
- Emergency training was given to the emergency crews at the Head Office and the branches.
- Emergency drills were conducted in all branches and drill reports were prepared.

Occupational Health and Safety Trainings

Albaraka Türk focuses on ensuring that all its employees receive Occupational Health and Safety and Emergency Management trainings. In 2021, the following trainings were provided to Albaraka Türk employees:

- Occupational health and safety training (for new hires and employees who had to take refresher courses)
- Onboarding for new hires,
- Training on actions to be taken in case of a disaster at the workplace (all employees)
- Trainings for emergency teams on their duties and responsibilities in case of an emergency
- Groups Training Requiring Special Policy in Working Life (For young, old, disabled and female employees)
- Occupational Health and Safety Training for Board members
- Occupational Health and Safety Employee Representative Training for employee representatives
- First aid training (emergency first aid teams)
- Employee training on Pandemic and Hygiene

Environmental Investments

Albaraka Türk achieved a B- rating on Climate Security and Water Security in 2021 at the Carbon Disclosure Project.

Albaraka Türk adopted an effective Environmental Policy in line with its sensitive approach to the environment and the use of world resources. The Bank conducted numerous studies within the scope of the Green Building Project (LEED EBOM), the Carbon Disclosure Project (CDP) and the Zero Waste Project.

First and Only Participation Bank Included in the BIST Sustainability Index

Albaraka Türk is listed in the Istanbul Stock Exchange Sustainability Index since November 1, 2019 and maintains its title as the first and only participation bank in this index. In 2021, Albaraka Türk shared all its environmental, social and governance data for the Index evaluation.

Active Participation in the Carbon Disclosure Project

Within the scope of the Carbon Disclosure Project (CDP), which is considered the most comprehensive and prestigious environmental project in the world, aims to collect and share information that will allow companies, investors and governments to take measures against the threat of climate change, Albaraka Türk achieved a consistent increase in its ratings with a B- rating on Climate Security and a B- rating in Water Security in 2021.

Green Building Project (LEED EBOM)

Albaraka Türk is the first bank in the industry to obtain Green Building Certification for its Head Office Building. In 2021, the LEED Certificate was renewed as a result of the efforts carried out within the scope of the Green Building Project.

Expanding the scope of its activities regarding the Carbon Disclosure Project, Albaraka Türk initiated research with the Science-Based Targets initiative (SBTi) to calculate the entire climate load of the Bank and determine scientific targets. Fighting climate crisis both on a national and global scale, the Bank conducts Scope 3 greenhouse gas emission calculations to determine the financial risks caused by climate change, in line with the recommendations of the Task Force On Climate-Related Financial Disclosure (TCFD).

The efforts carried out by Albaraka Türk in 2021 for the protection of the environment and the effective use of natural resources are as follows:

- **Lighting Systems:** High-efficiency lighting fixtures are used in the Head Office building. Fluorescent bulbs used in lighting fixtures are selected from among low-mercury models. In this way, it is aimed both to reduce the energy spent on lighting based on maximum use of daylight and to increase the positive effects of daylight on the people working indoors.
- **Water Consumption Reduction:** In the Head Office building, water-saving apparatus were installed in the lavatory faucets, helping reduce water consumption by around 20%. Water efficiency is achieved by adopting drip irrigation systems and sprinkler systems in green areas. The treated artesian water is used in the sinks and for irrigation of the greenhouses. The wastewater used in the washbasins is treated with the Gray Water project and reused in the reservoirs.

- **Energy Consumption Reduction:** Electricity consumption was reduced by approximately 29% by covering the exterior facade of the Head Office Building with glass film, arranging lighting systems and their durations, fixing the heat settings in the thermostats, regulating the working hours of heating and cooling systems.
- **Use of Refrigerating Gas:** The amount of refrigerating gas used in the equipment at the Head Office building remained within GWP and ODP values.
- **Air Conditioning and Fresh Air:** The air in the external environment is purified from dust, dirt and poisonous gases by using high-efficiency filters in air handling units so that clean air can enter the Head Office building. The fresh air rates given inside the building have been kept above the international level. Air handling units providing fresh air are monitored through the automation system and the rates of fresh air inside the building are kept under constant control. A “no smoking” sign is placed at the points where cigarette smoke is at risk of entering the building.
- **Energy Audit Studies:** An ASHRAE Level II energy audit was carried out in the head office building and the feasibility of various energy efficiency investments was calculated.
- **Office Cleaning:** Cleaner, safer and healthier environmentally-sensitive products are used to clean the office floors of the head office. In order to prevent shoe dust from entering the building, a minimum of 3 meters long polyamide surface, dust and dehumidifier mats are used at the building entrances.
- **Purchasing:** Environment-friendly products are preferred in purchasing activities.
- **Service Vehicles:** Service vehicles have been replaced by vehicles with reduced exhaust emissions. Marketing vehicles were reduced by approximately 28%, resulting in reduced exhaust gas emissions. The vehicle tracking system was installed in the vehicles which are used by branches for marketing and vehicle usage after working hours was tracked in detail and reported to the relevant manager. In this way, it is planned to raise awareness about the out-of-service use of marketing tools and to reduce fuel consumption. Electric vehicles that do not work with fossil fuel have been added to the fleet of service vehicles.
- **Landscape:** Plant species with low water consumption and those suitable for the climatic conditions of the activity region were used in the green areas of Albaraka Türk Head Office building.
- **Disinfestation:** Nature-conscious pesticides approved by the Ministry of Health Primary Health Care General Directorate were used for the sustainable cleaning of the head office building and its surroundings.
- **Transport:** Personnel shuttles are used for transport to the Head Office building. Providing transportation service to the employees helps carbon gas emission reduction and nature protection.

Environmental Investments

Within the scope of the Zero Waste Project, various projects were implemented in the 2021 operating period with the aim of preventing waste, using resources more efficiently, reducing the amount of waste and recycling waste.



Zero Waste Project

Within the scope of the Zero Waste Project initiated by the Ministry of Environment and Urbanization, Albaraka Türk conducted the following efforts in 2021 in order to reduce the amount of waste and to recover waste:

Paper Consumption Reduction Studies:

- By reprogramming the photocopiers, unnecessary printouts that were sent to the printer and forgotten to be taken or sent again were prevented and the duplex printing option was set as default on devices.
- Executing the processes over the system and recycling of the waste papers given to the recycling company; 57 trees were prevented from being cut, 13,750 kWh of energy was saved and 594 m³ of greenhouse gas to nature was prevented.

Recycling and Reuse Studies

- Paper waste was sent to recycling facilities to ensure it can be put into use again.
- To prevent waste batteries from mixing with the natural environment, the Bank separated and collected batteries at the Head Office building. Approximately 30 kg of waste batteries were separated annually and delivered to the official waste collection authority TAP (Portable Battery Manufacturers).
- At the Head Office, carton boxes for transportation are used approximately 15 times. Cardboard boxes, which have completed their economic life, have been given to recycling facilities.

- Periodic maintenance of tools, equipment and fixtures is carried out regularly to extend their lifetime.

Waste Management

- 6,820 liters of oil as biodegradable kitchen waste and 250 liters of oil as dining hall waste were destroyed.
- 7.440 kg of paper waste was delivered to the institutions authorized by the municipalities for recycling.

Carbon Footprint and Energy Consumption Data

Source	Unit	Total Consumption 2020
Electric	MWh	15,038
Natural Gas Used for Heating	Sm ³	610,010
Natural Gas Used for Heating	MWh	6,679
Coal Used for Heating	tons	7
Coal Used for Heating	MWh	23
Diesel Oil Used for Heating	liter	3,922
Diesel Oil Used for Heating	MWh	40
Vehicle Fleet Diesel Fuel Consumption	liter	386.59
Vehicle Fleet Diesel Fuel Consumption	MWh	4
Vehicle Fleet Diesel Fuel Consumption	liter	601,983
Vehicle Fleet Diesel Fuel Consumption	MWh	6,069
Diesel Oil Used for Generator	liter	11025
Diesel Oil Used for Generator	MWh	111
Total Energy Consumption	MWh	27,963

Note: The data reported on carbon footprint and energy consumption are from the previous year's calculations.

Social Investments

Supporting the Sustainable Development Goals conducted by the United Nations Development Program, **Albaraka Türk makes social investments in the fields of education, health and support for vulnerable groups.**

Albaraka Türk launched the Sustainable Banking Program under the leadership of its main shareholder, Albaraka Banking Group (ABG). The Bank supports the Sustainable Development Goals of the 2030 United Nations Development Program (UNDP) and carries out its social investments in light of these goals.

Albaraka Türk bases its sustainability and social responsibility activities on the following principles.

- Transparently reporting its performance in the field of sustainability every year, Albaraka Türk fulfills its responsibilities to its stakeholders and stakeholders.
- The Bank conducts efforts in relation to governance, environment, human rights, anti-corruption and anti-bribery, management of emergencies and unexpected incidents, occupational health and safety, business continuity management, and banking activities, which are identified as the Bank's strategic areas for sustainability.
- In selecting the persons, institutions or NGOs for collaboration in Sustainability and Social Responsibility efforts, interest-free finance and participation banking principles, as well as Albaraka Türk's vision, mission and ethical principles are taken into consideration.
- While extending cash and non-cash loans, the Bank prioritizes projects that will create new employment opportunities and contribute to the easy access of all members of society to quality education and healthcare services.

- Albaraka Türk carries out projects to support health, environment, vulnerable groups, disaster and emergency areas, with a focus on education and it conducts sustainability and social responsibility activities with these persons, institutions or NGOs operating in these fields.
- The Bank supports the social responsibility activities of the Social Responsibility Club founded by employees.

The social responsibility projects carried out by Albaraka Türk in 2021 are as follows:

Bereket Foundation Scholarship Support: Bereket Foundation provided scholarships to 1,922 students in total in 2021, consisting of 1,841 undergraduate and 81 doctorate students.

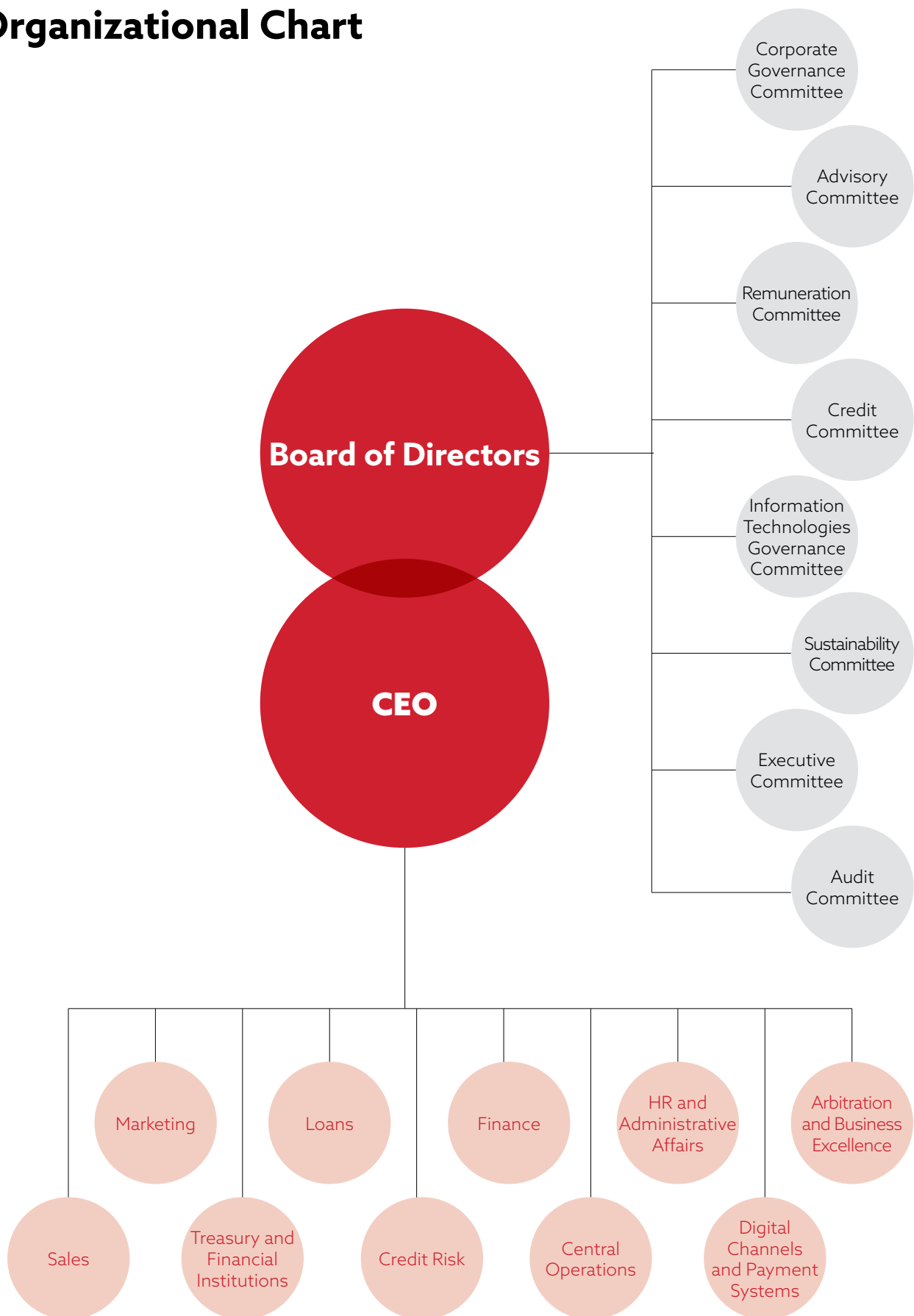
Education and Vulnerable Group Supports: Albaraka Türk collaborated with different foundations to support education and vulnerable groups.

Technological Product Support: Schools in need of computers and technological equipment were supported.

Health Supports: Financial supports were provided for the health problems of persons in need.

Sapling Planting: 5,000 saplings were planted on behalf of the Bank employees and customers as part of struggling with forest fires.

Organizational Chart



Information on the Bank's Board of Directors and Senior Management

Board of Directors

Name and Surname	Duty	Educational Status	Start Date of Duty	Banking Experience
Mazin Khairy Shaker Manna	Chairman	Bachelor's Degree	2021	31
Melikşah Utku	Board Member	Master's Degree	2016	18
Prof. Dr. Kemal Varol	Board Member	Ph.d.	2013	11
Mustafa Büyükbacı	Board Member	Master's Degree	2017	6
Mehmet Ali Gökce	Independent Board Member	Master's Degree	2020	41
Mohamed Ali Chatti	Independent Board Member	Ph.d.	2020	12
Houssein Ben Haj Amor	Board Member	Bachelor's Degree	2020	17
Tawfig Mufti	Board Member	Bachelor's Degree	2020	29
Ghassan Ahmed M. Amodi	Independent Board Member	Bachelor's Degree	2020	28
Azhar Aziz Dogar	Board Member	Master's Degree	2022	28
Malek Khodr Temsah	Board Member and Acting General Manager	Master's Degree	2017	19

Senior Management

Name and Surname	Duty	Educational Status	Start Date of Duty	Banking Experience
Malek Khodr Temsah	Board Member and Acting General Manager	Master's Degree	2017	19
Turgut Simitcioğlu	Deputy General Manager	Master's Degree	2017	32
Süleyman Çelik	Assistant General Manager	Bachelor's Degree	2017	33
Fatih Boz	Assistant General Manager	Master's Degree	2017	24
Hasan Altundağ	Assistant General Manager	Bachelor's Degree	2017	35
Mustafa Çetin	Assistant General Manager	Bachelor's Degree	2018	25
Volkan Evcil	Assistant General Manager	Bachelor's Degree	2019	31
Mehmet Fatih Yorulmaz	Assistant General Manager	Master's Degree	2020	8
Mehmet Uludağ	Director	Master's Degree	2020	18
Yasemin Aydın	Director	Master's Degree	2020	26

Committees and Committee Meetings Attendance

The Board of Directors of Albaraka Türk Katılım Bankası A.Ş. convened 5 times in the digital platforms with the participation of all its members in 2021. The Board has taken all its decisions within the scope of Article 390/4 of the Turkish Commercial Code for the 2021 operating period.

1. Audit Committee

a. Purpose

The Audit Committee consists of Board Members for the purposes of assisting the Board of Directors to perform auditing and supervision activities. The Committee was formed on the basis of the provisions of Article 24/6 of the Banking Law No. 5411.

b. Composition of the Committee

The Audit Committee consists of at least two non-executive Board Members. Members must have the qualifications determined by the Banking Regulation and Supervision Agency.

Members of the Audit Committee

President: Mustafa BÜYÜKABACI, Board Member
Member: Mehmet Ali GÖKCE, Board Member
Member: Housseem Ben Haj Amor, Board Member

c. Functions of the Committee

On behalf of the Board, the Audit Committee monitors the efficiency and proficiency of the internal systems of the Bank, the functioning of these systems as well as the accounting and reporting systems in the framework of the Banking Law and related regulations, and the integrity of the produced data, providing preliminary evaluations to the Board of Directors when selecting the independent audit firms and rating, survey and support services agencies; regularly monitoring the activities of the said institutions which are appointed by the Board of Directors and with which contracts are signed; ensuring the consolidated internal auditing of partnerships subject to consolidation as per the regulations introduced with respect to the Banking Law, and coordinating their activities.

d. Working Principles of the Committee

- The Audit Committee convenes at least four times a year.
- The Audit Committee discusses issues related to internal control, financial tables, internal audit and other special items on their agenda, by also summoning the representatives of independent audit agencies, if and when needed.

- Committee resolutions are submitted to the Board of Directors for acknowledgment or ratification based on their nature.
- Resolutions of the Audit Committee are registered in the Book of Resolutions as per the related provisions of the Banking Law.

The Audit Committee convened 8 times in 2021 with the participation of all members.

2. Credit Committee

a. Purpose

As per the powers vested by the Board of Directors, the Credit Committee passes resolutions on requests for limit allocation, renewal, increase and/or collateral changes amounting up to 10% of the shareholders' equity provided that the tasks, powers and responsibilities remain within the restrictions defined in the Banking Law and related regulations. (Decisions on credit allocations that exceed 10% of the shareholders' equity shall be taken by the Board).

b. Composition of the Committee

The Committee consists of the General Manager or Deputy General Manager with at least two members elected by the Board of Directors from among the members that meet the conditions required for the General Manager (except for the term) to fulfill the assigned duties regarding credits. Two reserve members from among the Board Members meeting the conditions required (except for the term) for the General Manager are elected to serve as a substitute for a Credit Committee member who cannot participate in any meeting.

Members of the Credit Committee

President: Mazin Khairy Shaker Manna, Chairman of the Board
Member: Prof. Dr. Kemal Varol, Board Member
Member: Malek Khodr Tamsah, Board Member and Assistant General Manager
Reserve Members: Dr. Mohamed Ali Chatti, Board Member
Reserve Members: Housseem Ben Haj Amor, Board Member

c. Functions of the Committee

Based on the powers delegated by the Board of Directors, the Credit Committee is authorized to allocate credit lines within the framework of the methods/principles defined by the Banking Regulation and Supervision Agency and to conclude the credit resolutions within delegated limits. In this respect the Committee;

Committees and Committee Meetings Attendance

- Decides on branches' credit limits and conditions for extensions,
- Evaluates and decides on the requests for limit allocations and increases that exceed the branches' delegated powers,
- Resolves on credit limits that are to be decreased or canceled,
- Monitors the general credit policies of the Bank,
- Determines the terms and conditions of credit extensions,
- Decides on converting credit lines of clients into other modes of credit facility.

d. Working Principles of the Committee

The Credit Committee convenes with the participation of all members. The Credit Committee's decisions given unanimously are implemented directly and decisions given by the majority are implemented after the approval of the Board of Directors.

The committee agenda is determined by the General Manager. The written suggestion of the General Manager is asked for in limit increases done by the Credit Committee. For proposals regarding credits for which financial tables have to be required, it is essential that the financial analysis and intelligence reports of credit requestors should be attached.

Activities of the Credit Committee are subject to audit by the Board of Directors. Each Board Member is authorized to ask for all kinds of information from the Credit Committee about the Committee's activities and to conduct all kinds of control he/she finds necessary.

The decisions of the Credit Committee are recorded in the minute book. The Credit Committee minute book is kept according to the procedures and principles that the Board minute book is subject to.

The Credit Committee convened 60 times in 2021 with the participation of all members.

3. Corporate Governance Committee

a. Purpose

The Committee has been formed to follow up, evaluate and improve our Bank's compliance with the principles of Corporate Governance and submit proposals to the Board of Directors in this respect. These have been developed in accordance with CMB's Corporate Governance Principles.

b. Composition of the Committee

The majority of committee members are non-executive Board Members. If deemed necessary, the Committee may assign people specialized in their respective fields to the Committee who are not Board Members.

Members of the Corporate Governance Committee

President: Dr. Mohamed Ali Chatti, Board Member

Member: Melikşah Utku, Board Member

Member: Cihat Keskin

c. Functions of the Committee

- Examining whether the Corporate Governance Principles are adopted at the Bank and if that is not the case, identifying its reason as well as the conflicts of interest arising from such failure to comply with these principles and proposing corrective actions to the Board,
- Overseeing the activities and operations of the Financial Institutions and Investor Relations Department,
- Establishing a transparent system including policies and strategies for determining, evaluating and training suitable candidates for the Board of Directors and administrative management positions,
- Evaluating the structure and effectiveness of the Board of Directors regularly, and advising the Board on necessary changes that may be introduced in this regard,
- Determining and supervising the approach, principles and practices in relation to performance assessment, career planning and rewarding processes for the Board Members and executives.

d. Working Principles of the Committee

The committee convenes at least four times a year with one more than the half number of its members and adopts by the majority. The works and proposals of the Committee are discussed at the Board as an agenda item. The Committee keeps written records of its works. It also submits the information regarding the works and the reports including the results of the meetings to the Board of Directors.

The Corporate Governance Committee convened 1 time in 2021 with the participation of all members.

4. Remuneration Committee

a. Purpose

The Remuneration Committee is tasked with guaranteeing a balanced distribution of interests and rights across the Board, senior management, employees and shareholders; and developing proposals and strategies on wages in line with their contributions to the Bank's value creation process.

b. Composition of the Committee

The Committee consists of at least two members. Committee members are determined by the Board of Directors.

Members of the Remuneration Committee

President: Mazin Khairy Shaker Manna, Chairman of the Board

Member: Mustafa Büyükbacı, Board Member

Member: Dr. Mohamed Ali Chatti, Board Member

c. Functions of the Committee

- Establishing a remuneration policy compatible with the scope and structure of the Bank's activities, strategies, long-term goals and risk management structures, preventing excessive risk-taking and contributing to effective risk management,
- Reviewing the remuneration policy at least once a year to ensure the effectiveness of the remuneration policy of the Bank,
- Evaluating the remuneration policy and practices within the framework of risk management and submitting a report with related suggestions to the Board of Directors every year,
- Determining the suggestions of the Members of the Board of Directors and senior executives regarding the remuneration principles by taking into account the long-term goals of the Bank,
- Guaranteeing a balanced distribution between the interests and rights of senior management, Bank employees and shareholders,
- Ensuring that the members of the Board of Directors of the Bank, senior management and bank employees are rewarded in line with their contribution to the Bank's value creation process.

d. Working Principles of the Committee

The Committee meets at least once a year. The decisions are taken by the majority of votes at the committee meetings. In the case of a tie, the party involving the president is deemed to have constituted the majority. Decisions are made in writing and signed by the participating members.

The Remuneration Committee took 4 decisions in 2021 without any discussion.

5. Sustainability Committee

a. Purpose

The goal is to establish policies that represent the Bank's core values and ethical principles by taking into account the best practices in the field of Sustainability and Social Responsibility worldwide.

b. Composition of the Committee

The Committee consists of two Board Members, namely Mehmet Ali Gökce, Chairman, and Dr. Mohamed Ali Chatti. The person appointed by the Committee carries out the reporter and secretariat duty of the Sustainability Committee. This person is responsible for composing and publishing meeting minutes and reports and coordinating the committee operations under the guidance of the Sustainability Committee. The secretary and reporter members do not have voting right.

Members of the Sustainability Committee

President: Mehmet Ali Gökce, Board Member

Member: Dr. Mohamed Ali Chatti, Board Member

c. Functions of the Committee

- The Committee gives priority to considering economic, environmental and social factors as well as corporate governance principles in all Banking operations and decision-making processes to raise corporate sustainability awareness across the Organization, set forth concrete sustainable banking targets, and create long-term values. The Committee makes environmental protection a priority for the entire organization, sets ethical rules as necessary, and ensures effective management of risks associated with these factors. The Committee makes recommendations to the Sustainability Executive Committee concerning sustainability and social responsibility projects that will help communicate the Bank's corporate identity and understanding which comply with its vision and mission to the public, stakeholders, and business partners.

Committees and Committee Meetings Attendance

- The Committee ensures the implementation of projects that are aligned with the Bank's core values and ethical principles by closely following the best practices in the field of sustainability and social responsibility worldwide. The Committee assesses the effects of the Bank's activities on society. Supervises the impacts of the Bank's activities on society and measures taken within this framework. The Committee discusses the issues reported by the Sustainability Executive Committee and makes the necessary decisions to resolve them.
- Cooperates with the relevant committee of Albaraka Banking Group in efforts related to sustainability and social responsibility.

d. Working Principles of the Committee

The Committee convenes at least two times a year. The decisions are taken by the majority of votes at the committee meetings. Decisions are made in writing and signed by the participating members. Decisions are made in writing and signed by the participating members. All issues to be brought to the agenda of the Sustainability Executive Committee must be discussed by the Sustainability Executive Committee.

The Sustainability Committee took 2 decisions in 2021 without any discussion.

6. Executive Committee

a. Purpose

This Committee aims to ensure that resolutions at the Board of Directors meetings are taken faster, more effectively and soundly; and to fulfill the duties stated in the regulations of the Committee and the exercise of powers. These include minimizing the problems of having a low attendance at Board of Directors meetings and making sure that the urgent issues are discussed and settled.

b. Composition of the Committee

The committee consists of at least three members of the Board of Directors determined by the Board of Directors. The Chairman and the Deputy Chairman of the Committee is determined by the Board of Directors. The Committee may invite Bank executives and personnel, as it deems necessary, to their meetings and obtains their opinions. The Committee may also benefit from the opinions of independent experts and consultants, where necessary, and costs are to be covered by the Bank. Secretarial works of the Committee are carried out by the Rapporteur Department of the Board of Directors.

Members of the Executive Committee

President: Mazin Khairy Shaker Manna, Chairman of the Board

Member: Prof. Dr. Kemal Varol, Board Member

Member: Melikşah Utku, Board Member

Member: Malek Khodr Temsah, Board Member and Acting General Manager

c. Functions of the Committee

- To make examinations and make proposals forming a basis for the resolutions of the Board of Directors regarding general issues such as long-term strategic planning, policy and business plans, banking services,
- To identify any changes or deviations in the Bank's existing finance, investment, income and expense policies and procedures, annual budget,
- To make observations about the Bank's investment and finance level and opportunities, and adequacies or inadequacies of the changes in finance and investment policies; and make suggestions concerning the updating thereof,
- To express an opinion and decide on new products and derivatives, side and sub-products related to existing and approved products,
- To offer suggestions on issues such as strategy, marketing, business plan and balance sheet for any venture, partnership, investment, and financial activity,
- To offer suggestions on issues investing in and purchasing important goods, services and rights and other means of acquiring or dismissing, making commitments, acquiring and participating in joint ventures with other methods and other investments, expenses, to decide on investments to be made by purchasing goods, services and rights up to the amount between 2% and 5% of Bank's shareholders' equity, joint venture, acquisition of subsidiaries and other methods, and To Commitment up to the amount between 2% and 5% of Bank's shareholders' equity of assets included in the Bank's assets, To examine the business processes, procedures and activities related to the activities of the Bank and to make new proposals in these matters and approve the authority to be given by the Board of Directors, to support the Bank's units,
- To review the effectiveness of the reports, information and business policies of the Bank, and to make determinations and recommendations,
- To make credit and other risk classifications of the Bank and present the determinations and recommendations in this respect,

- To examine the speed, adequacy and integrity of the reports prepared for the Bank's activities, and to make observations and proposals relating to the existing reports and the financial requirements and internal risks of the Bank on a quarterly basis,
- To make proposals for any amendment to the Articles of Association, in particular concerning the increase of the Bank's capital,
- To provide suggestions about specific sectors, geographical regions and customers,
- To review the works that may affect the Bank's activities and other issues that may arise before the meetings of the Board of Directors, and make proposals,
- To make suggestions for the restructuring of the debts of the Bank's customers, partial or total liquidation thereof and other matters, to decide for the restructuring of the loans and receivables up to the amount between 2% and 5% of the Bank's shareholders' equity, To decide on the liquidation or abolition of the Bank's loans, receivables and assets up to the amount between 2% and 5% of the Bank's annual shareholders' equity, To decide on the discharge, settlement, waiver, acceptance and other transactions for the Bank's receivables or payables up to the amount between 2% and 5% of the Bank's annual shareholders' equity, To make proposals for dividends to be distributed to shareholders, premiums and other payments to be made to the employees,
- To make proposals for resolving legal disputes within Bank customers, staff or third parties with peace, misappropriation, acceptance, waiver and other methods in these matters, To make decisions on matters up to the amount between 2% and 5% of annual Bank's shareholders' equity.
- To decide on the appointment, relocation and promotion of the employees with first degree signing authority, to present these transactions to the approval of the Board of Directors,
- To fulfill the duties assigned by the Board of Directors,
- To solve any problems that are not within the jurisdiction of any other board, committee, organ, unit and person, to support the relevant units within their duties and authorities.

d. Working Principles of the Committee

Members of the Committee shall be convened immediately upon invitation of the General Manager or the Chairman of the Committee, in particular, if any critical problems arise. The meeting agenda shall be sent by the General Manager or the Chairman of the Committee together with the meeting invitation. In addition to the agenda sent, the points of interest can

also be discussed and resolved at the meeting. As a rule, the Committee convenes prior to Board meetings. However; when necessary, it may convene when there is no Board meeting. The meeting is held with the participation of at least three members. The Chairman directs the Committee meetings and the Vice Chairman in the absence of the Chairman. Decisions are taken by the majority of those present at the meeting. Meeting minutes and resolutions are recorded. Minutes are regularly signed by Committee members and presented to the Board of Directors.

The Executive Committee convened 5 times in 2021 with the participation of all members.

7. Information Technologies Governance Committee

a. Purpose

The Committee aims to; Establish a series of standards and procedures to increase the operational efficiency of information technology systems and thereby ensure corporate discipline in the Bank's management. Besides, by applying these standards and procedures transparently and reasonably within the framework of the best international practices,

- Ensure the harmony between the Bank's business strategies and Information Technologies (IT) strategies,
- Strengthen the communication and collaboration between the committees operating in the fields of IT governance and risk management at the Bank's Head Office level and the Board of Directors of the Bank,
- Make sure that information technologies enable the Bank to seize opportunities and maximize profitability,
- Establish an IT infrastructure with an organizational structure, resources, policies and procedures, control systems,
- Ensure that bank management creates the necessary systems and processes that will best manage and mitigate all risks related to information technologies, including cyber-attacks.

b. Composition of the Committee

Provided that the number of members is not less than two, the number of members of the Committee are determined by the Board of Directors. The members to be elected to the Committee, other than the members of the Board of Directors, should have sufficient knowledge and experience in the field of information technologies.

Committees and Committee Meetings Attendance

Members of the Information Technologies Governance Committee

President: Melikşah Utku, Board Member
Member: Malek Khodr Temsah, Board Member and Assistant General Manager
Technical Member: Hood Hashem Ahmed Hashem

c. Functions of the Committee

- To evaluate, monitor and review the budget, IT initiatives and projects related to IT resources within the framework of the Bank's strategic objectives,
- To evaluate, monitor and review the IT strategy objectives and organizational structures which are planned to be established (especially the IT committees operating at the level of the Bank's senior management) to reach the Bank's strategic goals and maximize the expected benefits from IT projects and investments,
- To evaluate, monitor and review the systems related to the management, regulation and control of IT resources and projects within the framework of the best international practices (especially "Control Objectives for Information and Related Technology - COBIT"),
- To review, monitor and approve the institutional goals related to information technologies and technologies related to these goals and ensure the achievement of these goals,
- To ensure the establishment of an IT Risk Management Plan and Program integrated with the Bank's general risk management plan and program,
- To monitor the suitability of IT processes, resources, initiatives and projects to assess whether they meet the Bank's business requirements,
- To evaluate the internal and external IT audit reports and to ensure that the Bank takes necessary actions on the findings identified in these reports.
- To submit reports to the Board of Directors regarding the issues specified under this topic and to present those issues requiring the resolution of the Board of Directors as per article 375 of the Turkish Commercial Code and the Bank's internal legislation to the approval of the Board of Directors.
- The Committee may request all kinds of information and documents from the Bank's senior management, provided that the matters fall within the duties and responsibilities of the committee.

d. Working Principles of the Committee

Committee meetings are held by the Committee Chairman. The committee convenes at least 4 times a year, upon the invitation of the chairman or one of the members. The committee meetings could completely be held electronically or by the participation of some members electronically in a meeting where some members are physically present. The meeting agenda shall be sent by the Chairman together with the meeting invitation. In addition to the agenda sent, the points of interest can also be discussed and resolved at the meeting. The committee convenes with the participation of the majority of the members and takes decisions with the majority of the members present at the meeting. The Committee may invite Bank executives and personnel, as it deems necessary, to their meetings and obtains their opinions. The Committee may also benefit from the opinions of independent experts and consultants on legal, financial, administrative and technical issues where necessary, and costs are to be covered by the Bank. Meeting minutes and decisions are kept by the Committee Secretariat, which will be composed of a person or unit to be determined by the Committee. The Board of Directors is informed about the activities of the Committee.

The Information Technologies Governance Committee convened 4 times in 2021 with the participation of all members.

8. Advisory Committee

a. Purpose

Advisory Committee was founded according to the "Communiqué on Compliance with Interest-Free Banking Principles and Standards" (Communiqué) dated 14.09.2019 and numbered 30888 published by the Banking Regulation and Supervision Agency to maintain Albaraka Türk Katılım Bankası A.Ş.'s banking activities in compliance with interest-free banking principles.

b. Composition of the Committee

Committee members are appointed by the Board of Directors with the approval of the General Assembly. The committee consists of three members including the chairman, one reporter and two observers.

Members of the Advisory Committee

President: Yousef Hassan Y. Khalawi
Member: Prof. Dr. Hamdi Döndüren
Member: Prof. Dr. Necmettin Kızılkaya

c. Functions of the Committee

- Answering questions submitted to the Committee and offering alternative solutions on interest-free banking principles,
- Following up on global developments in the field of interest-free banking,
- Monitoring and analyzing the activities of the Bank and its subsidiaries subject to consolidation systematically in terms of interest-free banking principles,
- Coordinating with the audit unit to audit the compliance of the activities of the Bank and its subsidiaries subject to consolidation with interest-free banking principles,
- Organizing developmental and educational seminars for the Bank's staff to establish and develop an interest-free banking culture within the Bank; ensuring that such trainings are included in routine training programs,
- Representing the Bank in interest-free banking-related activities such as conferences, symposiums, forums and seminars concerning the Advisory Committee and sharing interest-free banking perspectives on issues discussed in such events with bank managers,
- Preparing a summary report on the activities of the Committee, the questions posed to the Committee during the year and the activities and decisions of the Committee and submitting it to the Board of Directors,
- Examining all activities of the Bank and documenting the interest-free banking audit handbook and ensuring that it is approved by the Board of Directors,
- Discussing the issues which the Chairman has opted for examination at the Committee among those issues in the report submitted by the controller to the Chairman and informing the Head Office regarding these issues,
- Approving the interest-free banking principles compliance expectations in the Articles of Association, regulations, forms and policies used by the Bank and also approving the regulations made,
- Approving the standard agreements and contracts in the transactions of the bank with third parties in terms of compliance with interest-free banking principles and taking part in the development and improvement of the mentioned forms when necessary,
- Determining the interest-free banking eligibility requirements for existing and new products of the bank and its subsidiaries subject to consolidation and expressing an opinion on the documentation (contract, form, procedure, committee, functioning, method etc.) to be prepared in this regard,
- Informing the Head Office of its opinion on the applications made to the Committee,
- Following up the Bank's operations and reviewing the Bank's business activities in coordination with the Bank's management following the interest-free banking perspective at reasonable times,
- Providing and recommending possible interest-free banking solutions for financial transaction problems that do not comply with the principles of interest-free banking, looking for alternative products together with the Bank management to replace products that do not comply with the interest-free banking rules,
- Guiding the employees working in the implementation of interest-free banking transactions in compliance with the rules and principles of interest-free banking,
- Preparing the annual interest-free banking report which shows the degree of compliance with the decisions and directives issued by the Advisory Committee and submitting it to the Board of Directors,
- Preparing annual activity budget and having it approved by the Board of Directors,
- Ensuring protection from interest earnings and distribution of unavoidable interest earnings for charity purposes,
- Publishing periodic practical information on interest-free banking principles for the employees and participation account holders,
- Submitting periodic reports regarding the decisions taken to the Advisory Board of TKBB (Türkiye Katılım Bankaları Birliği - Participation Banks Association of Turkey).

d. Working Principles of the Committee

The Advisory Committee, together with the new Communiqué, will convene at least twice a month and may also meet extraordinarily, if necessary, by ensuring a majority upon the request of the President. The Advisory Committee meetings can be held by physically present members or by some or all members' participation via the electronic channel.

The Advisory Committee convened 24 times in 2021 with the participation of all members.

Summary of the Board of Directors' Annual Report

Esteemed Shareholders,

Welcome to the 37th Ordinary General Assembly meeting of our Bank.

Before presenting the Board of Directors' and the Statutory Auditors' reports concerning the results of activities in the 2021 financial year and profit and loss account for your consideration and approval, we respectfully greet our shareholders, their representatives, and our guests who have honored this meeting with their presence.

2021 was a year of sustainable growth for the banking sector despite the impact of the pandemic, fluctuations in domestic markets due to the volatility in the global economy.

Compared to the last year-end, as of December 31, 2021;

Total Assets increased by 57% to TL 109 billion,
Total Collected Funds increased by 77% to TL 91 billion,
Funded Credits* increased by 40% to TL 57 billion,
Shareholders' Equity increased by 14% to TL 4.6 billion,
Net Profit realized as TL 104 million.

We, as Board of Directors, attained a sustainable growth in our assets despite the fluctuations that we experienced in 2021. In 2021, we will continue our steady growth with the support of you, our valuable partners. We hereby submit for your consideration and approval the balance sheet and profit/loss statement contained in our annual report for 2021.

Respectfully,

ALBARAKA TÜRK KATILIM BANKASI A.Ş. BOARD OF DIRECTORS

* Includes financial leasing receivables.

Support Services Received in Accordance with the Regulation on Support Services for Banks and Authorization of Companies to Provide These Services

TITLE OF THE ORGANIZATION FROM WHICH SUPPORT SERVICE IS PROVIDED	FIELD OF ACTIVITY FOR WHICH SUPPORT SERVICE IS PROVIDED
32 BIT BİLGİSAYAR HİZMETLERİ SANAYİ VE TİCARET LİMİTED ŞİRKETİ	INFORMATION SYSTEMS
360 TREASURY SYSTEMS AG	TRANSACTION PLATFORM
ACERPRO BİLİŞİM TEKNOLOJİLERİ ANONİM ŞİRKETİ	INFORMATION SYSTEMS
ACTIVE BİLGİSAYAR HİZMETLERİ VE TİCARET LİMİTED ŞİRKETİ	INFORMATION SYSTEMS
AGT HIZLI KURYE HİZMETLERİ ANONİM ŞİRKETİ	MOTO COURIER
ALBARAKA TEKNOLOJİ BİLİŞİM SİSTEMLERİ VE PAZARLAMA TİCARET ANONİM ŞİRKETİ	CORE BANKING SERVICE
ARKSIGNER YAZILIM VE DONANIM SANAYİ TİCARET ANONİM ŞİRKETİ	AUTHENTICATION AND VIDEO CALL SERVICE
AUSTRIA CARD TURKEY KART OPERASYONLARI ANONİM ŞİRKETİ	BULK PRINTING OF DEBIT AND CREDIT CARDS, ADDING DATA TO CARDS' MAGNETIC, CARD PERSONALIZATION AND MAILING
AVİ GAYRİMENKUL YATIRIM DEĞERLEME VE DANIŞMANLIK ANONİM ŞİRKETİ	ATTORNEY FOR TRANSACTIONS AT THE DIRECTORATE OF LAND REGISTRY
BİNSAT KORUMA VE ÖZEL GÜVENLİK HİZMETLERİ TİCARET ANONİM ŞİRKETİ	PERMANENT AND SUBSTITUTE SECURITY STAFF RECRUITMENT SERVICE THROUGHOUT TURKEY
BİRLEŞİK ÖDEME HİZMETLERİ VE ELEKTRONİK PARA ANONİM ŞİRKETİ	MONEY TRANSFER
BNTPRO BİLGİ VE İLETİŞİM HİZMETLERİ LİMİTED ŞİRKETİ	INFORMATION SYSTEMS
C/S ENFORMASYON TEKNOLOJİLERİ LİMİTED ŞİRKETİ	INFORMATION SYSTEMS
C/S ENFORMASYON TEKNOLOJİLERİ LİMİTED ŞİRKETİ	INFORMATION SYSTEMS
C/S ENFORMASYON TEKNOLOJİLERİ LİMİTED ŞİRKETİ	INFORMATION SYSTEMS
CYBERWISE SİBER GÜVENLİK TİCARET ANONİM ŞİRKETİ	INFORMATION SYSTEMS - PENETRATION TEST SERVICE
CYBERWISE SİBER GÜVENLİK TİCARET ANONİM ŞİRKETİ	INFORMATION SYSTEMS
DESMER GÜVENLİK HİZ. TİC. ANONİM ŞİRKETİ	CARRIAGE, COUNTING AND STORAGE OF VALUABLE ITEMS
FİNEKSUS BİLİŞİM ÇÖZÜMLERİ TİCARET ANONİM ŞİRKETİ	INFORMATION SYSTEMS
FİNEKSUS BİLİŞİM ÇÖZÜMLERİ TİCARET ANONİM ŞİRKETİ	INFORMATION SYSTEMS
FU GAYRİMENKUL YATIRIM DANIŞMANLIK ANONİM ŞİRKETİ	ATTORNEY FOR TRANSACTIONS AT THE DIRECTORATE OF LAND REGISTRY
GÜZEL SANATLAR ÇEK BAŞIM LİMİTED ŞİRKETİ	CHECK PRINTING
IRON MOUNTAIN ARŞİVLEME HİZMETLERİ A.Ş.	ARCHIVE SERVICES
İPOTEKA GAYRİMENKUL YATIRIM DANIŞMANLIK ANONİM ŞİRKETİ	ATTORNEY FOR TRANSACTIONS AT THE DIRECTORATE OF LAND REGISTRY
KARTEK KART VE BİLİŞİM TEKNOLOJİLERİ TİCARET LİMİTED ŞİRKETİ (CHİPEXPERT)	INSTANT DEBIT CARD AND CREDIT CARD PRINTING SERVICE
KETS BİLGİSAYAR ELEKTRONİK İLETİŞİM HİZ. SAN. TİC. LTD. ŞTİ.	INFORMATION SYSTEMS
KİBELE İLETİŞİM SİSTEM VE SERVİSLERİ TİCARET LİMİTED ŞİRKETİ	INFORMATION SYSTEMS
KOBİL BİLGİSAYAR ENERJİ VE ELEKTRİK SİSTEMLERİ SANAYİ TİCARET LİMİTED ŞİRKETİ	SECURITY SOLUTION SERVICE FOR INTERNET AND MOBILE BRANCH
MAPA GLOBAL BİLGİSAYAR YAZILIM DANIŞMANLIK SANAYİ LİMİTED ŞİRKETİ	INFORMATION SYSTEMS
MEDYASOFT DANIŞMANLIK VE EĞİTİM ANONİM ŞİRKETİ	INFORMATION SYSTEMS - WEBSITE BUILDING
MOBİL EĞLENCE TELEKOMÜNİKASYON FİLMCİLİK REKLAMCILIK TURİZM YAYINCILIK SAN. VE TİC. LTD. ŞTİ.	INFORMATION SYSTEMS
NADİR METAL RAFİNERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ	PHYSICAL GRAM GOLD AND DELIVERY
NADİR METAL RAFİNERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ	PHYSICAL GOLD COLLECTION
NETLAB ULUSLARARASI BİLGİ İŞLEM VE HABERLEŞME HİZM. SAN. VE TİC. A.Ş.	"INFORMATION SYSTEMS - WEBSITE BUILDING CONTRACT ADDITIONAL PROTOCOL
ODC İŞ ÇÖZÜMLERİ DANIŞMANLIK TİCARET ANONİM ŞİRKETİ	ODC İŞ ÇÖZÜMLERİ DANIŞMANLIK TİCARET ANONİM ŞİRKETİ
ODC İŞ ÇÖZÜMLERİ DANIŞMANLIK TİCARET ANONİM ŞİRKETİ	INFORMATION SYSTEMS
ODC İŞ ÇÖZÜMLERİ DANIŞMANLIK TİCARET ANONİM ŞİRKETİ	INFORMATION SYSTEMS
ODC İŞ ÇÖZÜMLERİ DANIŞMANLIK TİCARET ANONİM ŞİRKETİ	INFORMATION SYSTEMS
PIKSEL İNTERNET VE REKLAM HİZMETLERİ TİC. A.Ş.	INFORMATION SYSTEMS
POS PERAKENDE OTOMASYON SİSTEMLERİ TİC. VE SAN. A.Ş.	INFORMATION SYSTEMS - CHECKOUT INTEGRATION SERVICE
POSTA VE TELGRAF TEŞKİLATI ANONİM ŞİRKETİ	PTT CORRESPONDANCE SERVICES
POSTKOM BAŞIM POSTA VE İLETİŞİM HİZMETLERİ ANONİM ŞİRKETİ	CREDIT CARD STATEMENT PRINTING SERVICE
PROVISION BİLGİ İŞLEM SANAYİ VE TİCARET ANONİM ŞİRKETİ	INFORMATION SYSTEMS
PROVISION BİLGİ İŞLEM SANAYİ VE TİCARET ANONİM ŞİRKETİ	INFORMATION SYSTEMS
SİTAŞ SAYISAL İLETİŞİM SANAYİ VE TİCARET ANONİM ŞİRKETİ	INFORMATION SYSTEMS
SİTAŞ SAYISAL İLETİŞİM SANAYİ VE TİCARET ANONİM ŞİRKETİ	NEW IVR SOFTWARE
SUPERONLINE İLETİŞİM HİZMETLERİ ANONİM ŞİRKETİ	INFORMATION SYSTEMS
TEPE SAVUNMA VE GÜVENLİK SİSTEMLERİ SANAYİ ANONİM ŞİRKETİ	PERMANENT AND SUBSTITUTE SECURITY STAFF RECRUITMENT SERVICE THROUGHOUT TURKEY
THOS HUKUK OTOMASYON SİSTEMLERİ YAZILIM ANONİM ŞİRKETİ	INFORMATION SYSTEMS
VBT BİLGİ TEKNOLOJİLERİ ANONİM ŞİRKETİ	INFORMATION SYSTEMS
YAPI KREDİ BANKASI ANONİM ŞİRKETİ	OPERATIONAL SERVICES
184 COMPANIES (FINANCING AT THE DEALER)	SERVICE FOR INFORMATION AND DOCUMENT COLLECTION, CONTRACT SIGNING AND FORWARDING IT TO THE BANK

Transactions with the Bank's Risk Group

As of December 31, 2021 wakala borrowings obtained within the framework of the investment-purpose wakala contracts signed with the risk group that includes the Bank, amount to USD 42,837,711 and EUR 21,600,000 (December 31, 2020: USD 52,297,028 and EUR 146,469,895). The profit share expense relating to these wakala borrowings for the period between January 1, 2021, and December 31, 2021, is TL 19,896 (December 31, 2020: TL 9,581).

Corporate Governance Principles Compliance Report

1. Statement of Compliance with Corporate Governance Principles

Albaraka Türk Katılım Bankası A.Ş. ("Albaraka Türk" or "Bank") is subject to the Corporate Governance Principles attached to Corporate Governance Communiqué ("Communiqué") number II-17.1 published by CMB according to the relevant articles of the Turkish Commercial Code, Banking legislation, Capital Market Board ("CMB") legislation since 2007 the public offering is made until today. Albaraka Türk is also subject to the management structure, process and principle provisions determined by the "Regulation on the Banks' Corporate Governance Principles" published by Banking Regulation and Supervision Agency ("BRSA"). Determining its vision as being the Best Participation Bank of the World, Albaraka Türk has adopted the Corporate Governance Principles as the basic corporate value and demonstrated due diligence to comply with the mandatory principles. Besides, it continues its studies for compliance with the principles which are not mandatory.

Within the framework of Corporate Governance Communiqué regulations number II-17.1, the election for the independent member of the Board of Directors is made at the general assembly meeting in 2012. Moreover, in order to comply with the same communiqué and Turkish Commercial Code number 6102, the Articles of Incorporation, of the Bank were reviewed and submitted to the General Assembly of 2012 where it was approved. Updated information of the Bank is offered to the service of all our stakeholders at Albaraka Türk website and Investor Relations tab in the same site.

Within the scope of studies on compliance with the Corporate Governance Principles, the Bank's Corporate Governance Committee (the "Committee") responsible for following, evaluating and performing improvement operations for compliance with the relevant principles is established in 2007. The Committee has made studies on improvement of the Bank's corporate governance implementations at the meeting held in 2020. Information on the activities of the Committee coordinating the studies of the Investor Relations Unit is given in detail in the section entitled "Bank Committees" of the annual report. The Investor Relations Unit continued its activities as a separate unit.

Albaraka Türk has been subjecting to Corporate Governance Rating since 2010. On June 5, 2020, National Investors Derecelendirme A.Ş. determined the Corporate Governance Rating of Albaraka Türk Participation Bank as 9.09. As the note for compliance with CMB Corporate

Governance Principles is over the Threshold Point of 7, Albaraka Türk is included in Borsa Istanbul Corporate Governance Index since 2010. Compliance notes that the Bank has received in four main categories are as follows:

Main Issues	Weight (%)	Note
Shareholders	25	9.17
Public Disclosure and Transparency	25	9.40
Stakeholders	15	9.34
Board of Directors	35	8,71

It has been observed that Albaraka Türk is at the level of global standards in the fields of Effective Investor Relations Department and Public Disclosure and Transparency. Social responsibility and ethical values supported by the nature of Participation Banking, supportive working conditions and increasing digitalization stand out as the strengths of Albaraka Türk. Public Disclosure and Transparency practices of Albaraka Türk are in compliance with CMB regulations and BRSA directives. Financial results, annual report and website disclosures are at the level of global applications. Albaraka Türk displays a strong performance in terms of customer relations through its wide branch network and digital platforms. The Board of Directors of the Bank has the majority of non-executive directors in line with the Corporate Governance principles of the CMB. There has been no conflict of interest between the stakeholders within the period due to the corporate governance principles of which compliance is not provided.

Corporate Governance Principles Form and Compliance Report

In line with the decision dated January 10, 2019 No. 2/49 of the Capital Markets Board, our practices regarding voluntary principles and our current corporate governance process within the scope of the Corporate Governance Communiqué numbered II-17.1 have been specified in our Corporate Governance Compliance Report (URF) and the Corporate Governance Information Form (KYBF).

Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF) can be accessed from the Public Disclosure Platform via the following links:

URF: <https://www.kap.org.tr/tr/Bildirim/1007914>

KYBF: <https://www.kap.org.tr/tr/Bildirim/1007917>

Sustainability Principles Compliance Framework

Albaraka Türk's Sustainability Principles Compliance Framework report for 2021 can be accessed from the Public Disclosure Platform via the link below:

<https://www.kap.org.tr/tr/Bildirim/951470>

Summary Financial Information for the Five-Year Period

Key Financial Indicators	2017	2018	2019	2020	2021
Total Assets (TL thousand)	36,229,077	42,223,652	51,392,368	69,315,799	108,955,123
Funds Collected (TL thousand)	25,309,840	28,623,473	39,769,408	51,613,124	91,236,649
Funds Extended (TL thousand)	25,193,463	26,184,989	29,749,139	40,583,348	56,936,547
Shareholders' Equity (TL thousand)	2,481,506	3,261,451	3,821,929	4,044,227	4,626,853
Net Profit (TL thousand)	237,093	133,968	63,429	254,737	104,403
Number of Personnel	3,899	3,988	3,791	3,390	2,918
Number of Branches	220	230	230	230	231

Financial Ratios (%)	2017	2018	2019	2020	2021
Funds Extended/Total Assets	69.5	62.0	57.9	58.6	52.3
Funds Extended/Funds Collected	99.5	91.5	74.8	78.6	62.4
Total Funds/Total Assets	69.5	67.8	77.4	74.5	83.7
Non-Performing Loans Ratio	4.7	6.9	7.2	4.8	6.3
Net Non-Performing Loans Ratio	2.0	3.6	4.1	1.9	1.9
Ratio of Provisions for Non-Performing Loans	57.7	47.3	42.6	61.0	70.3
Capital Adequacy Ratio	17.1	14.7	15.0	13.5	14.9

Assessment of Financial Situation, Profitability and Solvency

Despite the problems in the global markets and volatilities within the country, Albaraka Türk has increased its assets by 57% compared to the previous year reaching TL 109 billion in 2021.

Albaraka Türk, continuing its support to the real economy in 2021 as well, has increased funded credits* to TL 57 billion with an increase of 40% compared to the previous year-end. Share of the funded credits in the total assets has realized as 52.3%. Collected Funds by the Bank have increased by 77% and raised to TL 91 billion in 2021. In 2020, the Bank contributed to resource diversity by issuing lease certificates worth TL 22 billion from domestic markets through its subsidiary Bereket Varlık Kiralama.

Albaraka Türk has preserved its strong equity structure by increasing its equities to TL 4.6 billion with an increase of 14% compared to the previous year. It generated a net profit of TL 104 million in 2021. Raising its operational income to TL 6.9 billion by increasing by 43%, the Bank has raised its provisions to TL 1.8 billion by increasing by 55%.

Capital adequacy ratio of the Bank is realized as 14.9% as of the end of 2021, which is above the level of legal obligation.

Risk Management

The Bank's Risk Management System is designed to define, measure, monitor and control encountered risks via policies, procedures and limits. These efforts are aimed at monitoring, controlling, and if necessary, changing the risk and return structure of future cash flows, and the nature and level of associated activities.

To monitor and control risks to which the Bank is exposed on account of the banking activities, the Board of Directors is responsible for establishing internal control, risk management and internal auditing systems under the Banking Law and ensuring and monitoring the proper functioning, conformity and adequacy thereof.

The Board of Directors periodically reviews and assesses risk management policies and strategies according to changing market conditions. The General Manager has to ensure that departments of the Bank operate in coordination according to the specified policies and strategies about the risk management process determined by the Board.

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

On a fundamental basis, Albaraka Türk faces market, liquidity and credit risk, as well as strategic risk, reputation risk and operational risk. The Bank sets risk policies and procedures and risk limits approved by the Board of Directors to mitigate and manage its quantifiable risks. To maintain risks within the set limits, Albaraka Türk monitors and reports the referenced limits on a functional unit basis within the Bank's internal systems and relevant bodies. The Risk Management Department, which was formed in accordance with risk management regulatory requirements, measures, monitors, controls and reports risks.

The ultimate target of the Bank's Risk Management System is to allocate capital in compliance with the risks exposed by our functional activities (economic capital) and to maximize capital return adjusted for risk, thus increasing the added value created.

The Assets/Liabilities Committee (ALCO) manages the structure of the assets vis-à-vis liabilities by evaluating the domestic and global economic conditions concerning collecting and allocating funds in the direction of the risk management policies of our Bank.

Albaraka Türk's current or future risk exposure is identified and defined. Identified risks are measured and prioritized to the extent possible. By taking into account the risks stemming from the Bank's strategies and the potential impact of the strategy on the risk profile, ALCO ensures that all significant risks are included in the risk appetite. The Bank's strategies are associated with a risk profile and risk appetite. If the risk profile is expected to change in the future, such change is considered together with its level of impact on capital. In the creation of the risk profile, risk type is analyzed on the basis of sector and/or geographical location.

Albaraka Türk's risk tolerance is the maximum degree of calculated risk that may be accepted according to the Bank's mission and vision. In other words, it is the foreseen amount of risk to be exposed before deciding on the necessity of taking any precautions. Risk tolerance is the level of risk that the Bank deems acceptable given the diversity of services offered.

Albaraka Türk's risk appetite refers to the level of risk that the Bank is prepared to accept in pursuit of its strategic objectives. Risk appetite involves an acceptable level of variation regarding these objectives. A common feature of the Bank's risk appetite and risk tolerance is the boundaries they set on the acceptance of risk. However, risk tolerance is broader.

The Risk Appetite Policy, approved by the Board of Directors and updated annually, specifies the risk levels that the Bank may assume to implement its strategies and achieve its objectives. The limits and triggering functions in relation to the risk appetite and risk profile of the Bank are defined as per the Bank's risk profile and explained in detail.

Taking into account Albaraka Türk's financial status, business activity profile and future growth expectations, the amount of capital required to achieve strategic objectives are calculated via stress tests and scenario analyses performed on a static and dynamic basis. Having regard to the conjunctural factors affecting the market in which the bank operates today and will operate in the future, stress tests and scenario analysis conducted on the financial structure of the Bank are taken into account along with other financial indicators and thanks to the capital planning conducted in this context, coordination was established between the bank processes.

Albaraka Türk aims to ensure capital allocation compatible with the risks of its functional operations and maximize risk-adjusted return on capital. As a result, the Bank evaluates risks by classifying them as market risk, liquidity risk, credit risk, operational risk and other risks.

Market Risk

Albaraka Türk's market risk refers to the probability of loss that may be incurred due to exchange rate risk, stock position risk, commodity risk and profit rate risk.

Market risk primarily indicates the probability of loss that may be experienced on the Bank's on-balance sheet and off-balance sheet positions as part of exchange rate risk, commodity risk, profit rate risk and stock position risk due to movements in market prices. As for market risk, Albaraka Türk calculates the foreign currency position risk and securities position risk, as well as specific risks associated with market risk, by using the standard approach. Additionally, for testing purposes, foreign currency position risk of our Bank is measured by various internal models. With backtesting applications, deviations between actual values and daily VaR values, predicted by internal models, are observed in order to control the accuracy and performance of these models. The potential strength of portfolio against unexpected risks is measured with stress tests including stress scenarios.

These calculations are reported to relevant authorities on a regular basis. The Bank continuously monitors whether the market risk complies with the legally prescribed limits. Exchange rate risk is also subject to review and supervision by the Assets/Liabilities Committee. The Bank's foreign exchange rate strategy is intended to keep the exchange risk in balance and not to create short or long positions.

Liquidity Risk

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

Funding liquidity risk refers to the likelihood of losses occurring in cases where it is not possible for Albaraka Türk to adequately meet the entirety of its foreseeable or unforeseen cash flow requirements without affecting daily banking activities or the Bank's financial structure.

Market liquidity risk is the possibility of losses that may arise from the Bank's failure to close or balance any of its positions at market prices because the markets lack a certain amount of depth or are exposed to excessive volatility.

Liquidity risk may emerge due to factors such as maturity mismatch, deterioration in the quality of assets, unexpected funding outflows, erosion in profitability levels and financial crises.

To manage liquidity risk, the Bank monitors cash flows daily and takes preventive and remedial measures so that commitments are met as required and on time. Liquidity risk is also evaluated by the Assets/Liabilities Committee on a weekly basis.

Albaraka Türk implements a policy where liquid assets are maintained in sufficient amounts and quality, taking into account the minimum liquidity coverage ratios as specified in applicable regulations and past liquidity experiences. This approach addresses any liquidity requirement that may arise from unexpected movements in the markets.

Credit Risk

Credit risk is defined as the probability of losses to Albaraka Türk due to customer failure to partially or completely pay commitments to the Bank on time, thus breaching the provisions of customer credit contracts. This risk also involves any losses in market value due to deterioration in the financial position of the counterparty. On-balance sheet and off-balance sheet portfolios are included in the credit risk definition that is used at the Bank.

The authority to extend credits resides with the Board of Directors. The Bank's Board of Directors establishes policies related to the extending and approval of credits, credit risk management and other administrative principles.

Risk Management

The Board also ensures the implementation and monitoring of these policies, while taking any necessary measures. The Board of Directors delegates the power to extend credits to the Credit Committee and Head Office pursuant to the procedures and principles determined by legal and regulatory requirements. The Head Office exercises the power delegated to them to extend credits via regional directorates/units or branches. The Bank allocates credits within the limits set based on each debtor or group of debtors. The system prevents customers from exceeding the credit risk limit.

Albaraka Türk pays particular attention to preventing any sector concentration that may adversely affect the credit portfolio. Utmost care is taken to prevent the risk of concentration on a small number of customers. Credit risk is constantly monitored and reported by the Bank's units under internal systems and the risk management system. In this way, the Bank ensures that credit risk complies with the "Regulation on Credit Policies and Implementation Procedures."

Operational Risk

Operational risk is defined as the risk of loss due to insufficient or unsuccessful internal processes, people, and systems or loss due to external effects. Legal risk and compliance risk are included in this risk group, while reputation risk and strategic risk (making wrong decisions at the wrong time) do not fall under this risk type.

Operational risk is a type of risk inherent in all Bank operations and activities. Operational risk may arise from employee or system errors; transactions that may be performed based on insufficient or incorrect legal information or documentation; impediments to the flow of information between divisions in the organizational structure of the Bank; uncertainties in the limits of powers; or structural and/or operational changes, natural disasters, terrorism, and fraud incidents.

The Bank classifies operational risk into five groups according to their respective source: employee risk, technology-related risks, organizational risk, legal and compliance risk, and external risks.

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

Other Risks

Other risks Albaraka Türk might face include strategic risk, reputation risk, counterparty credit risk, country risk and concentration risk.

Regarding strategic risk, the Bank aims to make rational decisions and adapt to emerging conditions by closely monitoring economic conditions, technology, financial and social developments, as well as the legal and regulatory environment and the banking sector in Turkey and abroad.

Reputation risk for Albaraka Türk encompasses any factor that constitutes a possibility of loss for the Bank. These factors include negative perception of the Bank by different or related parties including existing or potential customers, partners, competitors or supervisory bodies; loss of confidence in the Bank or ruined reputation due to non-compliance with applicable laws. For the risk of reputation to be avoided and/or controlled by the Bank's Risk Management System, a proactive communication mechanism that gives the customers priority is established any time a condition that could detriment the Bank's reputation or image is detected.

As part of this system, preparations are already in place for worst case scenarios. While evaluating reputation risk, the system considers operational risk in relation to reputation risk, as well as its level and impact on reputation risk.

Counterparty credit risk refers to the possibility that the counterparty of a transaction, which brings about liabilities to both parties, defaults before making the final payment in the cash flow. The Bank manages counterparty credit risk according to the volume, nature and complexity of the activities, in due consideration of best practices and in line with applicable legal and regulatory requirements.

Country risk refers to possible losses that the Bank may incur when borrowers in a country are unable to fulfill or avoid fulfilling their overseas obligations due to the uncertainty of economic, social and political conditions in the relevant country. In due consideration of the legal and regulatory environment, market conditions and customer satisfaction, Albaraka Türk forges commercial ties to foreign financial institutions and countries in light of feasibility studies focused on the economic conditions of each country.

Concentration risk is defined as the possibility that the amount of a single risk or the amount of certain risk types resulting in high losses that could threaten the Bank's operations and its ability to perform its core business activities. Policies on concentration risk are divided into sector concentration, concentration based on collateral, concentration based on market risk type, concentration based on loss type, and concentration arising from creditors.

Assessment of Internal Control, Internal Audit and Risk Management Systems by the Audit Committee

To monitor and control its risk exposure, Albaraka Türk has developed adequate and efficient internal systems, consistent with the scope and structure of its business activities. These internal monitoring and control systems accommodate the dynamic operating environment and encompass all Bank branch locations and divisions. The internal systems also operate in accordance with the methods and principles stipulated by applicable laws, rules and regulations.

The Inspection Board, Internal Control Department, Risk Management Department, and Legislation and Compliance Department all fall within the scope of the internal systems. These units and departments operate under the supervision of the Audit Committee and the Board of Directors.

The Inspection Board carries out the function of audit that is inclusive of all the activities of the Bank, in which respect, the Board executes the processes of audit, inspection, and investigation. Efforts are made to provide assurances to senior management not only in that the Bank's activities are being carried out in line with the requirements of current laws and regulations as well as with the Bank's own strategies, policies, principles, and objectives but also that the Bank's internal control and risk management systems are effective and adequate.

The Inspection Board fulfills its audit responsibilities based on a risk-focused approach. Emerging technologies are utilized and compliance of the Bank's operations with internal and external regulations is evaluated during audits.

The Internal Control Department conducts risk-focused and interactive controls through Head Office, Branch, Data Analytics and Methodology, and Information Systems control services to ensure that banking operations are executed in an organized, effective and reliable manner at the Head Office units and branches.

The Control Service in the headquarters actively participates in risk control self-assessment studies, process modeling and projects. Together with business units; processes are reviewed, risks on these processes are identified, controls related to risks are recommended. This contributes to the establishment and development of an internal control environment and internal control system across the Bank. Transactions and activities that are generally considered important and risky by the Bank were remotely and periodically monitored and examined through computer-aided auditing programs and techniques.

Branch Control Service conducts central controls over system records and on-site controls at branches. With central controls, the processes of the branches are continuously tested, the transactions carried out at the branches are selected through ACL scenarios and controlled by sampling method through the internal control portal. On-site control activities are held at branches selected in line with the annual plan; as a result of on-site controls, the findings and evaluations regarding the control environment of the branches and information on the training provided are shared with the relevant parties.

Data Analytics Control and Methodology Service carries out control activities that make accurate and reliable measurements, help to make more accurate and decisions, realize the potential to create added value in control processes and maintain the ability to show a proactive approach in control processes in line with the Bank's strategy and objectives. Control activities are held dynamically with a process that focuses on data, updates critical risks consistently, is based on quantitative foundations and is measurable. Focusing on data-enabled controls, the Board of Directors, Senior Management and other stakeholders are informed on the risk status of the Bank via instant reports.

The Information Systems Control Service controls the Bank's information systems, processes and all other elements related to the information systems infrastructure with a risk-based approach. The service also conducts studies for reviewing technical competence and risk analyses prepared for service support companies. In addition to the control activities carried out on a regular basis, the service also conducts risk-focused examinations on different IT subjects and carries out consultancy studies if requested by the units.

The findings, opinions and recommendations at the end of internal control activities are initially shared and evaluated with the personnel who conduct these efforts. This approach helps the Bank quickly take and implement necessary complementary and preventive measures, while introducing appropriate and feasible solutions that can improve existing business processes and operations. All these efforts are monitored and evaluated closely and continuously by staff members who carry out the banking activities as well as internal control employees.

Assessment of Internal Control, Internal Audit and Risk Management Systems by the Audit Committee

The Risk Management Department identifies, measures, monitors, controls and reports the Bank's risk exposure.

In the monitoring and evaluation of credit risk, which is the most important risk type among the functional activities, the riskiness and composition of the credit portfolio are taken into account.

Risk measurement models are used for testing purposes in order to calculate market risk other than the standard method which is currently used for measuring and reporting market risk. With backtesting applications, deviations between actual values and daily VaR values, predicted by risk measurement models, are determined for the purpose of testing the accuracy and performance of these models. The potential strength of the portfolio against unexpected risks is measured with stress tests including stress scenarios. Whether the market risk of the Bank is in conformity with legal regulations and with the limits determined is constantly monitored.

Risks other than the credit and market risk to which the Bank is exposed, are prioritized and subjected to review and evaluation and constantly monitored to determine whether they are at an acceptable level or not.

The Legislation and Compliance Department is responsible for managing compliance risk effectively. The Department also examines the effects of domestic and international regulations on the Bank's operations; follows up and reports on establishing mechanisms that ensure compliance with amendments to such regulations; presents information and opinions to the Board of Directors regarding planned business activities and new products and procedures; organizes meetings with the participation of relevant units to evaluate whether the services purchased by the Bank fall under the scope of the Regulation on Procurement of Support Services by Banks; provides feedback to relevant Head Office units as a result of decisions taken at these meetings, and coordinates the communication and application processes carried out before regulatory and supervisory authorities.

To ensure Albaraka Türk's compliance with the obligations stipulated under Law No. 5549 on the Prevention of Laundering Proceeds of Crime, the Legislation and Compliance Department is responsible for performing the following tasks: Devising relevant policies and procedures for the Bank; conducting risk management, monitoring and control activities; reviewing the effectiveness and reliability of such activities; organizing training efforts; developing necessary warning systems in relation to control and monitoring processes; establishing and ensuring the functioning of systems to guarantee adoption of the aforementioned; and checking whether or not the Bank's business activities comply with the regulatory framework on the Prevention of Laundering Proceeds of Crime.

Staff members appointed to the units under internal systems perform their tasks in an independent and impartial manner; in addition, these employees have sufficient professional knowledge and experience. The activities of the units within internal systems are evaluated periodically by the Audit Committee and the Board of Directors.

Mustafa Büyükbacı

Audit Committee Chairman

Mehmet Ali Gökce

Audit Committee Member

Housseem Ben Haj Amor

Audit Committee Member

Managers of Internal Audit Systems

Name and Surname	Duty	Education	Experience (Years)	Length of Service at Albaraka Türk	Length of Service in His/Her Area
Ahmet UYSAL	Chairman of the Internal Audit Department	Master's Degree	15 years 8 months	15 years 8 months	12 years 6 months
Umut ÇAKMAK	Head of Risk Management	Bachelor's Degree	15 years	15 years	15 years
Ahmet Faruk DEĞİRMENÇİ	Head of Internal Control	Bachelor's Degree	14 years	14 years	5 years
Ahmet KOÇ	President of Legislation and Compliance	Bachelor's Degree	24 years	24 years	10 years 2 months



Ahmet Uysal
Chairman of the Internal Audit Department

Born in Istanbul in 1981, Uysal graduated from Istanbul University, Faculty of Economics, Department of Finance, and received his MBA in the Department of Business Administration. Uysal began his professional career in 2003 and joined Albaraka Türk in 2005. Having served in positions such as Inspector and Branch Manager, he has been named Chairman of the Internal Audit Department in January 2017.



Umut Çakmak
Head of Risk Management

Born in 1983, Çakmak graduated from Istanbul University, Faculty of Business Administration. He started his career in 2005 at Albaraka Türk Presidency of Risk Management and has been the president of the risk management department since 2017.



Ahmet Faruk Değirmenci
Head of Internal Control

Born in 1984, Değirmenci graduated from Marmara University, Faculty of Economics and Administrative Sciences, Department of Finance. He started his career in 2007 as Assistant Auditor at Albaraka Türk. He served as an investigator and vice president and since January 2017, he has been the president of the Internal Control Department.



Ahmet Koç
President of Legislation and Compliance

Born in 1970, he graduated from Ankara University, Faculty of Political Sciences, Department of Public Administration. He started his career in 1996 as Assistant Specialist at Albaraka Türk. After passing various exams, he worked as Assistant Inspector, and Inspector for 6 years at the Board of Inspectors. Between June 2004 - November 2012, he served as President of Compliance. Subsequently, he worked as Unit Manager for 10 years in various units (Banking Services Department, Foreign Relations Department, Training Department, Credit Risk Monitoring Department) and was named President Legislation and Compliance on March 1, 2019. He still serves in this position.

Albaraka Türk's Ratings by Credit Rating Agencies

Standard & Poor's

	16.02.2022
Long Term Credit Rating	B-
Short Term Credit Rating	B
Long Term National Credit Rating	trBB+
Short Term National Credit Rating	trB
Outlook	Negative

Albaraka Türk's Corporate Governance Compliance Ratings of CMB

17.05.2021 Dated Corporate Governance Principles Compliance Rating Scores by DRC Rating Services

Compliance to Corporate Governance Principles	9.12
Shareholders	9.12
Public Disclosure and Transparency	9.30
Stakeholders	9.22
Board of Directors and Executives	8.95

Provision Policy

Explanations on provisions for expected losses

The Bank reserves provisions for the expected losses for its financial assets measured at amortized cost and by reflecting fair value difference to other comprehensive income. Pursuant to the "Regulation on Classification of Loans and the Provisions to be Allocated for Them" published in June 22, 2016 dated Official Gazette no. 29750, the Bank has started to allocate impairment provisions in accordance with the provisions of the TFRS 9 as of January 1, 2018. Within this framework, as of 31 December 2017, the method for allocating provisions for losses under the relevant legislation of the BRSA was changed with the expected credit losses model following the implementation of IFRS 9.

Provisions released in the same year are registered as a credit under the "Provision Costs," released portion of the previous period provisions are recognized under "Other Operating Income." The expected credit impairment model is applied to other instruments registered in the comprehensive income statement based on the amortized cost or the fair value (such as bank placements, loans and financial leasing receivables) and to the financial leasing receivables whose fair value impairment cannot be measured by profit/loss, contractual assets, credit commitments and financial guarantee agreements.

The guiding principle of the expected credit impairment model is to reflect the overall picture of the increase or improvement of the credit risk in financial instruments. The amount of loss provision depends on the level of the increase in the credit risk from the first issue of the loan. The expected credit loss is an estimate of the expected losses from the loan during the life of a financial instrument, and the following points are considered to be important for measurement:

A neutral amount weighted according to the likelihood determined by taking into account possible results, Reasonable and supported information based on estimation of past events, current conditions and future economic conditions that can be achieved without excessive cost and effort as of the reporting date.

The provisions for these financial assets are calculated by using two different approaches, the 12 months expected credit loss and the lifetime expected credit loss. Moreover, they were divided into 3 categories based on the increase in the credit risk from the introduction of the relevant financial asset into the financial statements:

Parameters used in the calculation of expected loss provisions:

The probability of default (PD):

The term describes the likelihood of a default of credit over a particular time horizon. In accordance with IFRS 9, the bank uses two different default probability values in the calculation of the expected credit loss:

- **12-Month Default Probability:** Estimation of the probability of default within 12 months after the reporting date.
- **Lifetime Default Probability:** Estimation of the probability of default over the expected life of the financial instrument.
- **Loss in Case of Default (THK):** It refers to the amount of economic loss when a borrower defaults on a loan. It is expressed as a ratio.
- **Default Amount (TT):** The number of outstanding cash loans as of the reporting date. In non-cash credits and commitments, it refers to the amount calculated using the deposit to loan ratio. The deposit to loan ratio corresponds to the deposit to loan ratio used in the adaptation of the possible risk increased between the current date and date of default.

12 Months Expected Loss Provision (Stage 1)

Financial assets that do not demonstrate a significant increase in credit risk at their introduction in the financial accounts or later. Their maturity does not exceed 30 days. For these assets, provision for credit risk impairment is recognized as the amount of provision for 12 months' expected credit loss. It applies to all assets unless there is a significant deterioration in credit quality. 12 months expected credit loss values are included in the lifetime expected credit loss calculation (within 12 months following the reporting date or shorter if the life of a financial instrument is less than 12 months).

Significant Increase in Credit Risk (Stage 2)
If there is a significant increase in the credit risk following the introduction of a financial asset in the financial statements, it is transferred to Stage 2. The provision for credit risk impairment is determined based on the lifetime expected credit loss provision of the related financial asset.

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

- Loans over 30 days but not exceeding 90 days,
- Data received from the early warning system and the assessment of the bank in such a case,
- Conclusion of the bank management that there is a significant increase in the credit risk after the comparison with the default risk at the beginning performed to determine whether the client's default risk has increased significantly since the initial recognition of the loan,
- In loans whose reimbursement solely depends on collateral, loans the net realizable collateral value of which is lower than the receivable amount.

Default (Stage 3/Special Provision)

According to the internal procedures of the Bank, if the following conditions are present, the relevant financial asset is considered to be in default:

- Loans that are not paid for 90 days from the last installment date (in this case, the client is monitored on the 91st day),
- Loans reconstructed and classified as living receivables not paid for 30 days within the monitoring period of one year (In such case, the client is started to be monitored on the 31st day),
- Loans reconstructed and classified as living receivables and reconstructed at least for the second time within the monitoring period of one year,
- Client loans that are partially removed from assets or acquired as collateral to offset the loan debts or paid in goods and services.

Note: Due to the pandemic, regulations were made by the BRSA regarding the number of delay days. In 2020, 90 days for 1st stage, 90-180 days for 2nd stage and 180 days for 3rd stage were used as delay criteria. Although the relevant standards and regulations have not changed, it is acted according to the Presidential decree.

Advisory Board Report

To Al Baraka Türk Participation Bank Stakeholders,

The advisory committee has prepared the following report within the scope of its authorities and duties:

The principles and agreements regarding the transactions and practices of the Bank within the relevant period were examined. The examination was carried out in order to create an opinion on whether the Bank complied with the principles and standards of interest-free banking and the decisions of our Committee.

The senior management of the Bank is responsible for conducting the activities of the financial institution in accordance with interest-free banking principles and standards (and the decisions of our Committee). It is the responsibility of our Committee to form and report an independent opinion within the framework of the examination of the Bank's activities.

The examination was carried out by checking the relevant documents and processes on the basis of each type of transaction carried out by the Bank.

The examination was planned and carried out to obtain all the necessary information and explanations to obtain sufficient evidence to provide reasonable assurance that the Bank does not violate the principles and standards of interest-free banking and the decisions of our Committee.

According to our opinion:

- a) During the period until 31.12.2021, the contracts, transactions and relations to which the Bank is a party are in accordance with the principles and standards of interest-free banking and the decisions of the Advisory Committee.
- b) The application of dividend allocation and loss reflection to participation accounts complies with the principles approved by our Committee in line with the interest-free banking principles and standards.
- c) All revenues obtained through the means/from sources that are not compliant with interest-free banking principles and standards were given as donations.

May Allah's mercy and blessings be upon you.
Date: 03.01.2022

Advisory Committee Members:

Sheikh Yousef KHALAWI
Prof. Dr. Hamdi DÖNDÜREN
Prof. Dr. Necmettin KIZILKAYA

Albaraka Türk Katılım Bankası Anonim Şirketi

Unconsolidated financial statements
and related disclosures at
December 31, 2021 together with
independent auditor's report

(Convenience translation of the independent auditor's
report and financial statements originally issued in
Turkish – see section three Note I.b)



Güney Bağımsız Denetim ve SMMM A. Ş.
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Mersis No: 0-4350-3032-6000017

**Convenience Translation of the Independent Auditor's Report originally issued in Turkish
(See Note 1.b of Section Three)**

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Albaraka Türk Katılım Bankası A.Ş.

Report on the Unconsolidated Financial Statements

Qualified Opinion

We have audited the accompanying unconsolidated financial statements of Albaraka Türk Katılım Bankası A.Ş. (the "Bank"), which comprise the statement of unconsolidated statement of financial position as at December 31, 2021, unconsolidated statement of profit and loss and unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity and unconsolidated statement of cash flows for the year then ended and the notes to the unconsolidated financial statements including a summary of significant accounting policies.

In our opinion, except for the effects of the matter on the unconsolidated financial statements described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the unconsolidated financial position of Albaraka Türk Katılım Bankası A.Ş. as at December 31, 2021 and financial performance and unconsolidated its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as in accordance with "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 (BRSA), circulars, interpretations published by BRSA and "BRSA Accounting and Financial Reporting Legislation" which includes the provisions of Turkish Financial Reporting Standards (TFRS) for the matters which are not regulated by these regulations.

Basis for Qualified Opinion

As explained in Section Five Part II.5 b, the accompanying unconsolidated financial statements as at December 31, 2021 include a free provision at an amount of TL 100.000 thousands which was provided in the current period by the Bank management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

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



Key Audit Matters

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

Key Audit Matter	How the Key Audit Matter is addressed in our audit
<p>Financial impact of TFRS 9 "Financial Instruments" standard and recognition of impairment on financial assets and related important disclosures</p> <p>As disclosed in footnote VII of Section 3; the Bank measures expected credit losses for financial instruments by TFRS 9 "Financial Instruments Standards". The rationale reasons for selecting TFRS 9 implementation and impairment of financial assets as key audit subject are as follows;</p> <ul style="list-style-type: none"> - Financial assets within balance-sheet and off-balance-sheet subject to TFRS 9 expected credit losses measurement have significant balance in the financial statements - The applications TFRS 9 are complex and comprehensive - The classification of financial instruments based on the Bank's business models and the characteristics of contractual cash flows in line with TFRS 9 and requirement of important judgments to determine this business model and the characteristics of contractual cash flows - Risks related to the policies established by the management with the compliance and requirements of the legislation and other applications for the calculation of expected credit losses - The use of significant assumptions in the fair value calculations of real estates in profit and loss project loans - The complexity and intensity of the control environment in the processes designed or reorganized for TFRS 9 - Estimations and assumptions used in expected credit losses are new, important and complex - Complex and comprehensive disclosure requirements of TFRS 9. 	<p>Our audit procedures in addition to our current audit procedures:</p> <ul style="list-style-type: none"> - Evaluation of the compliance of the accounting policies adopted with regard to TFRS 9, the Bank's past performance, and local and global practices - Analysis and testing of processes, systems, and controls originated or re-designed in order to calculate expected credit losses by the Information Systems and Process Audit specialists - Evaluating the impact of Covid-19 outbreak on staging of loans and macroeconomic parameters used in expected credit losses calculation and fair value calculations together with forward-looking estimates and significant assumptions. - Evaluation of the key judgments, assumptions, methods used for calculation of expected credit loss determined by the management, and whether the data source is reasonable or not, and their compliance and standard requirements in light of industry and global practices - Testing criteria used for determining the contractual cash flows including profit share payments with regard to solely principal and principal balance of financial assets on a sample basis and evaluation of Bank's business model - Evaluation of significant increase in credit risk, definition of default, definition of restructuring, probability of default, loss given default, exposure at default and macro-economic variables, and related basic and significant estimates and assumptions determined for calculation process of expected credit loss and whether these assumptions determined by financial risk management are in line with the Bank's historical performance, legislation, and reasonableness of the estimation process regarding future performance and investigation of credit risk portfolio on a sample basis - Evaluation of the accuracy and completeness of attributes of the data used for the calculation process of expected credit losses - Detailed testing of mathematical verification of expected credit losses' calculation on a sample basis - Evaluating the judgments and estimates used for the individually assessed financial assets based on expert opinion - Testing the fair value calculations of real estates included in profit and loss project loans by the valuation experts of another company included in the network which we are affiliated. - Evaluating the necessity and accuracy of the updates made or required updates after the modeling process - Auditing of disclosures related to TFRS 9.



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

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

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

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

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

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

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities and financial statements for the period January 1 - December 31, 2021 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

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

Additional paragraph for convenience translation to English

As explained in detail in Note I.b. of Section Three, accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting Legislation, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated 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.

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



Partner

February 25, 2022
İstanbul, Türkiye

**UNCONSOLIDATED FINANCIAL REPORT OF ALBARAKA TÜRK KATILIM BANKASI A.Ş.
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

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

The unconsolidated year ended 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 BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements and related disclosures and footnotes; presented in **thousands of Turkish Lira** unless otherwise indicated; have been prepared in accordance with the Communiqué on Accounting Applications of Banks and Safeguarding of Documents, 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 independently audited and presented as attached.

**Mazin Khairy Shaker
MANNA**

Chairman of the Board
of Directors

Malek Khodr TEMSAH

Deputy 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

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ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

SECTION ONE GENERAL INFORMATION

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

Albaraka Türk Katılım Bankası Anonim Şirketi (the 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 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 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 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 Bank's head office is located in İstanbul and is operating through 229 (December 31, 2020: 228) local branches and 2 (December 31, 2020: 2) foreign branches and with 2.918 (December 31, 2020: 3.390) staff as of December 31, 2021.

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

As of December 31, 2021, 36,29% (December 31, 2020: 36,29%) of the Bank's shares are owned by Albaraka Banking Group, 15,38% (December 31, 2020: 15,38%) owned by Dallah Albaraka Group, 7,84% (December 31, 2020: 7,84%) owned by Islamic Development Bank, 36,93% (December 31, 2020: 36,81%) of the shares are publicly traded and quoted at Borsa İstanbul. Rest belongs to different real persons and corporate entities.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

(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 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 ^(*)	Yönetim Kurulu Üyesi	Yüksek Lisans	-
	Malek Khodr TEMSAH ^(**)	Member of BOD/ Deputy General Manager	Master	-
Deputy General Manager:	Malek Khodr TEMSAH ^(**)	Chief Assistant General Manager Responsible for Credit Risks	Master	-
Assistant General Managers:	Turgut SİMİTÇİOĞLU	Assistant General Manager Responsible for Credits	Master	-
	Fatih BOZ	Assistant General Manager Responsible for Marketing	Master	-
	Mehmet Fatih YORULMAZ	Assistant General Manager Responsible for Sales	Master	-
	Hasan ALTUNDAĞ	Assistant General Manager Responsible for Treasury and Financial Institutions	Bachelor	-
	Malek Khodr TEMSAH	Assistant General Manager Responsible for Finance	Master	-
	Mustafa ÇETİN	Assistant General Manager Responsible for Central Operations	Bachelor	-
	Volkan EVCİL	Assistant General Manager Responsible for Human Values and Administrative Affairs	Bachelor	-
	Süleyman ÇELİK	Chief Legal Consultant	Bachelor	-
Chief Legal Consultancy	Hasan AVŞAR	Chairman of Audit Committee	Master	-
Audit Committee:	Mustafa BÜYÜKABACI	Member of Audit Committee	Master	-
	Mehmet Ali GÖKCE	Member of Audit Committee	Bachelor	-
	Houssein BEN HAJ AMOR			-

^(*) Appointed as member of Board of Directors by Board of Directors on January 18,2022.

^(**) In addition to his present tasks, appointed as Deputy 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 Bank's qualified shareholders:

The 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 UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

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

The Bank operates in accordance with the principles of interest-free banking as a participation bank. The Bank mainly collects funds through current accounts and participation accounts based on profit and loss sharing agreements and investment agency agreements, which are only for legal entities. 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 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, semiannual 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 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 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 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 Bank are not limited to the clauses listed above. If any activities other than those mentioned are considered as beneficial to the 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:

The 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" and "Albaraka Portföy Yönetimi A.Ş. Start-Up Girişim Sermayesi Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Inovasyon Girişim Sermayesi Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Bilişim Vadisi 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 Bank and its subsidiaries:

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

SECTION TWO

The unconsolidated financial statements

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF DECEMBER 31, 2021

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

ASSETS	Notes (Section Five-I)	Audited CURRENT PERIOD December 31, 2021			Audited PRIOR PERIOD December 31, 2020		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		5.231.761	35.729.094	40.960.855	5.126.972	18.067.080	23.194.052
1.1 Cash and Cash Equivalents	(1)	3.268.762	28.468.734	31.737.496	2.115.516	14.497.412	16.612.928
1.1.1 Cash and Balances with Central Bank		1.820.832	24.677.779	26.498.611	1.371.053	11.863.955	13.235.008
1.1.2 Banks		1.494.422	3.802.000	5.296.422	779.426	2.633.920	3.413.346
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4. Expected Credit Losses (-)		46.492	11.045	57.537	34.963	463	35.426
1.2 Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	(2)	1.492.874	6.889.642	8.382.516	2.149.588	3.254.404	5.403.992
1.2.1 Government Securities		707.698	6.850.649	7.558.347	536.142	3.232.685	3.768.827
1.2.2 Equity Securities		-	19.198	19.198	-	10.774	10.774
1.2.3 Other Financial Assets		785.176	19.795	804.971	1.613.446	10.945	1.624.391
1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	(3)	381.640	370.718	752.358	848.184	315.264	1.163.448
1.3.1 Government Securities		373.973	353.699	727.672	745.044	306.067	1.051.111
1.3.2 Equity Securities		7.667	17.019	24.686	7.667	9.197	16.864
1.3.3 Other Financial Assets		-	-	-	95.473	-	95.473
1.4 Derivative Financial Assets	(5)	88.485	-	88.485	13.684	-	13.684
1.4.1 Derivative Financial Assets Measured at Fair Value through Profit/Loss		88.485	-	88.485	13.684	-	13.684
1.4.2 Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)		24.807.293	40.232.465	65.039.758	23.290.703	20.517.445	43.808.148
2.1 Loans	(6)	25.484.848	33.819.930	59.304.778	23.254.475	18.801.331	42.055.806
2.2 Lease Receivables	(7)	379.930	440.744	820.674	291.476	68.673	360.149
2.3 Financial Assets Measured at Amortised Cost	(4)	697.735	7.405.476	8.103.211	832.051	2.392.749	3.224.800
2.3.1 Government Securities		697.735	7.405.476	8.103.211	832.051	2.392.749	3.224.800
2.3.2 Other Financial Assets		-	-	-	-	-	-
2.4 Expected Credit Losses (-)	(6)	1.755.220	1.433.685	3.188.905	1.087.299	745.308	1.832.607
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(8)	118.874	104	118.978	130.757	293	131.050
3.1 Asset Held for Resale		118.874	104	118.978	130.757	293	131.050
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
IV. OWNERSHIP INVESTMENTS (Net)	(9)	25.100	18.311	43.411	25.100	18.311	43.411
4.1 Associates (Net)		-	-	-	-	-	-
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)		5.100	18.311	23.411	5.100	18.311	23.411
4.2.1 Unconsolidated Financial Investments in Subsidiaries		5.100	18.311	23.411	5.100	18.311	23.411
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)		20.000	-	20.000	20.000	-	20.000
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		20.000	-	20.000	20.000	-	20.000
V. TANGIBLE ASSETS (Net)	(10)	1.484.134	24.834	1.508.968	1.371.033	17.226	1.388.259
VI. INTANGIBLE ASSETS (Net)	(11)	83.000	-	83.000	40.533	-	40.533
6.1 Goodwill		-	-	-	-	-	-
6.2 Others		83.000	-	83.000	40.533	-	40.533
VII. INVESTMENT PROPERTY (Net)	(12)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		2.483	-	2.483	3.672	-	3.672
IX. DEFERRED TAX ASSET	(13)	489.049	-	489.049	191.314	-	191.314
X. OTHER ASSETS	(14)	568.849	139.772	708.621	488.305	27.055	515.360
TOTAL ASSETS		32.810.543	76.144.580	108.955.123	30.668.389	38.647.410	69.315.799

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF DECEMBER 31, 2021

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

	Notes (Section Five-I)	Audited CURRENT PERIOD December 31, 2021			Audited PRIOR PERIOD December 31, 2020		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED	(1)	20.200.193	71.036.456	91.236.649	15.465.033	36.148.091	51.613.124
II. FUNDS BORROWED	(2)	4.168.387	2.090.828	6.259.215	4.314.758	2.987.107	7.301.865
III. BORROWINGS FROM MONEY MARKETS		1.327	-	1.327	1.246.687	1.029.766	2.276.453
IV. SECURITIES ISSUED (Net)		-	-	-	-	-	-
V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS		-	-	-	-	-	-
VI. DERIVATIVE FINANCIAL LIABILITIES	(3)	180.485	6.769	187.254	142.596	-	142.596
6.1 Derivative Financial Liabilities at Fair Value through Profit or Loss		180.485	6.769	187.254	142.596	-	142.596
6.2 Derivative Financial Liabilities at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
VII. LEASE PAYABLES	(4)	327.840	21.774	349.614	314.684	13.711	328.395
VIII. PROVISIONS	(5)	308.018	4.060	312.078	198.842	2.401	201.243
8.1 Restructuring Reserves		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		148.046	-	148.046	144.641	-	144.641
8.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
8.4 Other Provisions		159.972	4.060	164.032	54.201	2.401	56.602
IX. CURRENT TAX LIABILITY	(6)	97.393	19.825	117.218	71.950	11.018	82.968
X. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(7)	-	-	-	-	-	-
11.1 Assets Held for Sale		-	-	-	-	-	-
11.2 Assets of Discontinued Operations		-	-	-	-	-	-
XII. SUBORDINATED LOANS	(8)	-	3.119.354	3.119.354	-	1.732.562	1.732.562
12.1 Loans		-	3.119.354	3.119.354	-	1.732.562	1.732.562
12.2 Other Debt Instruments		-	-	-	-	-	-
XIII. OTHER LIABILITIES	(9)	2.093.568	651.993	2.745.561	1.404.812	187.554	1.592.366
XIV. SHAREHOLDERS' EQUITY	(10)	4.620.093	6.760	4.626.853	4.038.919	5.308	4.044.227
14.1 Paid-In Capital		1.350.000	-	1.350.000	1.350.000	-	1.350.000
14.2 Capital Reserves		1.208.524	-	1.208.524	960.566	-	960.566
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		1.193.669	-	1.193.669	945.711	-	945.711
14.3 Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss		388.024	-	388.024	254.045	-	254.045
14.4 Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss		309.350	6.760	316.110	90.833	5.308	96.141
14.5 Profit Reserves		1.743.696	-	1.743.696	1.492.590	-	1.492.590
14.5.1 Legal Reserves		143.156	-	143.156	130.419	-	130.419
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		1.600.540	-	1.600.540	1.362.171	-	1.362.171
14.5.4 Other Profit Reserves		-	-	-	-	-	-
14.6 Profit or Loss		(379.501)	-	(379.501)	(109.115)	-	(109.115)
14.6.1 Prior Years Profit/(Loss)		(483.904)	-	(483.904)	(363.852)	-	(363.852)
14.6.2 Current Year Profit/(Loss)		104.403	-	104.403	254.737	-	254.737
TOTAL LIABILITIES		31.997.304	76.957.819	108.955.123	27.198.281	42.117.518	69.315.799

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET AS OF SEPTEMBER 30, 2020

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

	Notes (Section Five-III)	Audited CURRENT PERIOD December 31, 2021			Audited PRIOR PERIOD December 31, 2020		
		TL	FC	Total	TL	FC	Total
A. STATEMENT OF OFF-BALANCE SHEET							
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)		11.428.440	16.308.916	27.737.356	11.377.799	9.281.131	20.658.930
I. GUARANTEES AND SURETIES	(1)	7.080.257	10.323.043	17.403.300	5.710.137	5.411.694	11.121.831
1.1. Letters of Guarantees		7.048.318	5.322.918	12.371.236	5.647.191	3.555.738	9.202.929
1.1.1. Guarantees Subject to State Tender Law		1.098.043	134.460	1.232.503	876.326	77.888	954.214
1.1.2. Guarantees Given for Foreign Trade Operations		15	1.905.653	1.905.668	15	1.043.724	1.043.739
1.1.3. Other Letters of Guarantee		5.950.260	3.282.805	9.233.065	4.770.850	2.434.126	7.204.976
1.2. Bank Loans		-	99.278	99.278	-	49.363	49.363
1.2.1. Import Letter of Acceptances		-	99.278	99.278	-	49.363	49.363
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letter of Credits		12.324	4.886.075	4.898.399	39.522	1.731.270	1.770.792
1.3.1. Documentary Letter of Credits		-	-	-	-	-	-
1.3.2. Other Letter of Credits		12.324	4.886.075	4.898.399	39.522	1.731.270	1.770.792
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		-	14.772	14.772	-	75.323	75.323
1.7. Other Collaterals		19.615	-	19.615	23.424	-	23.424
II. COMMITMENTS	(1)	2.929.406	606.006	3.535.412	2.395.012	850.025	3.245.037
2.1. Irrevocable Commitments		2.889.906	606.006	3.495.912	2.391.012	850.025	3.241.037
2.1.1. Asset Purchase and Sale Commitments		321.618	606.006	927.624	359.047	850.025	1.209.072
2.1.2. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3. Loan Granting Commitments		655.296	-	655.296	429.887	-	429.887
2.1.4. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6. Payment Commitment for Cheques		834.732	-	834.732	667.621	-	667.621
2.1.7. Tax And Fund Liabilities from Export Commitments		17.234	-	17.234	13.538	-	13.538
2.1.8. Commitments for Credit Card Expenditure Limits		1.059.919	-	1.059.919	919.974	-	919.974
2.1.9. Commitments for Promotions Related with Credit Cards and Banking Activities		555	-	555	398	-	398
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	547	-	547
2.2. Revocable Commitments		39.500	-	39.500	4.000	-	4.000
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		39.500	-	39.500	4.000	-	4.000
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	1.418.777	5.379.867	6.798.644	3.272.650	3.019.412	6.292.062
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		1.418.777	5.379.867	6.798.644	3.272.650	3.019.412	6.292.062
3.2.1. Forward Foreign Currency Buy/Sell Transactions		461.810	489.238	951.048	128.188	114.937	243.125
3.2.1.1. Forward Foreign Currency Transactions-Buy		239.837	242.194	482.031	83.763	39.298	123.061
3.2.1.2. Forward Foreign Currency Transactions-Sell		221.973	247.044	469.017	44.425	75.639	120.064
3.2.2. Other Forward Buy/Sell Transactions		956.967	4.890.629	5.847.596	3.144.462	2.904.475	6.048.937
3.3. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		104.483.970	48.433.026	152.916.996	87.262.122	24.652.412	111.914.534
IV. ITEMS HELD IN CUSTODY		5.856.026	12.698.331	18.554.357	5.519.997	8.677.435	14.197.432
4.1. Assets Under Management		2.448.761	-	2.448.761	2.911.168	-	2.911.168
4.2. Investment Securities Held in Custody		17.473	548.751	566.224	137.652	344.021	481.673
4.3. Cheques Received for Collection		2.325.217	700.121	3.025.338	1.696.146	275.497	1.971.643
4.4. Commercial Notes Received for Collection		811.654	164.241	975.895	526.549	83.168	609.717
4.5. Other Assets Received for Collection		103	-	103	103	-	103
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		219.693	1.043.531	1.263.224	215.254	1.519.560	1.734.814
4.8. Custodians		33.125	10.241.687	10.274.812	33.125	6.455.189	6.488.314
V. PLEDGED ITEMS		98.627.944	35.734.695	134.362.639	81.742.125	15.974.977	97.717.102
5.1. Marketable Securities		10.587.982	8.001.966	18.589.948	11.668.013	4.659.421	16.327.434
5.2. Guarantee Notes		2.043.190	506.747	2.549.937	1.438.998	219.572	1.658.570
5.3. Commodity		11.752.302	3.695.799	15.448.101	6.545.244	1.758.326	8.303.570
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		67.505.021	18.800.660	86.305.681	56.903.781	6.988.385	63.892.166
5.6. Other Pledged Items		6.458.745	4.715.730	11.174.475	4.924.606	2.341.372	7.265.978
5.7. Pledged Items-Depository		280.704	13.793	294.497	261.483	7.901	269.384
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		115.912.410	64.741.942	180.654.352	98.639.921	33.933.543	132.573.464

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF DECEMBER 31, 2021

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

	Notes (Section Five-IV)	Audited CURRENT PERIOD January 1- December 31, 2021	Audited PRIOR PERIOD January 1- December 31, 2020
STATEMENT OF PROFIT OR LOSS			
I. PROFIT SHARE INCOME	(1)	5.023.098	3.584.628
1.1 Profit Share on Loans		4.175.857	3.065.363
1.2 Income Received from Reserve Deposits		134.657	14.777
1.3 Income Received from Banks		373	631
1.4 Income Received from Money Market Placements		-	-
1.5 Income Received from Marketable Securities Portfolio		672.506	472.920
1.5.1 Financial Assets at Fair Value Through Profit and Loss		235.667	102.460
1.5.2 Financial Assets at Fair Value through Other Comprehensive Income		134.329	173.500
1.5.3 Financial Assets Measured at Amortised Cost		302.510	196.960
1.6 Finance Lease Income		38.313	28.550
1.7 Other Profit Share Income		1.392	2.387
II. PROFIT SHARE EXPENSE	(2)	3.329.736	1.879.008
2.1 Expense on Profit Sharing Accounts		1.894.877	1.118.540
2.2 Profit Share Expense on Funds Borrowed		1.260.844	576.369
2.3 Profit Share Expense on Money Market Borrowings		80.024	79.520
2.4 Profit Share Expense on Securities Issued		-	-
2.5 Finance Lease Expense		51.346	56.986
2.6 Other Profit Share Expense		42.645	47.593
III. NET PROFIT SHARE INCOME (I - II)		1.693.362	1.705.620
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		405.756	233.567
4.1 Fees and Commissions Received		582.163	394.977
4.1.1 Non-Cash Loans		165.689	128.295
4.1.2 Other	(3)	416.474	266.682
4.2 Fees and Commissions Paid (-)		176.407	161.410
4.2.1 Non-Cash Loans		490	296
4.2.2 Other	(3)	175.917	161.114
V. DIVIDEND INCOME	(4)	768	-
VI. TRADING INCOME/LOSS(net)	(5)	136.227	266.884
6.1 Capital Market Transaction Income/(Loss)		(72.934)	74.905
6.2 Profit/(Loss) from Derivative Financial Instruments		(229.474)	(142.128)
6.3 Foreign Exchange Income/(Loss)		438.635	334.107
VII. OTHER OPERATING INCOME	(6)	1.142.931	562.059
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		3.379.044	2.768.130
IX. EXPECTED CREDIT LOSS (-)	(7)	1.711.343	1.159.755
X. OTHER PROVISION EXPENSES (-)	(7)	123.926	25.966
XI. PERSONNEL EXPENSES (-)		807.921	722.190
XII. OTHER OPERATING EXPENSES (-)	(8)	654.412	536.484
XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		81.442	323.735
XIV. EXCESS AMOUNT RECORDED AS GAIN AFTER MERGER		-	-
XV. PROFIT/(LOSS) ON EQUITY METHOD		-	-
XVI. PROFIT/(LOSS) ON NET MONETARY POSITION		-	-
XVII. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)	(9)	81.442	323.735
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(10)	(22.961)	68.998
18.1 Provision for Current Taxes		18.614	10.912
18.2 Deferred Tax Expense Effect (+)		646.524	366.579
18.3 Deferred Tax Income Effect (-)		688.099	308.493
XIX. NET INCOME/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)	(11)	104.403	254.737
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 (XX-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)	104.403	254.737
Earnings Per Share		0,077	0,189

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF DECEMBER 31, 2021

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

	Audited	Audited
	CURRENT PERIOD	PRIOR PERIOD
	January 1- December 31, 2021	January 1- December 31, 2020
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
I. CURRENT PERIOD PROFIT/LOSS	104.403	254.737
II. OTHER COMPREHENSIVE INCOME	353.948	6.677
2.1 Other Income/Expense Items not to be Recycled to Profit or Loss	133.979	10.641
2.1.1 Revaluation Surplus on Tangible Assets	185.972	41.708
2.1.2 Revaluation Surplus on Intangible Assets	-	-
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses	(12.834)	(22.642)
2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss	(7.644)	(3.906)
2.1.5 Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	(31.515)	(4.519)
2.2 Other Income/Expense Items to be Recycled to Profit or Loss	219.969	(3.964)
2.2.1 Translation Differences	205.376	19.695
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Financial Assets Measured at Fair Value through Other Comprehensive Income	18.045	(32.582)
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	(3.452)	8.923
III. TOTAL COMPREHENSIVE INCOME (I+II)	458.351	261.414

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2021

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Audited)	Notes (Section Five-V)	Paid-in Capital	Share Premium	Share Cancellation	Share Profits	Other Capital Reserves ⁽¹⁾	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss						Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
							1	2	3	4	5	6			
CURRENT PERIOD															
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Audited)															
(January 1 - December 31, 2021)															
I. Closing balance	(V)	1.350.000	14.855	-	945.711	300.370	(46.325)	-	92.333	3.808	-	1.492.590	(363.852)	254.737	4.044.227
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 (t-III)		1.350.000	14.855	-	945.711	300.370	(46.325)	-	92.333	3.808	-	1.492.590	(363.852)	254.737	4.044.227
IV. Total Comprehensive Income		-	-	-	-	-	144.246	(10.267)	-	205.376	14.593	-	-	104.403	458.351
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		-	-	-	-	247.958	-	-	-	-	-	8.030	(131.713) ^(*)	-	124.275
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	243.076	11.661	(254.737)	-
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	243.076	(243.076)	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	-	254.737	(254.737)	-
Balances at end of the period (III+IV...+X+XI)		1.350.000	14.855	-	1.193.669	444.616	(56.592)	-	297.709	18.401	-	1.743.696	(483.904)	104.403	4.626.853

^(*) The Bank has recognized unmaturred 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" standard.

^(**) The Bank has paid TL 158.013 in February and August 2021, the coupon payment amount of unmaturred additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 50.458 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.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2021

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

	Notes (Section Five-V)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves ¹⁾	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	6	Profit Reserves	Prior Period's Net Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Audited)												
PRIOR PERIOD (January 1 - December 31, 2020)												
I. Closing balance	(V)	900.000	-	-	1.345.134	270.910	(27.506)	-	72.638	40.056	-	3.821.929
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	(8.999)	-	-
2.1. Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	8.999	-	-
III. Adjusted Balances at Beginning of Period (t+1)		900.000	-	-	1.345.134	270.910	(27.506)	-	72.638	31.057	-	3.821.929
IV. Total Comprehensive Income		-	-	-	-	29.460	(18.819)	-	19.695	(23.659)	-	254.737
V. Capital Increase in Cash		450.000	14.855	-	(464.855)	-	-	-	-	-	-	261.414
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		-	-	-	65.432	-	-	-	-	(3.590)	-	(39.116)
XI. Profit Distribution		-	-	-	-	-	-	-	62.347	1.082	(63.429)	-
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	62.347	(62.347)	-	-
11.3 Others		-	-	-	-	-	-	-	-	63.429	(63.429)	-
Balances at end of the period (III+IV...+X+XI)		1.350.000	14.855	-	945.711	300.370	(46.325)	-	92.333	3.808	-1.492.590	4.044.227

⁽¹⁾ The Bank has recognized unmatured 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" standard.

⁽²⁾ The Bank has paid TL 138.241 in February and August 2020, the coupon payment amount of unmatured additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 29.649 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.

UNCONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS AS OF DECEMBER 31, 2021

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

	Notes (Section Five-VI)	Audited CURRENT PERIOD January 1- December 31, 2021	Audited PRIOR PERIOD January 1- December 31, 2020
STATEMENT OF CASH FLOWS			
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets And Liabilities		1.575.217	2.161.027
1.1.1 Profit Share Income Received		4.994.375	3.400.375
1.1.2 Profit Share Expense Paid		(3.259.786)	(1.803.241)
1.1.3 Dividend Received		-	-
1.1.4 Fees and Commissions Received		405.471	266.682
1.1.5 Other Income		709.689	527.106
1.1.6 Collections from Previously Written Off Loans	(V-I-6,h2)	463.030	608.331
1.1.7 Payments to Personnel and Service Suppliers		(1.002.624)	(903.566)
1.1.8 Taxes Paid		(59.404)	(127.238)
1.1.9 Others	(V-VI-3)	(675.534)	192.578
1.2 Changes In Operating Assets And Liabilities		8.220.769	(6.987.574)
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		(3.179.153)	(3.095.758)
1.2.2 Net (Increase) Decrease in Due From Banks and Other Financial Institutions		(6.646.458)	(2.178.742)
1.2.3 Net (Increase) Decrease in Loans		(7.775.633)	(9.830.111)
1.2.4 Net (Increase) Decrease in Other Assets		(226.291)	(962.519)
1.2.5 Net Increase (Decrease) in Bank Deposits		773.699	(1.600.976)
1.2.6 Net Increase (Decrease) in Other Deposits		23.928.850	10.914.506
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	(V-VI-3)	1.345.755	(233.974)
I. Net Cash Flow From Banking Operations		9.795.986	(4.826.547)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(1.539.691)	613.222
2.1 Cash Paid For Acquisition of Investments, Associates and Subsidiaries		-	(50)
2.2 Cash Obtained From Disposal of Investments, Associates and Subsidiaries		-	21.890
2.3 Purchases of Property and Equipment		(160.354)	(127.331)
2.4 Disposals of Property and Equipment		318.262	307.988
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(1.549.849)	(1.912.156)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		2.103.730	3.106.407
2.7 Purchase of Financial Assets Measured at Amortised Cost	(V-I-4)	(3.762.132)	(1.740.999)
2.8 Sale of Financial Assets Measured at Amortised Cost	(V-I-4)	1.510.652	957.473
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Flow From Financing Activities		(5.545.577)	4.749.743
3.1 Cash Obtained from Funds Borrowed and Securities Issued		40.129.022	36.229.126
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(45.431.167)	(31.255.604)
3.3 Issued Capital Instruments		-	-
3.4 Dividends Paid		-	-
3.5 Leases Paid		(85.419)	(85.538)
3.6 Other		(158.013)	(138.241)
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(V-VI-3)	3.140.562	336.393
V. Net (Decrease) Increase in Cash and Cash Equivalents		5.851.280	872.811
VI. Cash and Cash Equivalents at the Beginning of the Period	(V-VI-a)	8.055.277	7.182.466
VII. Cash and Cash Equivalents at the End of the Period	(V-VI-b)	13.906.557	8.055.277

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT APPROPRIATION AS OF DECEMBER 31, 2021

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

	Audited CURRENT PERIOD December 31, 2021	Audited PRIOR PERIOD December 31, 2020
STATEMENT OF PROFIT APPROPRIATION		
I. Distribution of current year income		
1.1. Current year income	81.442	323.735
1.2. Taxes and duties payable (-)	(22.961)	68.998
1.2.1. Corporate tax (Income tax)	18.614	10.912
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and legal liabilities ^(*)	(41.575)	58.086
A. Net income for the year (1.1-1.2)	104.403	254.737
1.3. Prior year losses (-)	-	-
1.4. First legal reserves (-)	-	12.737
1.5. Other statutory reserves (-)	-	11.661
B. Distributable net period income [(A)-(1.3+1.4+1.5)]^(**)	104.403	230.339
1.6. First dividend to shareholders (-)	-	-
1.6.1. To owners of ordinary shares	-	-
1.6.2. To owners of preferred shares	-	-
1.6.3. To owners of preferred shares (Preemptive rights)	-	-
1.6.4. To Profit sharing bonds	-	-
1.6.5. To owners of the profit /loss sharing certificates	-	-
1.7. Dividend to personnel (-)	-	-
1.8. Dividend to board of directors (-)	-	-
1.9. Second dividend to shareholders (-)	-	-
1.9.1. To owners of ordinary shares	-	-
1.9.2. To owners of preferred shares	-	-
1.9.3. To owners of preferred shares (Preemptive rights)	-	-
1.9.4. To profit sharing bonds	-	-
1.9.5. To owners of the profit /loss sharing Certificates	-	-
1.10. Second legal reserve (-)	-	-
1.11. Status reserves (-)	-	-
1.12. Extraordinary reserves	-	230.339
1.13. Other reserves	-	-
1.14. Special funds	-	-
II. Distribution from reserves		
2.1. Distributed reserves	-	-
2.2. Second legal reserves (-)	-	-
2.3. Share to shareholders (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of preferred shares	-	-
2.3.3. To owners of preferred shares (Preemptive rights)	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To owners of the profit /loss sharing certificates	-	-
2.4. Share to personnel (-)	-	-
2.5. Share to board of directors (-)	-	-
III. Earnings per share		
3.1. To owners of ordinary shares ^(***) (Full TL)	0,077	0,189
3.2. To owners of ordinary shares (%)	7,73	18,86
3.3. To owners of preferred shares	-	-
3.4. To owners of preferred shares (%)	-	-
IV. Dividend per share		
4.1. To owners of ordinary shares (Full TL)	-	-
4.2. To owners of ordinary shares (%)	-	-
4.3. To owners of preferred shares	-	-
4.4. To owners of preferred shares (%)	-	-

^(*) Deferred tax income is presented in "other taxes and legal liabilities" line. Deferred tax income is not subject to profit appropriation; thus it is classified under extraordinary reserves.

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

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

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

(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 unconsolidated financial statements are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette numbered 26333 dated November 1, 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not prepared by BRSA, "Turkish Accounting Standards" ("TAS") 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 unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette numbered 28337, dated June 28, 2012, and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

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

In the announcement published by the Public Oversight Accounting and Auditing Standards Authority on January 20, 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the unconsolidated financial statements as of December 31, 2021, since the cumulative change in the general purchasing power of the last three years according to Consumer Price Index (CPI) is 74.41%. In this respect, unconsolidated financial statements as of December 31, 2021 are not adjusted for inflation in accordance with TAS 29.

b. Additional paragraph for convenience translation:

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated 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 financial statements:

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

The preparation of the unconsolidated financial statements according to BRSA Reporting and Accounting Legislation requires the Bank'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, provisions for the lawsuits, deferred tax assets and liabilities, 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, 2020 financial statements.

The covid 19 pandemia 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 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 December 31, 2021 financials, the Bank has reflected the possible impacts of covid 19 pandemia 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.

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 period financial statements are restated. The Financial statements of the 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 Bank 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 Bank's most important funding sources are its equity and borrowings from foreign financial institutions. The Bank sustains its liquidity to cover matured liabilities by holding adequate level of cash and cash equivalents.

The Bank's transactions in foreign currencies are accounted in accordance with the TAS 21 "Accounting Standard on the Effect of Changes in Foreign Currency Rates" and converted with the exchange rate ruling at the transaction date into Turkish Lira. Foreign currency assets and liabilities have been translated into Turkish Lira at the rate of exchange rates ruling at the balance sheet date announced by the 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.

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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 of the Bank included in the financial statements are translated into Turkish lira at the exchange rate ruling at the balance sheet date announced by the 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 Bank and resulting evaluation differences are reflected as foreign exchange gain or loss.

There are no foreign currency differences capitalized by the Bank.

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

The derivative financial instruments of the Bank, generally, consist of forward foreign currency, forward security and swap agreements. Derivative transactions portfolio may change as per market conditions in related terms. The Bank 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. The derivative transactions are initially recognized at fair value and presented in the financial statements at fair values recalculated in the subsequent reporting periods.

IV. Explanations on profit share income and expenses:

Profit share income

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

Profit-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". Negative ones are represented under "Expected Credit Losses" account.

The 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 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.

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NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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V. 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 statement of profit or loss.

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 Bank records the related cash and non-cash loans commissions directly as income.

VI. 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 Bank, if the 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 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 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 Bank's business models are divided into three categories. These categories are defined below:

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 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.

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

The 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 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 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.

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's effect to market, economical conjuncture, and sectoral position, and other market conditions.

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.

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Profit share income calculated with effective profit share rate method arising from financial assets at fair value through other comprehensive 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.

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 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 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 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.

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NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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VII. Explanations on expected credit losses:

The 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 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.

Additionally, considering BRSA's decisions dated March 17, 2020 numbered 8948 and dated March 27, 2020 numbered 8970, because of the malfunction in economical and commercial operations arising from COVID-19 pandemic, within the context of clause 4 and 5 of the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside", it has been determined that 90 days overdue will be 180 days to classify the receivables as non performing loans and 30 days overdue will be 90 days to classify the receivables as second group loans until September 30, 2021.

With the statement on September 16, 2021, it has been decided that the related flexibility will conclude as of September 30, 2021, but as of October 1, 2021 for first group loans whose overdue are between 30 days and 90 days, the mentioned application will continue. In addition to first group loans, beginning from October 1, 2021 second group loans whose overdue are between 90 and 180 days, the same application will continue as well.

As stated under the note of significant estimates and assumptions in preparing financial statements, the 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 December 31, 2021. From the beginning of the covid 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 2021, will be reviewed in the coming reporting periods by considering the changes in outcomes of pandemic, 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.

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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 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.

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.

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The 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 bank will make in this case
- The Bank management's conclusion that there is significant increase in credit risk. At this point, the 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 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.

VIII. Explanations on offsetting of financial instruments:

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

IX. 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 Bank and measured according to the portfolio to which they belong. Funds obtained from the related agreements are accounted under "Borrowings from Money Markets" in liabilities and the difference between the sale and repurchase price is accrued over the life of the agreements using the internal rate of return method. Profit share expense on such transactions is recorded under "Profit Share Expense on Money Market Borrowings" in the income statement.

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X. 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. 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 Bank has assets that are possessed due to receivables and debtors' obligations to the Bank and classified as assets held for sale. In the case that the Bank 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 Bank transfers such assets from assets held for sale and discontinued operations to tangible assets.

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

XI. Explanations on goodwill and other intangible assets:

Goodwill and other intangible assets are recorded at cost in accordance with TAS 38 "Turkish Accounting Standards for Intangible Assets". As of the balance sheet date, there is no goodwill in the financial statements of the Bank. The Bank's intangible assets consist of softwares and intangible rights.

The costs of the intangible assets purchased before December 31, 2004 have been restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended.

Intangible assets purchased after this date have been recorded at their historical costs. Intangible assets are amortised by the Bank over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Bank's software have been determined as 3 to 4 years and other intangible assets' useful lives have been determined as 15 years.

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

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XII. Explanations on tangible assets:

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

As of March 31, 2009, the 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 Bank has revalued its immovables and reflected the results of appraisal reports prepared by an 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 Bank 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.

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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.

XIII. 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 Bank, as a participation bank, acts as a lessor in finance leasing transactions. The 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 continues almost the same.

The 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 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 Bank's average profit rate.

If the ratio cannot be easily determined, the 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.

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

The lease liabilities:

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

XIV. Explanations on provisions and contingent liabilities:

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

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the cut-off principle. A liability is recognized as a contingent liability where a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of more than one events not wholly within the control of the Bank; or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability and disclosed in the footnotes.

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XV. Explanations on liabilities regarding employee rights:

i) Defined benefit plans:

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

In accordance with the existing social legislation in Turkey, the Bank 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 Bank 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 Bank.

The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to TAS 19, The Bank recognizes all actuarial gains and losses immediately through other comprehensive income. As of December 31, 2021, there is an actuarial loss amounts to TL 70.740 before deferred tax calculation (December 31, 2020: TL 57.906 actuarial loss).

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 employees are members.

ii) Defined contribution plans:

The Bank pays defined contribution plans to publicly administered Social Security Funds for its employees. The Bank 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, Bank measures the expected costs of the cumulative annual leaves as additional amounts anticipate to pay accumulated and unused rights as of reporting period.

XVI. Explanations on taxation:

Current tax:

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

As per the temporary 13th clause of the Law numbered 5520 which is added to 11st clause of the Law numbered 7316, 20 % corporate tax rate in the Corporate tax Law will be applied as 25 % for 2021 taxation period (accounting periods starting in the relevant years for companies designated as a special accounting period) and 23% for 2022 taxation period.

In this context, corporate taxes will be collected from corporate taxpayers for their corporation income at the rate of 25% for 2021 period and 23 % for 2022 period. In addition, prepaid taxes will be paid at the rate of 25% for 2021 and 23 % for 2022 to be deducted from corporate tax stated the articles of Corporate Tax Law.

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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 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 5 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 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 Bank. As of report date, there is no information or written report transmitted to the Bank.

Deferred tax:

The Bank 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.

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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

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. Since the "law regarding changes on tax laws and some other laws" numbered 7061 and the 22% corporate tax rate have been terminated as of 2020, the Bank has used 25% rate for temporary differences expected to be realized or terminated until end of 2021, 23% for temporary differences expected to be realized or terminated until end of 2022 and 20 % for temporary differences expected to be realized or terminated after 2023 while preparing financial statements as of December 31, 2021. There is not deferred tax calculation for free provisions.

As explained in detailed note under "XVII 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 Bank recognizes deferred tax. While making this calculation, The 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."

Transfer pricing:

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

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

XVII. Additional explanations on borrowings:

The Bank 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 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 Bank. The Bank has issued borrowings through its subsidiary Bereket Varlık Kiralama A.Ş. and its structured entities Bereket One Ltd. and Albaraka Sukuk Ltd.

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

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Additional tier 1 capital borrowings:

Unmatured sukuk transaction in foreign currency is issued and included in the additional capital account by the 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.

XVIII. Explanations on issued share certificates:

None.

XIX. Explanations on acceptances and availed drafts:

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

XX. Explanations on government grants:

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

XI. Explanations on segment reporting:

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

Segment reporting is disclosed in Section Four, Note XI.

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

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

XXIII. Explanations on other matters:

There are no other matters.

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SECTION FOUR

Information on Unconsolidated Financial Structure and Risk Management

I. Explanations on 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 December 31, 2021, the Bank's total capital has been calculated as 6.268.931 TL and capital adequacy standard ratio is 14,90%. As of December 31, 2020, Bank's total capital amounted to TL 5.563.141 and capital adequacy ratio was 13,51%. The Bank's capital adequacy standard ratio is above the minimum ratio required by the legislation.

a. Information on 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	1.259.792	1.128.738
Gains recognized in equity as per TAS	1.178.661	566.502
Profit	104.403	254.737
Current Period Profit	104.403	254.737
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	3.907.711	3.314.832
Deductions from Common Equity Tier 1 Capital	-	-
Common Equity as per the 1st 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	46.325
Improvement costs for operating leasing	21.295	20.340
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	78.682	37.958
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	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 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	31.725	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	566.492	216.074
Total Common Equity Tier 1 Capital	3.341.219	3.098.758

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	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)	-	-
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)	4.116.939	3.874.478
TIER II CAPITAL	-	-
Debt instruments and share issue premiums deemed suitable by the BRSA	1.983.300	1.374.112
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	303.215	321.443
Tier II Capital Before Deductions	2.286.515	1.695.555
Deductions From Tier II Capital	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	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	127.336	-
Total Tier II Capital	2.159.179	1.695.555
Total Capital (The sum of Tier I Capital and Tier II Capital)	6.276.118	5.570.033
The sum of Tier I Capital and Tier II Capital (Total Capital)	-	-
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	7.187	6.892

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	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)	6.268.931	5.563.141
Total risk weighted amounts	42.079.121	41.181.635
Capital Adequacy Ratios	-	-
Core Capital Adequacy Ratio (%)	7,94	7,52
Tier 1 Capital Adequacy Ratio (%)	9,78	9,41
Capital Adequacy Ratio (%)	14,90	13,51
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 (%)	3,44	3,02
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	337.295	279.792
Limits related to provisions considered in Tier II calculation	-	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	303.215	321.443
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	303.215	321.443
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.

In press release by BRSA dated March 23, 2020 it is stated that there are financial market turbulences as a result of Covid 19 pandemia. 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 December 31, 2021, the Bank has utilized this facility.

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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)	1.983.300 TL	775.720 TL ^(*)
Par Value of Instrument	3.093.274 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 years), 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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c. Information on reconciliation of total capital and equity:

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

II. Explanations on credit risk:

(1) Credit risk represents the Bank's risk or losses arising from corporate and individual loan customers who have cash or non-cash credit relations with the Bank not fulfilling the terms of their agreements partially or in full. Limit assignment authority primarily belongs to the Board of Directors and based on the authority given by the Board of Directors, the risk limits of the Bank are determined by Head-office Loan Committee, Loan Committee and Board of Directors. Head-office Loan Committee may exercise such authority partially through units of the Bank or branches. Proposal for loans are presented in a written format to the Loan Committee and Board of Directors.

Regarding the credit risk, debtors or group of debtors is subject to risk limitations. Credit limits are determined separately for each individual customer, company, group of companies, and risk groups. While determining credit risk several criteria such as the customers' financial strength, commercial capacities, sectors, geographical areas and capital structure are evaluated collectively.

In accordance with the decision taken by the Board of Directors of the Bank, the Bank cannot grant loans above 15% of its equity to a real person or legal entity (Exception to this decision is subject to the decision of the Board of Directors). Distributing the risk in a balanced manner to the sectors is observed, therefore in their marketing operations the branches strive for reaching various firms existing in different sectors. As a principle, each branch oversees the balanced distribution of the total risk to the sectors and progress of the firms existing in critical sectors.

The credibility of the debtors of loans are monitored periodically in accordance with related legislation. The financial documents for loans are obtained, audited and updated as necessary as stipulated in the related legislation. Credit limits of customers are renewed periodically according to the Bank's credit limit renewal procedure. The Bank obtains necessary collaterals for loans by analyzing the creditworthiness of corporate and individual loans according to its credit policy. Main collaterals obtained for credit risk are mortgage on real estate, cash blockage, pledges on vehicle and machinery.

Limits defined by the Board of Directors and Loan Committee for each bank are followed-up by Treasury Management on a daily basis for the transactions related with placements or treasury operations like foreign currency purchase and sales with domestic and foreign correspondent banks.

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As of 1 January 2018, the 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. Related classifications are mentioned in the third section under the heading of Accounting Policies, in No.VII. "Explanations on expected credit loss provisions".

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

Risk Categories	Current Period Risk Amount	Average Risk Amount^(*)
Receivables from central governments or central banks	19.539.686	14.661.811
Receivables from regional or local governments	112.481	178.803
Receivables from administrative units and non-commercial enterprises	44.810	50.314
Receivables from multilateral development banks	-	-
Receivables from international organizations	-	-
Receivables from banks and brokerage houses	6.191.164	5.403.176
Receivables from corporates	20.664.601	22.848.477
Retail receivables	7.857.559	7.849.378
Receivables secured by mortgages on property	9.436.596	5.216.582
Past due receivables	592.097	561.436
Receivables defined in high risk category by BRSA	-	-
Collateralized Securities	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	1.342
Other receivables	5.418.166	5.756.110
Equity share investments	62.639	61.291
TOTAL^(*)	69.919.799	62.588.720

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

(2) The credit risk undertaken for forwards, options and similar agreements is managed together with the risks arising from market movements.

(3) The risks of forwards, options and similar agreements are followed regularly and the Bank utilizes risk mitigation methods if needed.

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(4) Indemnified non-cash loans are subject to the same risk weight as overdue loans. Rescheduled or restructured loans are followed in accordance with the principles of credit risk management and follow-up principle of the Bank. Financial position and commercial operations of those customers are analyzed continuously and the principal and profit payments based on the restructured payment plan are monitored by the related departments.

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

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

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

(6) Share of cash receivables of the Bank from its top 100 and top 200 cash loan customers in total cash loans is 52% (December 31, 2020: 51%) and 59% (December 31, 2020: 60%) respectively.

Share of non- cash receivables of the Bank from its top 100 and top 200 non-cash loan customers in total non-cash loans is 48% (December 31, 2020: 43%) and 58% (December 31, 2020: 55%) respectively.

Share of cash and non-cash receivables of the Bank from its top 100 and top 200 loan and non-cash loan customers in total of balance sheet and off balance sheet commitments is 46% (December 31, 2020: 44%) and 54% (December 31, 2020: 53%) respectively.

(7) The Bank's expected credit loss (except non cash loans) amount for its credit risk (Stage 1 and 2) is TL 588.399 (December 31, 2020: TL 620.083).

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(8) Profile on significant risks in significant regions:

Current Period	Risk Categories ^(*)											
	1	2	3	4	5	6	7	8	9	10	11	12
Domestic	19,539,686	112,481	44,810	-	2,258,797	19,054,463	7,806,913	9,359,004	586,261	-	5,203,296	40,706
EU countries	-	-	-	-	771,660	63,328	3,457	7,707	-	-	-	19,178
OECD Countries ^(**)	-	-	-	-	1,879,084	355	1,113	530	-	-	-	-
Off-shore banking regions	-	-	-	-	823,226	98,810	5,094	7,702	-	-	-	-
USA, Canada	-	-	-	-	445,344	6,482	456	501	-	-	-	-
Other countries	-	-	-	-	13,053	1,441,163	40,526	61,152	5,836	-	214,870	2,755
Associates, subsidiaries and jointly controlled entities	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated assets/liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-
Total	19,539,686	112,481	44,810	-	6,191,164	20,664,601	7,857,559	9,436,596	592,097	-	5,418,166	62,639
Total	19,539,686	112,481	44,810	-	6,191,164	20,664,601	7,857,559	9,436,596	592,097	-	5,418,166	62,639
Prior Period	1	2	3	4	5	6	7	8	9	10	11	12
Domestic	12,075,930	263,340	71,654	-	2,105,193	21,119,412	7,391,850	3,874,184	513,815	7,299	4,834,018	32,768
EU countries	-	-	-	-	484,337	176,618	7,946	5,579	3	-	-	18,643
OECD Countries ^(**)	-	-	-	-	23,838	-	6	-	-	-	-	-
Off-shore banking regions	-	-	-	-	757,610	361,038	34,454	7,270	-	-	-	-
USA, Canada	-	-	-	-	238,941	47,240	809	578	-	-	-	-
Other countries	505	-	-	-	917,412	656,504	15,235	5,174	1,554	-	231	8,586
Associates, subsidiaries and jointly controlled entities	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated assets/liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-
Total	12,076,435	263,340	71,654	-	4,527,321	22,360,812	7,450,300	3,892,785	515,372	7,299	4,834,249	59,997
Total	12,076,435	263,340	71,654	-	4,527,321	22,360,812	7,450,300	3,892,785	515,372	7,299	4,834,249	59,997

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

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

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

- 1- Receivables from central governments or central banks
- 2- Receivables from regional or local governments
- 3- Receivables from administrative units and non-commercial enterprises
- 4- Receivables from multilateral development banks
- 5- Receivables from banks and brokerage houses
- 6- Receivables from corporates
- 7- Retail receivables
- 8- Receivables secured by mortgages on property
- 9- Past due receivables
- 10- Investments as collective investment enterprises
- 11- Other receivables
- 12- Equity share investments

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Risk Profile according to sectors and counterparties:

		Risk Categories															
		Sectors / Counterparties	1	2	3	4	5	6	7	8	9	10	11	12	TL	FC	Total
1	Agriculture	-	-	-	-	-	198.657	132.191	87.064	9.647	-	-	-	-	306.552	121.007	427.559
1.1	Farming and stockbreeding	-	-	-	-	-	198.657	132.191	-	-	-	-	-	-	210.843	120.005	330.848
1.2	Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3	Fishery	-	-	-	-	-	-	-	87.064	9.647	-	-	-	-	95.709	1.002	96.711
2	Manufacturing	-	923	-	-	-	8.091.570	2.960.311	959.577	236.906	-	3.559.250	-	6.141.027	9.667.510	15.808.537	
2.1	Mining	-	-	-	-	-	940.098	272.608	82.021	104.267	-	-	-	-	701.865	697.129	1.398.994
2.2	Production	-	-	-	-	-	5.069.484	2.614.256	770.173	132.639	-	3.559.250	-	4.993.478	7.152.324	12.145.802	
2.3	Electricity, gas, water	-	923	-	-	-	2.081.988	73.447	107.383	-	-	-	-	-	445.684	1.818.057	2.263.741
3	Construction	-	282	-	-	-	3.433.366	235.639	1.174.385	152.002	-	-	-	2.117.877	2.877.797	4.995.674	
4	Services	19.539.686	-	41.466	-	6.191.164	8.330.582	4.313.613	7.044.186	186.352	-	557.892	62.639	16.785.204	29.482.367	46.267.580	
4.1	Wholesale and retail trade	-	-	254	-	-	5.948.191	3.492.870	2.855.404	129.445	-	555.406	14.381	7.373.640	5.622.311	12.995.951	
4.2	Hotel, food and beverage services	-	-	-	-	-	321.019	75.692	72.716	12.294	-	-	-	159.412	322.309	481.721	
4.3	Transportation and telecommunication	-	-	-	-	-	944.466	434.900	108.534	20.816	-	-	-	550.316	958.400	1.508.716	
4.4	Financial institutions	19.539.686	-	-	-	6.184.451	401.666	11.424	654.525	2.608	-	2.486	48.258	5.675.157	21.169.947	26.845.104	
4.5	Real estate and renting services	-	-	-	-	6.713	-	98.782	3.279.448	15.602	-	-	-	2.144.182	1.256.363	3.400.545	
4.6	Self-employment services	-	-	-	-	-	557.038	-	-	-	-	-	-	415.368	141.670	557.038	
4.7	Education services	-	-	18.296	-	-	5.233	26.943	18.946	2.884	-	-	-	67.337	4.965	72.302	
4.8	Health and social services	-	-	22.916	-	-	152.969	173.002	54.613	2.703	-	-	-	399.792	6.411	406.203	
5	Other	-	112.481	2.139	-	-	610.426	215.805	171.384	7.190	-	1.301.024	-	965.853	1.454.596	2.420.449	
5	Total	19.539.686	112.481	44.810	-	6.191.164	20.664.601	7.857.559	9.436.596	592.097	-	5.418.166	62.639	26.316.513	43.603.286	69.919.799	

- 1- Receivables from central governments or central banks
- 2- Receivables from regional or local governments alacaklar
- 3- Receivables from administrative units and non-commercial enterprises
- 4- Receivables from multilateral development banks
- 5- Receivables from banks and brokerage houses
- 6- Receivables from corporates
- 7- Retail receivables
- 8- Receivables secured by mortgages on property
- 9- Past due receivables
- 10- Investments as collective investment enterprises
- 11- Other receivable
- 12- Equity share investments

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Distribution of risks with term structure according to remaining maturities:

Risk Categories	Time to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	1 year and over
1 Receivables from central governments or central banks	130.242	1.393.278	50.337	348.475	4.397.111
2 Receivables from regional or local governments	-	-	-	-	-
3 Receivables from administrative units and non-commercial enterprises	-	-	-	251	44.444
4 Receivables from multilateral development banks	-	-	-	-	-
5 Receivables from international organizations	-	-	-	-	-
6 Receivables from banks and brokerage houses	60	8.879	53.275	29.365	1.708.359
7 Receivables from corporates	622.186	1.605.414	2.845.408	639	11.355.794
8 Retail receivables	215.325	556.176	825.927	1.498.840	4.665.286
9 Receivables secured by mortgages on property	78.704	542.160	327.610	3.076.547	5.347.856
10 Past due receivables	520	-	275	-	586.326
11 Receivables defined in high risk category by BRSA	-	-	-	-	-
12 Collateralized Securities	-	-	-	-	-
13 Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
14 Investments similar to collective investment funds	-	-	-	-	-
15 Other receivables	-	-	-	-	3.447
16 Equity share investments	-	-	-	-	-
17 TOTAL	1.047.037	4.105.907	4.102.832	4.954.117	28.108.623

(9) While determining risk weights of receivables from banks and receivables from central banks and central governments indicated in the sixth article of "Regulation on Measurement and Assessment of Capital Adequacy of Banks", rating grades obtained from rating agencies commissioned by customers are being used. Resident banks and intermediary firms are evaluated as unrated and credit rating agencies' ratings are considered for non resident counterparties. The ratings by IIRA (Islamic International Rating Agency) are considered for receivables from central governments or central banks. Other receivables in the regulation are considered as unrated while calculating capital adequacy.

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The match-up of the ratings by rating agencies are represented in "credit quality stages" in the following table:

		Credit Quality stage	Fitch Ratings	Moody's Investor Service	S&P Ratings Services	Japan Credit Rating Agency	DBRS	IIRA
The match-up of the ratings	Long term credit ratings	1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA-	AAA to AA (low)	AAA to AA-
		2	A+ to A-	A1 to A3	A+ to A-	A+ to A-	A (high) to A (low)	A+ to A-
		3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB+ to BBB-	BBB (high) to BBB (low)	BBB+ to BBB-
		4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	BB+ to BB-	BB (high) to BB (low)	BB+ to BB-
		5	B+ to B-	B1 to B3	B+ to B-	B+ to B-	B (high) to B (low)	B+ to B-
		6	CCC+ and lower	Caa1 and lower	CCC+ and lower	CCC and lower	CCC (high) and lower	CCC+ and lower
	Short term credit ratings	1	F1+ to F1	P-1	A-1+ to A-1	J-1	R-1 (high) to R-1 (low)	A-1+ to A-1
		2	F2	P-2	A-2	J-2	R-2 (high) to R-2 (low)	A-2
		3	F3	P-3	A-3	J-3	R-3	A-3
		4	F3 lower	NP	A-3 lower	J-3 lower	R-3 lower	A-3 lower
		5	-	-	-	-	---	-
		6	-	-	-	-	---	-
	Ratings for long term securitization positions	1	AAA to AA-	Aaa to Aa3	AAA to AA-	-	AAA to AA (low)	AAA to AA-
		2	A+ to A-	A1 to A3	A+ to A-	-	A (high) to A (low)	A+ to A-
		3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	-	BBB (high) to BBB (low)	BBB+ to BBB-
		4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	-	BB (high) to BB (low)	BB+ to BB-
		5	B+ and lower	B1 and lower	B+ and lower	-	B (high) and lower	B+ and lower
	Ratings for short term securitization positions	1	F1+ to F1	P-1	A-1+ to A-1	-	R-1 (high) to R-1 (low)	A-1+ to A-1
		2	F2	P-2	A-2	-	R-2 (high) to R-2 (low)	A-2
		3	F3	P-3	A-3	-	R-3	A-3
		Diğerleri	F3 lower	NP	A-3 lower	-	R-3	A-3 lower
	The match-up for collective investment undertakings	1	AAA to AA-	Aaa to Aa3	FCQR: AA+ to AA-f; PSFR: AA+ to AA-m	-	-	-
		2	A+ to A-	A1 to A3	FCQR: A+ to A-f; PSFR: A+ to A-m	-	-	-
		3	BBB+ to BBB-	Baa1 to Baa3	FCQR: BBB+ to BBB-f; PSFR: BBB+ to BBB-m	-	-	-
		4	BB+ to BB-	Ba1 to Ba3	FCQR: BB+ to BB-f; PSFR: BB+ to BB-m	-	-	-
		5	B+ to B-	B1 to B3	FCQR: B+ to B-f; PSFR: B+ to B-m	-	-	-
		6	CCC+ and lower	Caa1 and lower	FCQR: CCC+ and lower; PSFR: CCC+ and lower	-	-	-

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Total exposure amount before and after applying risk mitigation techniques and total amounts deducted from the capital which are calculated in accordance with the Appendix-1 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks" are presented below:

Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	Deductions from Shareholders' Equity
1 Amount before credit risk mitigation	22.037.125	-	4.773.634	2.527.511	7.384.896	7.771.919	25.009.719	414.995	-	218.615
2 Amount after credit risk mitigation	23.753.418	-	5.484.361	2.520.147	7.581.773	7.302.726	22.862.480	414.894	-	218.615

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

As of 31 December 2021, the Bank has allocated expected lifetime loss provision for loans classified as Stage 2 based on the risk assessments made under TFRS 9. For the loans which are determined as impaired by being classified in the third stage, the expected lifetime loss provision has been allocated for such loans as well.

As of December 31, 2021, the credit risks of the loans which has not increased at first recognition or thereafter, are classified as stage 1 and 12 months expected credit loss has been allocated for such loans.

Sectors / Counterparties		Loans		Provisions
		Impaired Value (TFRS 9)		
		Significant increase in credit risk (Stage 2)	Default (Stage 3)	Provisions for Credit Losses (TFRS 9)
1	Agriculture	11.794	36.057	24.199
1.1	Farming and stockbreeding	1.967	31.547	20.076
1.2	Forestry	9.827	4.510	4.123
1.3	Fishery	-	-	-
2	Manufacturing	2.280.241	1.659.685	1.437.457
2.1	Mining	3.002	275.330	213.811
2.2	Production	852.495	812.946	614.334
2.3	Electricity, gas, water	1.424.744	571.409	609.312
3	Construction	858.852	1.012.871	751.766
4	Services	2.446.565	1.010.174	790.353
4.1	Wholesale and retail trade	1.593.899	434.058	328.640
4.2	Hotel, food and beverage services	396.373	109.436	118.503
4.3	Transportation and telecommunication	110.835	230.073	180.313
4.4	Financial institutions	13.716	10.212	10.359
4.5	Real estate and renting services	258.940	194.534	142.647
4.6	Self-employment services	61.784	13.223	3.225
4.7	Education services	6.349	12.149	4.271
4.8	Health and social services	4.669	6.489	2.395
5	Other	144.893	64.450	21.751
6	Total	5.742.345	3.783.237	3.025.526

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(11) Information related to value adjustments and credit provisions:

Current Period

Risk Weight	Opening Balance	Provision made during the period	Reversal of Provisions	Other Adjustments ^(*)	Closing Balance
1. Stage 3 Provisions	1.247.950	1.599.318	(742.418) ^(**)	553.193	2.658.043
2. Stage 1 and 2 Provisions	584.657	300.573	(360.443)	6.075	530.862

^(*) Determined according to currency differences.

^(**) Includes reversal of provisions related to write off amounts to TL 249.185.

Prior Period

Risk Weight	Opening Balance	Provision made during the period	Reversal of Provisions	Other Adjustments ^(*)	Closing Balance
1. Specific Provisions	946.631	697.454	(470.965) ^(**)	74.830	1.247.950
2. General Provisions	185.151	424.813	(26.748)	1.441	584.657

^(*) Determined according to currency differences.

^(**) Includes reversal of provisions related to write off amounts to TL 53.145 and reversal of provisions of previous terms' non performing loans carried to performing loans by approximation amounts to TL 324.618..

III. Explanations on risks including countercyclical capital buffer calculation:

Explanations on receivables from consolidated private sector:

Country where risk is ultimately taken	Private sector loans in banking books	Risk weighted amount calculated within trading book	Total
Turkey	37.825.509	1.063.974	38.889.483
Iraq	1.349.939	-	1.349.939
Marshall Islands	407.214	-	407.214
Libya	207.158	-	207.158
Pakistan	149.150	-	149.150
Algeria	99.797	-	99.797
Malta	99.642	-	99.642
Tunisia	80.808	-	80.808
Georgia	78.380	-	78.380
Italy	42.146	-	42.146
Singapore	24.324	-	24.324
United States of America	13.241	-	13.241

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IV. Explanations on currency risk:

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

- a.** The Bank is exposed to currency risks as a market risk and tries to balance the currency risks by avoiding to keep any long or short positions. The currency risk of the 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 Bank 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 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 Bank are as follows:

	USD	EUR
As of December 31, 2021 - Balance sheet evaluation rate	13,222	15,004
As of December 30, 2021	12,850	14,546
As of December 29, 2021	12,469	14,124
As of December 28, 2021	11,687	13,213
As of December 27, 2021	11,205	12,678
As of December 24, 2021	11,122	12,590

- d.** The simple arithmetical average of the major foreign exchange buying rates of the Bank for the thirty days before the balance sheet date is TL 13,562 for 1 USD (December 2020: TL 7,670), TL 15,327 for 1 EUR (December 2020: TL 9,337). The Bank is mainly exposed to EUR and USD currency risks.

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Information on currency risk of the Bank:

	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	5.941.783	14.998.097	3.737.899	24.677.779
Banks	718.166	1.292.020	1.780.769	3.790.955
Financial assets at fair value through profit and loss ^(**)	883.945	1.128.327	4.877.370	6.889.642
Money market placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	1.243	362.822	6.653	370.718
Loans and financial lease receivables ^(***)	10.535.499	22.815.034	2	33.350.535
Subsidiaries, associates and joint ventures	18.311	-	-	18.311
Financial Assets Measured at Amortised Cost	1.425.525	5.979.811	-	7.405.336
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	24.834	24.834
Intangible assets	-	-	-	-
Other assets ^(****)	119.251	22.801	1.443	143.495
Total assets	19.643.723	46.598.912	10.428.970	76.671.605
Liabilities				
Current account and funds collected from banks via participation accounts	662.001	974.193	24.851	1.661.045
Other current and profit sharing accounts	15.761.436	43.525.506	10.088.469	69.375.411
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	1.075.156	4.135.026	-	5.210.182
Marketable securities issued	-	-	-	-
Miscellaneous payables	261.738	366.671	23.584	651.993
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	771	31.598	20.059	52.428
Total liabilities	17.761.102	49.032.994	10.156.963	76.951.059
Net balance sheet position	1.882.621	(2.434.082)	272.007	(279.454)
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
Prior Period				
Total assets	10.862.943	22.616.458	6.402.503	39.881.904
Total liabilities	10.838.411	24.794.716	6.479.083	42.112.210
Net balance sheet position	24.532	(2.178.258)	(76.580)	(2.230.306)
Net off balance sheet position	(244.207)	2.670.013	142.713	2.568.519
Derivative financial instruments assets	22.001	3.036.480	160.497	3.218.978
Derivative financial instruments liabilities	266.208	366.467	17.784	650.459
Non-cash loans ^(*****)	2.160.361	3.210.278	41.055	5.411.694

^(*) TL 3.664.103 (December 31, 2020: TL 2.644.380) 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 962.090 (December 31, 2020: TL 1.308.455) of the balance in Banks in other FC column represent precious metals accounts with banks, TL 9.344.729 (December 31, 2020: TL 6.203.756) of the balance in Other current and profit sharing accounts in other FC column represent precious metals deposits accounts. TL 4.877.174 (December 31, 2020: TL 2.114.472) 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 523.546 (December 31, 2020: TL 1.227.719).

^(****) Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 3.479 (December 31, 2020: TL 6.775) is included in other assets.

^(*****) In the current period, derivative financial instruments assets include foreign currency purchase commitment in the amount of TL 142.473 (December 31, 2020: TL 275.205) and derivative financial instruments liabilities include foreign currency sale commitment in the amount of TL 463.533 (December 31, 2020: TL 574.820).

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

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Other issues related to currency risk:

Since the bank has issued unmatured additional Tier 1 capital amount to USD 205.000.000 (historical cost: TL 775.720) and recognized under the equity as "Other Capital Reserves", related amount is not included in the above table.

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

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

The 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 62.639 100% risk weight is applied to related whole amount (December 31, 2020: TL 59.997).

VI. Explanations on liquidity risk:

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

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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 taking into account the relevant currencies. Funding sources are monitored actively during identification of concentration risk related to funding. The 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 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 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 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 Bank monitors liquidity risk in terms of early warning indicators in each stress.

While assessing the sectors affected by COVID 19, 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.

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Liquidity Coverage Ratio:

Current Period	Rate of "Percentage to be taken into account" not Implemented Total Value ^(*)		Rate of "Percentage to be taken into account" Implemented Total Value ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 HIGH QUALITY LIQUID ASSETS			33.240.760	29.994.681
CASH OUTFLOWS				
2 Retail and Small Business Funds Collected	48.002.205	35.868.013	4.554.809	3.586.801
3 Stable Funds Collected	4.908.238	-	245.412	-
4 Less stable Funds Collected	43.093.967	35.868.013	4.309.397	3.586.801
5 Unsecured Funding other than Retail and Small Business Customers Deposits	26.730.954	18.464.414	12.063.765	6.743.836
6 Operational Funds Collected	14.671.442	11.667.569	3.667.861	2.916.892
7 Non-Operational Funds Collected	7.626.022	5.215.140	4.073.633	2.411.535
8 Other Unsecured Funding	4.433.490	1.581.705	4.322.271	1.415.409
9 Secured funding	-	-	-	-
10 Other Cash Outflows	3.839.376	3.332.027	3.839.376	3.332.027
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	3.839.376	3.332.027	3.839.376	3.332.027
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	15.718.241	8.909.943	1.820.327	1.306.136
16 TOTAL CASH OUTFLOWS			22.278.277	14.968.800
CASH INFLOWS				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	9.891.169	6.436.367	7.762.936	5.345.582
19 Other contractual cash inflows	3.892.265	2.629.280	3.892.265	2.629.280
20 TOTAL CASH INFLOWS	13.783.434	9.065.647	11.655.201	7.974.862
Upper limit applied amounts				
21 TOTAL HQLA			33.240.760	29.994.681
22 TOTAL NET CASH OUTFLOWS			10.623.076	6.993.938
23 Liquidity Coverage Ratio (%)			312,91	428,87

(*) Average of the last three months of liquidity coverage ratios calculated considering weekly simple arithmetic averages.

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	247,19	334,49
Date	October 3, 2021	December 7, 2021
Highest	401,82	552,45
Date	December 8, 2021	December 28, 2021
Average	312,91	428,87

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Prior period	Rate of "Percentage to be taken into account" not Implemented Total Value ^(*)		Rate of "Percentage to be taken into account" Implemented Total Value ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 HIGH QUALITY LIQUID ASSETS			17,541.745	15.041.838
CASH OUTFLOWS				
2 Retail and Small Business Funds Collected	32.277.745	22.577.578	3.017.474	2.257.758
3 Stable Funds Collected	4.206.009	-	210.300	-
4 Less stable Funds Collected	28.071.736	22.577.578	2.807.174	2.257.758
5 Unsecured Funding other than Retail and Small Business Customers Deposits	18.289.370	11.511.164	8.638.837	5.368.906
6 Operational Funds Collected	9.604.669	7.375.474	2.401.167	1.843.869
7 Non-Operational Funds Collected	4.234.104	2.039.871	1.919.507	900.775
8 Other Unsecured Funding	4.450.597	2.095.819	4.318.163	2.624.262
9 Secured funding	0	0	-	-
10 Other Cash Outflows	2.961.137	1.835.096	2.961.137	1.835.096
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	2.961.137	1.835.096	2.961.137	1.835.096
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	11.674.343	5.439.205	1.122.951	664.035
16 TOTAL CASH OUTFLOWS			15.740.399	10.125.795
CASH INFLOWS				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	7.863.193	5.384.414	6.383.806	4.658.632
19 Other contractual cash inflows	3.001.309	2.693.309	3.001.309	2.693.309
20 TOTAL CASH INFLOWS	10.864.502	8.077.723	9.385.115	7.351.941
Upper limit applied amounts				
21 TOTAL HQLA			17.541.745	15.041.838
22 TOTAL NET CASH OUTFLOWS			6.355.284	2.773.854
23 Liquidity Coverage Ratio (%)			276,02	542,27

(*) Average of the last three months of liquidity coverage ratios calculated considering weekly simple arithmetic averages.

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 2020 are as follows:

Liquidity Coverage Ratio (%)	Prior Period	
	TL+FC	FC
Lowest	213,60	361,57
Date	November 30, 2020	October 4, 2020
Highest	402,20	691,40
Date	December 18, 2020	November 14, 2020
Average	276,02	542,27

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Liquidity coverage ratio is calculated by comparing the high quality liquid assets owned by the 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.

High quality liquid assets consist of cash, deposits in central banks and securities considered as high quality liquid assets. Reserve deposits are included in high quality liquid assets, limited by the amount that is allowed by central bank to use in liquidity shortages. The Bank's high quality liquid assets are composed of 6,59% cash, 54,21% deposits in central banks and 39,20% securities considered as high quality liquid assets.

The Bank's main funding sources are funds collected, funds borrowed, borrowings from money market and subordinated loans. Funding source composition in report date is 90,68% funds collected, 9,32% funds borrowed, borrowings from money market and subordinated loans.

Cash flows of derivatives that will take place within 30 days are taken into account 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 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. Liquidity risk of the 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 Bank.

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Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated ^(***)	Total
Assets								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	10.619.482	15.878.705	-	-	-	-	-	26.498.187
Banks	3.627.422	1.480.543	131.344	-	-	-	-	5.239.309
Financial Assets at Fair Value Through Profit and Loss ^(*)	39.618	257.158	1.881.022	245.183	5.998.363	49.657	-	8.471.001
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	24.686	-	340.635	154.728	232.309	-	-	752.358
Loans ^(**)	127.091	4.112.062	8.802.171	18.970.700	20.049.411	3.749.918	1.125.194	56.936.547
Financial Assets Measured at Amortised Cost	-	143.301	1.685.594	312.666	5.961.650	-	-	8.103.211
Other Assets	-	865	6.814	14.109	163.710	241.545	2.527.467	2.954.510
Total Assets	14.438.299	21.872.634	12.847.580	19.697.386	32.405.443	4.041.120	3.652.661	108.955.123
Liabilities								
Current account and funds collected from banks via participation accounts	1.459.724	248.846	32	19.901	-	-	-	1.728.503
Other current and profit sharing accounts	44.822.711	34.055.613	7.127.368	3.378.531	123.923	-	-	89.508.146
Funds provided from other financial institutions and subordinated loans	-	2.104.528	3.685.506	431.074	3.157.461	-	-	9.378.569
Money Market Borrowings	-	1.327	-	-	-	-	-	1.327
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	800.096	170.634	65.870	76	-	1.708.885	2.745.561
Other liabilities	775.720	-	700	3.932	108.401	214.810	4.489.454	5.593.017
Total Liabilities	47.058.155	37.210.410	10.984.240	3.899.308	3.389.861	214.810	6.198.339	108.955.123
Net Liquidity Gap	(32.619.856)	(15.337.776)	1.863.340	15.798.078	29.015.582	3.826.310	(2.545.678)	-
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
Prior period								
Total Assets	9.537.268	11.938.005	7.990.292	15.013.455	19.125.698	2.987.165	2.723.916	69.315.799
Total Liabilities	23.935.095	26.970.224	8.878.140	2.595.446	1.906.422	206.715	4.823.757	69.315.799
Net Liquidity Gap	(14.397.827)	(15.032.219)	(887.848)	12.418.009	17.219.276	2.780.450	(2.099.841)	-
Net Off-balance sheet Position	-	(62.018)	(109.221)	(65.751)	-	-	-	(236.990)
Financial Derivative Assets	-	918.683	1.452.662	656.191	-	-	-	3.027.536
Financial Derivative Liabilities	-	980.701	1.561.883	721.942	-	-	-	3.264.526
Non-cash Loans	6.733.505	238.758	512.408	2.735.817	868.546	32.797	-	11.121.831

^(*) 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.

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VII. Explanations on leverage ratio:

As of December 31, 2021, leverage ratio of the Bank calculated from the arithmetic average of the last three months is 3,18% (December 31, 2020: 4,52%). 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)	102.434.886	71.506.589
2 (Assets deducted from Core capital)	(371.694)	(71.840)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	102.063.192	71.434.749
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	157.781	70.179
5 Potential credit risk amount of derivative financial assets and credit derivatives	31.543	35.331
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	189.324	105.510
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	600.159	303.792
8 Risk amount arising from intermediary transactions	0	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	600.159	303.792
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	20.035.331	13.863.342
11 (Correction amount due to multiplication with credit conversion rates)	(30.750)	(3.600)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	20.004.581	13.859.742
Capital and total risk		
13 Core Capital	3.881.503	3.874.890
14 Total risk amount (sum of lines 3, 6, 9 and 12)	122.857.256	85.703.793
Leverage ratio		
15 Leverage ratio (%)	3,18	4,52

^(*) The average amounts for the last three months.

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

a. Information on fair value of financial assets and liabilities:

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated profit share accruals of corresponding financial assets or liabilities.

The fair values of financial assets and liabilities are calculated based on the following principles:

The fair values of financial investments measured at amortised cost are determined based on market prices. As of December 31, 2021, and December 31, 2020, fair value hierarchy of financial investments measured at amortized cost is determined as level 1.

The fair value of loans is determined by calculating the discounted cash flows using the current market profit share rates.

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Carrying value of funds collected via special current accounts and participation accounts is assumed to approximate their fair value as they are valued at year-end unit values.

The fair values of funds collected from financial institutions are determined by calculating the discounted cash flows using the current market profit share rates.

a. Information on fair value of financial assets and liabilities:

	Carrying value		Fair value	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Financial Assets				
Money market placements	-	-	-	-
Banks	5.296.422	3.413.346	5.296.422	3.413.346
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	8.382.516	5.403.992	8.382.516	5.403.992
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	752.358	1.163.448	752.358	1.163.448
Financial Assets Measured at Amortised Cost	8.103.211	3.224.800	8.066.060	3.082.412
Loans and financial lease receivables	56.936.547	40.583.348	53.502.790	37.787.462
Financial Liabilities				
Funds collected from banks via current accounts and profit sharing accounts	1.728.503	512.174	1.728.503	512.174
Other current and profit sharing accounts	89.508.146	51.100.950	89.508.146	51.100.950
Funds provided from other financial institutions	9.378.569	9.034.427	9.556.432	9.097.035
Marketable securities issued	1.327	2.276.453	1.327	2.276.453
Miscellaneous payables	2.745.561	1.592.366	2.745.561	1.592.366

b. Information on fair value measurement recognized in the financial statements:

IFRS 7 "Financial Instruments: Turkish Financial Reporting Standard Related to Explanations" sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish a basis for fair value measurement. Aforesaid fair value hierarchy is determined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level I);
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in Level 1 (Level II);
- Data not based on observable data regarding assets and liabilities (Level III).

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Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles are given in the table below:

Current period ^(*)	Level I	Level II	Level III	Total
Financial assets				
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	7.600.320	782.196	-	8.382.516
Government Securities	7.558.347	-	-	7.558.347
Equity securities	19.198	-	-	19.198
Other Financial Assets	22.775	782.196	-	804.971
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	727.672	-	-	727.672
Equity securities ^(**)	-	-	-	-
Government Securities	727.672	-	-	727.672
Other Financial Assets	-	-	-	-
Derivative Financial Assets	-	88.485	-	88.485
Financial Liabilities				
Derivative Financial Liabilities	-	187.254	-	187.254

^(*) In the current period, there is no classification between level I and level II.

^(**) Equity securities amounting to TL 24.686 under financial assets measured at fair value through other comprehensive income are not quoted in an active market and hence, they are accounted at cost in the financial statementst and not represented above table.

Prior period ^(*)	Level I	Level II	Level III	Total
Financial assets				
Financial assets at fair value through profit and loss	4.991.486	412.506	-	5.403.992
Public sector debt securities	3.768.827	-	-	3.768.827
Equity securities	10.774	-	-	10.774
Derivative financial assets held for trading	1.211.885	412.506	-	1.624.391
Financial assets- available for sale	1.139.285	7.299	-	1.146.584
Equity securities ^(**)	-	-	-	-
Public sector debt securities	1.051.111	-	-	1.051.111
Other marketable securities	88.174	7.299	-	95.473
Derivative Financial Assets				
Financial Liabilities				
Derivative Financial Liabilities	-	142.596	-	142.596

^(*) In the prior period, there is no classification between level I and level II.

^(**) Equity securities amounting to TL 16.864 under financial assets measured at fair value through other comprehensive income are not quoted in an active market and hence, they are accounted at cost in the financial statementst and not represented above table.

Apart from financial assets and financial liabilities, as of December 31, 2021 and 2020, the Bank carries the real estates at fair value under tangible assets. Level III inputs are used in determining the related fair values.

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

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

X. Explanations on risk management:

Notes and explanations in this section have been prepared in accordance with the Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks that have been published in Official Gazette numbered 29511 dated October 23, 2015 and became effective as of March 31, 2016. Due to usage of standard approach for the calculation of capital adequacy ratio by the Bank, tables which have to be prepared within the scope of Internal rating-based (IRB) approach have not been presented.

a. Risk management strategy and weighted amounts:

a.1. Risk management strategy:

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

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

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

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

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

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

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

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

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

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

The bank's risk appetite means the amount of risk that can be accepted by the bank in order to reach the strategic targets, and it includes an acceptable variability around the targets as well.

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

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

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

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

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

Market Risk

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

Within the coverage of market risk, Albaraka Türk calculates the foreign currency position risk and the security risk, as well as specific risks associated with market risk, by using the Standard approach and reports to it the authorities accordingly on a regular basis. Additionally, for test-purpose, foreign currency position risk of our Bank is measured by internal models. With backtesting applications, deviations between actual values and daily VaR values, predicted by internal models, are observed in order to control accuracy and performance of these models. Potential strength of portfolio against to unexpected risks is measured with stress tests including stress scenarios.

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

Liquidity risk

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

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

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

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

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

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

Credit risk

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

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

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

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Operational risk

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

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

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

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

Other risks

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

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

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

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

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

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

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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)	34.696.010	33.336.760	2.775.681
2 Standardised approach (SA)	34.696.010	33.336.760	2.775.681
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	60.985	12.162	4.879
5 Standardised approach for counterparty credit risk (SA-CCR)	60.985	12.162	4.879
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	3.993.135	5.042.837	319.451
17 Standardised approach (SA)	3.993.135	5.042.837	319.451
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	3.328.991	2.789.876	266.319
20 Basic Indicator Approach	3.328.991	2.789.876	266.319
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)	42.079.121	41.181.635	3.366.330

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b. Financial statements and regulatory exposures reconciliation:

b.1. Differences and Matching Between Accounting-related Consolidation and Legal Consolidation:

Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)						
Current Period	Carrying values of items in accordance with Turkish Accounting Standards (TAS)	Subject to credit risk	Subject to counterparty credit risk	Securitization positions	Subject to market risk ⁽¹⁾	Not subject to capital requirements or deducted from capital
Assets						
Cash and cash equivalents	31.795.033	13.058.732	-	-	-	-
Financial assets at fair value through profit and loss	8.382.516	-	360	-	8.382.156	111.451
Financial Assets at Fair Value through Other Comprehensive Income	752.358	752.358	-	-	-	-
Financial Assets Measured at Amortised Cost	8.103.211	6.103.211	-	-	-	-
Derivative Financial Assets	88.485	-	90.479	-	88.845	-
Non Performing Financial Assets	-	-	-	-	-	-
Expected Credit Losses (-)	57.537	-	-	-	-	57.537
LOANS (Net)	56.936.547	43.506.451	-	-	-	(523.675)
Loans	55.521.541	43.146.767	-	-	-	7.187
Financial Lease Receivables	820.674	438.842	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Non Performing Receivables	3.783.237	2.578.885	-	-	-	-
Expected Credit Losses (-)	3.188.905	2.658.043	-	-	-	530.862
Assets Held for Sale and Assets of Discontinued Operations (Net)	118.978	118.978	-	-	-	-
Ownership Investments	43.411	43.411	-	-	-	-
Tangible Assets (Net)	1.508.968	1.430.286	-	-	-	21.295
Intangible Assets (Net)	83.000	34.630	-	-	-	78.682
Investment Property (Net)	-	-	-	-	-	-
Current Tax Asset	2.483	2.483	-	-	-	-
Deferred Tax Asset	489.049	489.049	-	-	-	-
Other Assets	708.621	708.621	-	-	-	-
Total assets	108.955.123	66.248.210	90.839	-	8.471.001	(369.784)
Liabilities						
Funds collected	91.236.649	-	-	-	-	91.236.649
Funds borrowed	6.259.215	-	-	-	-	6.259.215
Borrowings from money markets	1.327	-	-	-	-	1.327
Securities issued	-	-	-	-	-	-
Financial Liabilities At Fair Value Through Profit and Loss	-	-	-	-	-	-
Derivative Financial Liabilities	187.254	-	-	-	-	187.254
Lease Payables	349.614	-	-	-	-	349.614
Provisions	312.078	9.710	-	-	-	302.368
Current Tax Liability	117.218	-	-	-	-	117.218
Deferred Tax Liability	-	-	-	-	-	-
Liabilities For Assets Held For Sale and Assets of Discontinued (Net)	-	-	-	-	-	-
Subordinated Loans	3.119.354	-	-	-	-	3.119.354
Other Liabilities	2.745.561	-	-	-	-	2.745.561
Shareholders' equity	4.626.853	-	-	-	-	4.626.853
Total liabilities	108.955.123	9.710	-	-	-	108.945.413

⁽¹⁾ Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.

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Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)						
Prior Period	Carrying values of items in accordance with Turkish Accounting Standards (TAS)	Subject to credit risk	Subject to counterparty credit risk	Securitization positions	Subject to market risk ⁽¹⁾	Not subject to capital requirements or deducted from capital
Assets						
Cash and cash equivalents	16.648.354	16.648.354	-	-	-	-
Financial assets at fair value through profit and loss	5.403.992	-	175	-	5.403.992	-
Financial Assets at Fair Value through Other Comprehensive Income	1.163.448	1.163.448	-	-	-	-
Financial Assets Measured at Amortised Cost	3.224.800	3.224.800	-	-	-	-
Derivative Financial Assets	13.684	-	13.684	-	13.684	-
Non Performing Financial Assets	-	-	-	-	-	-
Expected Credit Losses (-)	35.426	-	-	-	-	35.426
LOANS (Net)	40.583.348	41.161.113	-	-	-	(577.765)
Loans	40.010.530	40.003.638	-	-	-	6.892
Financial Lease Receivables	360.149	360.149	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Non Performing Receivables	2.045.276	2.045.276	-	-	-	-
Expected Credit Losses (-)	1.832.607	1.247.950	-	-	-	584.657
Assets Held for Sale and Assets of Discontinued Operations (Net)	131.050	131.050	-	-	-	-
Ownership Investments	43.411	43.411	-	-	-	-
Tangible Assets (Net)	1.388.259	1.367.919	-	-	-	20.340
Intangible Assets (Net)	40.533	2.575	-	-	-	37.958
Investment Property (Net)	-	-	-	-	-	-
Current Tax Asset	3.672	3.672	-	-	-	-
Deferred Tax Asset	191.314	191.314	-	-	-	-
Other Assets	515.360	515.360	-	-	-	-
Total assets	69.315.799	64.453.016	13.859	-	5.417.676	(554.893)
Liabilities						
Funds collected	51.613.124	-	-	-	-	51.613.124
Funds borrowed	7.301.865	-	-	-	-	7.301.865
Borrowings from money markets	2.276.453	-	-	-	-	2.276.453
Securities issued	-	-	-	-	-	-
Financial Liabilities At Fair Value Through Profit and Loss	-	-	-	-	-	-
Derivative Financial Liabilities	142.596	-	-	-	-	142.596
Lease Payables	328.395	-	-	-	-	328.395
Provisions	201.243	8.698	-	-	-	192.545
Current Tax Liability	82.968	-	-	-	-	82.968
Deferred Tax Liability	-	-	-	-	-	-
Liabilities For Assets Held For Sale and Assets of Discontinued (Net)	-	-	-	-	-	-
Subordinated Loans	1.732.562	-	-	-	-	1.732.562
Other Liabilities	1.592.366	-	-	-	-	1.592.366
Shareholders' equity	4.044.227	-	-	-	-	4.044.227
Total liabilities	69.315.799	8.698	-	-	-	69.307.101

⁽¹⁾ Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.

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

	Current Period	Total	Subject to credit risk	Securitisation positions	Subject to counterparty credit risk	Subject to market risk ^(*)
1	Carrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	108.955.123	66.248.210	-	90.839	8.471.001
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	-	9.710	-	-	-
3	Total net amount within the scope of legal consolidation	108.955.123	66.238.500	-	90.839	8.471.001
4	Off balance sheet amounts	27.737.356	8.171.482	-	35.136	-
5	Repo and similar transactions ^(**)	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	(4.490.183)	-	-	-
10	Risk amounts	136.692.479	69.919.799	-	125.975	8.471.001

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

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

	Prior Period	Total	Subject to credit risk	Securitisation positions	Subject to counterparty credit risk	Subject to market risk ^(*)
1	Carrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	69.315.799	64.453.016	-	13.859	5.417.676
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	-	8.698	-	-	-
3	Total net amount within the scope of legal consolidation	69.315.799	64.444.318	-	13.859	5.417.676
4	Off balance sheet amounts	20.658.930	6.246.299	-	36.296	-
5	Repo and similar transactions ^(**)	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	(14.631.053)	-	-	-
10	Risk amounts	89.974.729	56.059.564	-	50.155	5.417.676

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

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

b.3. Explanations on differences between carrying values in accordance with Turkish Accounting Standards (TAS) and risk amounts:

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

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c. Credit risk:

c.1. General information on credit risk:

c.1.1. General qualitative information on credit risk:

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

c.1.2. Credit quality of assets:

Current Period		Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ amortisation and impairments	Net values
		Defaulted	Non-defaulted		
1	Loans	3.783.237	56.395.588	3.242.278	56.936.547
2	Debt securities	-	8.956.430	25.163	8.931.267
3	Off-balance sheet exposures	152.901	20.785.811	27.275	20.911.437
4	Total	3.936.138	86.137.829	3.294.716	86.779.251

Prior Period		Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ amortisation and impairments	Net values
		Defaulted	Non-defaulted		
1	Loans	2.045.276	40.433.988	1.895.916	40.583.348
2	Debt securities	-	8.158.565	19.169	8.139.396
3	Off-balance sheet exposures	61.872	14.304.996	34.741	14.332.127
4	Total	2.107.148	62.897.549	1.949.826	63.054.871

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

	Current Period	Prior Period
1 Defaulted loans and debt securities at end of the previous reporting period	2.107.148	2.289.941
2 Loans and debt securities that have defaulted since the last reporting period	2.458.517	1.657.706
3 Receivables back to non-defaulted status	(8.341)	(1.172.677)
4 Amounts written off	(249.185)	(53.145)
5 Other changes	(372.001)	(614.677)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	3.936.138	2.107.148

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c.1.4. Additional information on credit quality of assets:

The scope and definitions of past due receivables and the methods used by the bank to determine the provisions are mentioned in the Explanations on Credit risk.

The Bank may restructure not only non-performing credits but also the first and the second stage credits. Restructuring for the first and the second stage credits are made to improve the customer's ability to repay the credit or for changes in contractual terms upon the customer request regardless of the customer's credit risk. Restructuring for non-performing credits are made for providing collection possibility by establishing a new payment plan.

Breakdowns for receivables in terms of sectors are stated in "II. Explanations on credit risk", footnote 8 " Profile on significant risks in significant regions"

Breakdowns according to the remaining maturity for past due receivables and in terms of geographic locations receivables that specific provisions are set are represented below. In accordance with resolution of the Board of the Bank, TL 249.185 has been written off.

Aging analysis for past due receivables:

As per Financial instruments segmentations, aging analysis af past due but not impaired financial assets is as follows:

	0-30 Day	31-90 Day	Total
Current Period	691.894	5.742.345	6.434.239
Prior Period	858.224	3.535.599	4.393.823

Receivables that provisions are set in terms of geographical region:

Current Period	Non-performing Loans ^(*)	Specific Provision ^(*)
Domestic	3.738.378	2.628.505
Off-shore Banking Countries	25.730	23.288
Other Countries	19.129	6.250
General Total	3.783.237	2.658.043

^(*) Represents amounts for cash loans.

Prior Period	Non-performing Loans ^(*)	Specific Provision ^(*)
Domestic	1.998.272	1.202.596
Off-shore Banking Countries	41.509	41.509
Other Countries	5.495	3.845
General Total	2.045.276	1.247.950

^(*) Represents amounts for cash loans.

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c.2. Credit risk mitigation

c.2.1 Qualitative disclosure on credit risk mitigation techniques:

On and off balance sheet offsetting agreements are not utilized.

The risk mitigators that are used in credit process in compliance with Communiqué "The Risk Mitigation Techniques" which is published at September 6, 2014 are stated below.

a) Financial Collaterals (Government Securities, Cash, Deposit or Participation Fund Pledge, Gold, Stock Pledge)

b) Guarantees

The credibility of guarantors is monitored and evaluated within the framework of credit revision periods.

Collaterals obtained by the Bank are reviewed and appraised in accordance with related legislation as long as the credit relationship is outstanding.

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

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

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

c.2.2 Credit risk mitigation techniques:

		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
Current Period								
1	Loans	41.491.404	15.445.143	12.853.182	5.192.318	3.918.228	-	-
2	Debt securities	8.931.267	-	-	-	-	-	-
3	Total	50.422.671	15.445.143	12.853.182	5.192.318	3.918.228	-	-
4	Of which defaulted	1.006.082	119.112	93.182	8.158	6.793	-	-

		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
Prior Period								
1	Loans	31.475.454	9.107.894	6.613.219	2.807.859	1.721.313	-	-
2	Debt securities	8.139.396	-	-	-	-	-	-
3	Total	39.614.850	9.107.894	6.613.219	2.807.859	1.721.313	-	-
4	Of which defaulted	622.366	174.960	75.150	2.597	1.527	-	-

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c.3. Credit risk under standardised approach:

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

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

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

Current Period	Risk classes	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Receivables from central governments or central banks	19.422.851	644	19.514.846	319	-	0,00%
2	Receivables from regional or local governments	112.481	-	113.103	-	56.241	49,73%
3	Receivables from administrative units and non-commercial enterprises	19.832	54.203	19.832	24.978	35.606	79,46%
4	Receivables from multilateral development banks	-	-	-	-	-	0,00%
5	Receivables from international organizations	-	-	-	-	-	0,00%
6	Receivables from banks and brokerage houses	4.976.290	1.368.977	5.184.821	1.255.906	2.077.439	32,25%
7	Receivables from corporates	16.554.063	7.974.394	16.311.189	4.117.293	19.563.573	95,60%
8	Retail receivables	5.618.454	6.173.231	5.560.804	2.239.105	5.652.742	72,47%
9	Receivables secured by mortgages on property	2.501.573	167.213	2.501.439	58.517	908.718	35,50%
10	Receivables secured by mortgages on commercial property	6.407.952	950.619	6.407.463	471.916	3.341.111	49,09%
11	Past due receivables	621.801	-	621.801	-	672.763	108,20%
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	0,00%
13	Collateralized Securities	-	-	-	-	-	0,00%
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	0,00%
15	Investments similar to collective investment funds	-	-	-	-	-	0,00%
16	Other receivables	5.450.381	17.234	5.450.380	3.448	2.325.178	42,91%
17	Equity share investments	62.639	-	62.639	-	62.639	100,00%
18	Total	61.748.317	16.706.515	61.748.317	8.171.482	34.696.010	49,67%

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Prior Period	Risk classes	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Receivables from central governments or central banks	12.075.854	1.337	12.787.975	580	96	0,00%
2	Receivables from regional or local governments	263.340	-	263.708	-	131.670	49,93%
3	Receivables from administrative units and non-commercial enterprises	50.209	46.608	50.209	21.445	59.780	83,43%
4	Receivables from multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	4.093.732	516.991	4.181.635	433.589	2.218.237	48,06%
7	Receivables from corporates	18.768.696	6.492.853	18.456.695	3.592.118	21.546.786	97,72%
8	Retail receivables	5.606.373	5.011.676	5.123.747	1.843.927	5.046.352	72,43%
9	Receivables secured by mortgages on property	1.280.173	69.861	1.275.375	28.386	456.071	34,98%
10	Receivables secured by mortgages on commercial property	2.260.679	609.355	2.260.679	323.546	1.316.427	50,94%
11	Past due receivables	515.372	-	514.406	-	536.483	104,29%
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	7.299	-	7.299	-	7.299	100,00%
16	Other receivables	4.831.541	13.538	4.831.540	2.708	1.957.562	40,49%
17	Equity share investments	59.997	-	59.997	-	59.997	100%
18	Total	49.813.265	12.762.219	49.813.265	6.246.299	33.336.760	59,47%

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c. 3.3 Exposures by asset classes and risk weights:

Risk Classes/Risk Weighted	Current Period										Total risk amount (post-amount CCF and CRM)
	0%	10%	20%	35% secured by Property mortgage	50%	75%	100%	150%	250%	Others	
1 Receivables from central governments or central banks	19.514.867	-	-	-	298	-	-	-	-	-	19.515.165
2 Receivables from regional or local governments	-	-	-	-	113.103	-	-	-	-	-	113.103
3 Receivables from administrative units and non-commercial enterprises	489	-	10.894	-	-	-	33.427	-	-	-	44.810
4 Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5 Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6 Receivables from banks and brokerage houses	1.206.229	-	3.546.949	-	430.468	-	1.257.081	-	-	-	6.440.727
7 Receivables from corporates	624.083	-	434.635	-	91.440	-	19.251.576	26.748	-	-	20.428.482
8 Retail receivables	181.125	-	230.418	-	-	7.302.726	-	85.640	-	-	7.799.909
9 Receivables secured by mortgages on property	2.954	-	4.276	2.520.147	13.536	-	19.043	-	-	-	2.559.956
10 Receivables secured by mortgages on commercial property	110.407	-	32.399	-	6.734.374	-	384	1.815	-	-	6.879.379
11 Past due receivables	95	-	15	-	198.555	-	122.446	300.690	-	-	621.801
12 Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
13 Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-
14 Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15 Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16 Other receivables	2.148.830	-	1.224.775	-	-	-	2.080.223	-	-	-	5.453.828
17 Equity share investments	-	-	-	-	-	-	62.639	-	-	-	62.639
18 Total	23.789.079	-	5.484.361	2.520.147	7.581.774	7.302.726	22.826.819	414.893	-	-	69.919.799

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	Risk Classes/Risk Weighted	Prior Period								Total risk amount (post-amount CCF and CRM)	
		0%	10%	20%	35% secured by Property mortgage	50%	75%	100%	150%		200%
1	Receivables from central governments or central banks	12.726.101	-	-	-	62.358	-	96	-	-	12.788.555
2	Receivables from regional or local governments	-	-	-	-	263.708	-	-	-	-	263.708
3	Receivables from administrative units and non-commercial enterprises	508	-	14.208	-	-	-	56.938	-	-	71.654
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	5.103	-	2.834.996	-	159.870	-	1.615.255	-	-	4.615.224
7	Receivables from corporates	206.881	-	326.497	-	193.654	-	21.321.781	-	-	22.048.813
8	Retail receivables	136.943	-	161.768	-	-	6.668.963	-	-	-	6.967.674
9	Receivables secured by mortgages on property	2.467	-	2.726	1.293.696	4.282	-	590	-	-	1.303.761
10	Receivables secured by mortgages on commercial property	-	-	-	-	2.535.596	-	48.629	-	-	2.584.225
11	Past due receivables	56	-	4	-	144.754	-	180.881	188.711	-	514.406
12	Receivables defined in high risk category by BRSa	-	-	-	-	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
16	Other receivables	2.241.536	-	793.938	-	-	-	7.299	-	-	7.299
17	Equity share investments	-	-	-	-	-	-	1.798.774	-	-	4.834.248
18	Total	15.319.595	-	4.134.137	1.293.696	3.364.222	6.668.963	25.090.240	188.711	-	56.059.564

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ç. Counterparty credit risk:

ç.1. Qualitative disclosure on counterparty credit risk:

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

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

ç.2. Counterparty credit risk (CCR) approach analysis:

	Current Period	Replacement cost	Potential Future exposure	EEPE ^(*)	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	90.839	35.136	-	-	125.975	43.712
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	-	-	-	-	-	-
6	Total						43.712

^(*) Effective Expected Positive Exposure

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		Replacement cost	Potential Future exposure	EEPE ^(*)	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
Prior Period							
1	Standardised Approach - CCR (for derivatives)	13.859	36.296		-	50.155	9.341
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						9.341

(*) Effective Expected Positive Exposure

ç.3. Capital requirement for credit valuation adjustment (CVA):

	Current Period		Prior Period	
	EAD post-CRM	RWA	EAD post-CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation	-	-	-	-
1 (i) VaR component (including the 3×multiplier)		-		-
2 (ii) Stressed VaR component (including the 3×multiplier)		-		-
3 All portfolios subject to the Standardised CVA capital obligation	125.975	17.273	50.155	2.821
4 Total subject to the CVA capital obligation	125.975	17.273	50.155	2.821

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ç.4. CCR exposures by risk class and risk weights:

Current Period													
Risk Classes	Risk Weighted	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Total credit exposure ⁽¹⁾
Receivables from central governments or central banks	77.073	-	-	-	-	-	-	-	-	-	-	-	77.073
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses	-	-	6.487	-	-	-	-	-	-	-	-	-	6.487
Receivables from corporates	-	-	-	-	-	-	-	42.415	-	-	-	-	42.415
Retail receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables secured by mortgages on property	-	-	-	-	-	-	-	-	-	-	-	-	-
Past due receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	77.073	-	6.487	-	-	-	-	42.415	-	-	-	-	125.975

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

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Prior Period	Risk Weighted									Total credit exposure ⁽¹⁾
Risk Classes	0%	10%	20%	50%	75%	100%	150%	Other		
Receivables from central governments or central banks	38.142	-	-	-	-	-	-	-	38.142	
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	
Receivables from international organizations	-	-	-	-	-	-	-	-	-	
Receivables from banks and brokerage houses	-	-	2.746	951	-	-	-	-	3.697	
Receivables from corporates	-	-	-	-	-	8.316	-	-	8.316	
Retail receivables	-	-	-	-	-	-	-	-	-	
Receivables secured by mortgages on property	-	-	-	-	-	-	-	-	-	
Past due receivables	-	-	-	-	-	-	-	-	-	
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	
Securitisation positions	-	-	-	-	-	-	-	-	-	
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	
Equity share investments	-	-	-	-	-	-	-	-	-	
Other receivables	-	-	-	-	-	-	-	-	-	
Other assets	-	-	-	-	-	-	-	-	-	
Total	38.142	-	2.746	951	-	8.316	-	-	50.155	

⁽¹⁾ Total credit risk represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.

ç.5. Collaterals for CCR

Current Period	Collateral for derivative transactions				Collateral for other transactions	
	Collaterals received		Collaterals granted		Collaterals received	Collaterals granted
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	4.440	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	4.440	-	-	-	-

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Prior Period	Collateral for derivative transactions				Collateral for other transactions	
	Collaterals received		Collaterals granted		Collaterals received	Collaterals granted
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	5.597	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	5.597	-	-	-	-

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

The Bank does not have any risks arising from purchased or sold credit derivatives (December 31, 2020: None).

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

The Bank does not have any risks arising from central counterparty (December 31, 2020: None).

d. Information to be announced to public on Securitization:

There is not any information to be announced to public on securitization (December 31, 2020: None).

e. Market risk

e.1. Qualitative disclosure on market risk:

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

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

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

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e.2 Market risk under standardised approach:

		Current Period	Prior Period
		RWA	RWA
Outright products			
1	Profit rate risk (general and specific)	2.439.588	479.128
2	Equity risk (general and specific)	79.238	3.213.752
3	Foreign exchange risk	1.038.213	1.225.850
4	Commodity risk	436.096	124.107
Options			
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	3.993.135	5.042.837

f. Operational risk:

Capital requirement for operational risk is calculated annually by using the Basic Indicator Method in accordance with Article 24 of the Regulation on the Measurement and Assessment of Capital Adequacy of Banks. As of December 31, 2021, amount subject to operational risk and the calculation information are given below.

	2 PP Value	1 PP Value	CP Value	Total number of years for which gross income is positive	Rate (%)	Total
Gross Income	1.594.924	1.496.532	2.234.929	1.775.462	15	266.319
Amount subject to Operational Risk (Total*12,5)						3.328.991

g. Qualitative disclosure on profit rate risk arising from banking books

a) Important assumptions including the nature of profit rate risk arising from banking books and the early repayment of loans and movements in deposits other than time deposits with measurement frequency of the profit rate risk

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

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

Profit share-yield assets, liabilities that profit share is paid, restructuring risk, yield curve risk in banking books and changes in profit rates occurred in market conditions are monitored, assessed, measured and managed by the Bank in the calculations made within the scope of the related regulation.

Against the risk that these matters may affect the Bank's capital negatively, these risks are assessed and managed on a weekly basis within the scope of the Charters established by the Board of Directors.

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

Currency	Applied Shock (+/-x basis point)	Gains/ (Losses)	Gains/Equity (Losses/Equity) (%)
TL	(+) 500bp	(352.883)	(5,62)
TL	(-) 400bp	328.388	5,23
USD Dollar	(+) 200bp	154.383	2,46
USD Dollar	(-) 200bp	(47.496)	(0,76)
EUR	(+) 200bp	(16.214)	(0,26)
EUR	(-) 200bp	7.572	0,12
Total (For Negative Shocks)	-	288.464	4,59
Total (For Positive Shocks)	-	(214.714)	(3,42)

XI. Explanations on business segments:

The 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)	(207.316)	2.229.269	1.652.034	469.647	4.143.634
Operating Expenses ^(*)	(1.169.238)	(2.011.697)	(790.913)	(90.344)	(4.062.192)
Operating Income/Expenses	(1.376.554)	217.572	861.121	379.303	81.442
Profit/(Loss) Before Tax	(1.376.554)	217.572	861.121	379.303	81.442
Tax Income (Expense)	-	-	-	22.961	22.961
Current Year Profit/(Loss)	(1.376.554)	217.572	861.121	402.264	104.403

Total Assets	4.505.547	54.184.584	45.633.579	4.631.413	108.955.123
Total Liabilities	61.601.748	32.266.284	9.801.996	5.285.095	108.955.123

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Operating Income (Net)	(250.238)	2.162.095	1.021.088	174.025	3.106.970
Operating Expenses ^(*)	(1.018.033)	(1.428.333)	(367.547)	30.678	(2.783.235)
Operating Income/Expenses	(1.268.271)	733.762	653.541	204.703	323.735
Profit/(Loss) Before Tax	(1.268.271)	733.762	653.541	204.703	323.735
Tax Income (Expense)	-	-	-	(68.998)	(68.998)
Current Year Profit/(Loss)	(1.268.271)	733.762	653.541	135.705	254.737

Total Assets	4.029.989	38.161.637	24.154.568	2.969.605	69.315.799
Total Liabilities	33.945.848	19.664.470	11.471.190	4.234.291	69.315.799

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

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SECTION FIVE

Explanations and notes on the unconsolidated financial statements

I. Explanations and notes related to assets:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Foreign currency	158.510	1.636.898	153.161	1.304.238
CBRT	1.477.835	21.001.121	1.100.016	9.074.885
Other ^(*)	184.487	2.039.760	117.876	1.484.832
Total	1.820.832	24.677.779	1.371.053	11.863.955

^(*) Includes precious metals amounting to TL 528.804 (December 31, 2020: TL 758.583) and cash in transit amounting to TL 1.695.443 (December 31, 2020: TL 844.125) as of December 31, 2021.

b. Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	1.436.022	5.163.805	1.092.052	2.012.553
Unrestricted time deposit	-	-	-	-
Restricted time deposit ^(*)	41.813	15.837.316	7.964	7.062.332
Total	1.477.835	21.001.121	1.100.016	9.074.885

^(*) As of December 31, 2021, the reserve requirement held in standard gold is TL 3.135.299 (December 31, 2020: TL 1.885.797)

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 December 31, 2021, the compulsory rates for the reserve deposits at the Central Bank of Turkey 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.

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.

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c.1. Information on Banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic ^(*)	1.494.422	1.039.578	779.426	1.427.623
Abroad	-	2.762.422	-	1.206.297
Foreign head offices and branches	-	-	-	-
Total	1.494.422	3.802.000	779.426	2.633.920

^(*) Includes blockaged amount TL 1.480.543 (December 31, 2020: TL 764.198) booked under TL accounts arising from POS transactions.

c.2. Information on foreign bank accounts:

	Current period		Prior Period	
	Unrestricted amount	Restricted amount	Unrestricted amount	Restricted amount
European Union Countries	1.060.553	-	426.757	-
USA and Canada	657.063	-	247.689	-
OECD Countries ^(*)	61.275	-	26.696	-
Off-shore banking regions	14.204	-	8.040	-
Other ^(**)	797.251	172.076	396.892	100.223
Total	2.590.346	172.076	1.106.074	100.223

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

^(**) Represents the balance amounts to TL 703.028 in Iraq Banks belonging to Bank's foreign branch "Erbil" (December 31, 2020: TL 330.923)

2. Financial assets measured at fair value through profit or 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 December 31, 2021, nominal amounts subject to repurchase agreements is TL 993 (December 31, 2020: TL 1.451.613).

As of December 31, 2021, the collateralized /blocked nominal amount is TL 6.916 (December 31, 2020: TL 5.655).

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b. Financial assets measured at fair value through profit/loss

	Current Period		Prior Period	
	TL	FC	TL	FC
Investment fund participation certificates (Net) ^(*)	1.165 ^(*)	-	1.606.875 ^(**)	-
Sukuk	1.489.895	6.850.650	542.627	3.232.684
Equity Securities	-	19.198	-	10.774
Other	1.814	19.794	86	10.946
Total	1.492.874	6.889.642	2.149.588	3.254.404

^(*) Includes participation certificates of "Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu"

^(**) Includes participation certificates of real estate investment funds: "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", "Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu" and venture capital funds: "Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Inovasyon Girişim Sermayesi Yatırım Fonu", "Albaraka Portföy Yönetimi A.Ş. Bilişim Vadisi Girişim Sermayesi Yatırım Fonu" and "Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu".

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 a collateral or blocked:

As of December 31, 2021, there is not any amount subject to repurchase agreements (December 31, 2020: TL 163.856).

As of December 31, 2021, the collateralized /blocked nominal amount is TL 99.011 (December 31, 2020: TL none).

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

	Current Period	Prior Period
Debt Securities	733.943	1.142.096
Quoted on a stock exchange	733.943	1.142.096
Unquoted	-	-
Investment Funds	-	7.299
Quoted on a stock exchange	-	-
Unquoted	-	7.299
Share Certificates	24.686	16.864
Quoted on a stock exchange	-	-
Unquoted	24.686	16.864
Impairment Provision (-)	6.271	2.811
Total	752.358	1.163.448

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4. Information on financial assets measured at amortised cost:

a) Information on subject to repurchase transactions, given as collateral or blocked:

As of December 31, 2021, there is not any amount subject to repurchase agreements (December 31, 2020: TL 421.831)

As of December 31, 2021, the collateralized/blocked nominal amount is TL 539.107 (December 31, 2020: TL 290.072)

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

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities ^(*)	8.103.211	3.224.800
Total	8.103.211	3.224.800

^(*) 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	8.103.211	3.224.800
Quoted on a stock exchange	8.103.211	3.224.800
Unquoted	-	-
Impairment provision (-)	-	-
Total	8.103.211	3.224.800

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

	Current Period	Prior Period
Balance at beginning of period	3.224.800	1.994.319
Foreign currency differences on monetary assets	2.602.268	424.544
Purchases during period ^(*)	3.762.132	1.740.999
Disposals through sales and redemptions ^(*)	(1.510.652)	(957.473)
Impairment provision (-)	-	-
Reclassifications	-	-
Income accruals	24.663	22.411
Closing balance	8.103.211	3.224.800

^(*) Represented on nominal values.

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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	32.030	-	5.725	-
Swap Transactions	56.455	-	7.959	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Others	-	-	-	-
Total	88.485	-	13.684	-

The Bank has not any derivative financial assets for hedging purposes. (December 31, 2020: None).

6. Information on loans:

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

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	102.174	5.591	119.171	12.696
Corporate shareholders	98.481	5.591	114.657	12.346
Real person shareholders	3.693	-	4.514	350
Indirect loans granted to shareholders	1.219.475	64.583	818.807	34.537
Loans granted to employees	20.765	39.800	16.439	2.000
Total	1.342.414	109.974	954.417	49.233

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b. Information on standard 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			
	Standard Loans	Not Under the Scope of Restructuring or Rescheduling	Restructured	
			Amendments to the Terms of Contracts	Refinancing
Cash Loans				
Loans	49.825.565	2.267.843	1.701.046	1.727.087
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 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 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.

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Prior Period	Loans Under Close Monitoring			
	Not Under the Scope of Restructuring or Rescheduling		Restructured	
Cash Loans	Standard Loans	Amendments to the Terms of Contracts	Refinancing	
Loans	36.496.372	1.617.583	1.180.435	716.140
Export loans	2.135.811	7.051	-	-
Import loans	2.767.225	26.060	29.495	-
Business loans	16.728.565	1.471.553	825.171	676.532
Consumer loans	3.783.301	60.337	15.812	-
Credit cards	452.169	2.326	-	-
Loans given to financial sector	1.625.242	-	-	-
Other ^(*)	9.004.059	50.256	309.957	39.608
Other receivables	-	-	-	-
Total	36.496.372	1.617.583	1.180.435	716.140

(*) Details of other loans are provided below:

Commercial loans with installments	2.315.066
Other investment credits	1.168.616
Loans given to abroad	2.397.739
Profit and loss sharing investments ^(**)	3.200.820
Loans for purchase of marketable securities for customer	301.110
Other	20.529
Total	9.403.880

(**) As of December 31, 2020, the related balance represents profit and loss sharing investment projects (7 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 Bank. As of December 31, 2020, 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 94.353 for 2020 (TL 97.309 valuation profit, TL 2.956 valuation loss) between the total risk of the Bank and independent valuation reports of the related projects is reflected to the profit and loss statement. Total cumulative valuation profit is TL 271.089 and valuation loss is TL 61.984 for profit and loss sharing investments.

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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	163.379	-
Significant Increase in Credit Risk	-	367.483

Prior Period	Standard Loans	Loans under close monitoring
12 Month Expected Credit Losses	159.543	-
Significant Increase in Credit Risk	-	425.114

c. Maturity analysis of cash loans:

Cash Loans	Loans Under Follow-Up		
Current Period	Standard Loans	Non-restructured	Restructured
Short term loans	9.732.110	1.123.635	-
Medium and long-term loans ^(*)	40.093.455	3.853.653	718.688
Total	49.825.565	4.977.288	718.688

^(*) Loans with original maturities longer than a year are classified as "Medium and Long Term Loans".

Cash Loans	Loans Under Follow-Up		
Prior Period	Standard Loans	Non-restructured	Restructured
Short term loans	8.976.396	249.586	-
Medium and long-term loans ^(*)	27.519.976	1.367.997	1.896.575
Total	36.496.372	1.617.583	1.896.575

^(*) Loans with original maturities longer than a year are classified as "Medium and Long Term Loans".

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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	49.141	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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Prior Period	Short-term	Medium and long-term	Total
Consumer loans-TL	42.891	3.804.906	3.847.797
Housing loans	13.476	3.272.095	3.285.571
Vehicle loans	10.696	403.853	414.549
Consumer loans	18.719	128.958	147.677
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	892	892
Housing loans	-	892	892
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	116.069	214	116.283
With installment	41.698	203	41.901
Without installment	74.371	11	74.382
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	8.595	2.166	10.761
Housing loans	-	445	445
Vehicle loans	98	1.612	1.710
Consumer loans	8.497	109	8.606
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	5.658	20	5.678
With installment	2.842	20	2.862
Without installment	2.816	-	2.816
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL (Real Person)	-	-	-
Overdraft account-FC (Real Person)	-	-	-
Total	173.213	3.808.198	3.981.411

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

Current 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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Prior Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	168.471	1.764.204	1.932.675
Business loans	6.845	442.011	448.856
Vehicle loans	118.689	990.948	1.109.637
Consumer loans	42.937	331.245	374.182
Other	-	-	-
Commercial installment loans-FC indexed	-	115.144	115.144
Business loans	-	65.599	65.599
Vehicle loans	-	9.475	9.475
Consumer loans	-	40.070	40.070
Other	-	-	-
Commercial installment Loans-FC	1.108	266.139	267.247
Business loans	391	96.700	97.091
Vehicle loans	717	117.604	118.321
Consumer loans	-	51.835	51.835
Other	-	-	-
Corporate credit cards-TL	331.662	872	332.534
With installment	108.231	825	109.056
Without installment	223.431	47	223.478
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	-	-	-
Overdraft account-FC (Legal Entity)	-	-	-
Total	501.241	2.146.359	2.647.600

e. Allocation of loans by customers:

	Current Period	Prior Period
Public	103.821	333.571
Private	55.417.720	39.676.959
Total	55.521.541	40.010.530

f. Breakdown of domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	51.950.811	37.612.791
Foreign loans	3.570.730	2.397.739
Total	55.521.541	40.010.530

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g. Loans granted to subsidiaries and associates:

	Current Period		Prior Period	
	TL	FC	TL	FC
Direct Loans Granted to Subsidiaries and Associates	-	-	3	-
Indirect Loans Granted to Subsidiaries and Associates	-	-	-	-
Total	-	-	3	-

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

	Current Period	Prior Period
Loans with limited collectability	346.715	133.510
Loans with doubtful collectability	325.046	92.404
Uncollectible loans	1.986.282	1.022.036
Total	2.658.043	1.247.950

Specific provisions in the amount of TL 2.658.043 (December 31, 2020: TL 1.247.950) comprise TL 973.778 (December 31, 2020: TL 441.674) 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	-	414	132.728
Restructured loans	-	414	132.728
Prior Period			
Gross amount before specific provisions	-	2.074	80.452
Restructured loans	-	2.074	80.452

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectable loans
Current 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
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.

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectable loans and receivables
Prior Period			
Closing balance of prior period	466.434	319.648	1.435.641
Additions in the current period (+)	818.060	353.978	485.668
Transfers from other categories of non-performing loans (+)	-	962.814	1.067.134
Transfers to other categories of non-performing loans (-)	962.814	1.067.134	-
Collections in the current period (-)	58.691	132.195	417.445
Transfers to standard loans and write off(-) ^(*)	69.124	196.751	959.947
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other ^(**)	-	-	-
Closing balance of the current period	193.865	240.360	1.611.051
Specific provisions (-)	133.510	92.404	1.022.036
Net balance at the balance sheet	60.355	147.956	589.015

^(*) 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 1.172.677 and the written off amount is TL 53.145. These transactions' impact to NPL ratio is 289 basis point. The Bank has reclassified TL 1.092.914 as performing loans classified as non-performing loans before July 31, 2020 by approximation. As of December 31, 2020, the Bank has continued to classify TL 603.718 of these loans in performing loans accounts and allocate provisions amounting to TL 324.619 for them.

Non-performing loans in the amount of TL 2.045.276 comprise TL 875.152 of participation account share of loans provided from participation accounts.

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectable loans
Current 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
Prior period:			
Period end balance	147.246	57.915	403.144
Specific provision (-)	113.479	36.969	352.207
Net balance	33.767	20.946	50.937

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectable loans
Current period (net)	176.828	40.437	907.929
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 and receivables (gross)	-	-	-
Provision (-)	-	-	-
Other loans (net)	-	-	-
Prior period (net)^(*)	60.355	147.956	589.015
Loans to individuals and corporates (gross)	193.865	240.360	1.611.051
Specific provision (-)	133.510	92.404	1.022.036
Loans to individuals and corporates (net)	60.355	147.956	589.015
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-

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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 Loans with limited collectibility	Group IV Loans with doubtful collectability	Group V Uncollectible loans
Current 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
Prior Period (Net)	10.116	43.507	139.389
Profit Share Accruals and Valuation Differences	17.782	48.384	264.252
Provision (-)	7.666	4.877	124.863

i. Liquidation policy for uncollectible loans:

Loans determined as uncollectible are liquidated through starting legal follow up and by converting the guarantees into cash.

i. Information on write-off policies:

The write-off policy of the Bank for receivables under follow up is to retire the receivables from assets in case of determination of the inability of collection through follow-up by the decision of Bank management .As of December 31, 2021, loans which deemed uncollectible amounts to TL 249.185 have been written off as per the decision taken by the bank management (December 31, 2020: TL 53.145).

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	168.950	158.920	84.351	75.566
1 to 4 years	617.544	563.304	281.824	261.742
More than 4 years	106.525	98.450	27.587	22.841
Total	893.019	820.674	393.762	360.149

b. Information on net investments through finance lease:

	Current Period	Prior Period
Financial lease receivables (Gross)	893.019	393.762
Unearned financial lease receivable (-)	72.345	33.613
Net receivable from financial leases	820.674	360.149

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c. General explanation on finance lease contracts:

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

Information on leasing receivables:

	Loans Under Close Monitoring			
	Restructured			
	Standard Loans	Not Under the Scope of Restructuring or Rescheduling	Loans with Revised Contract Terms	Refinancing
Current Period				
Financial lease receivables (Net)	774.305	38.705	7.664	-
Prior Period				
Financial lease receivables (Net)	338.708	2.709	18.732	-

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	131.050	124.480
Additions	222.019	248.530
Disposals	(87.111)	(142.005)
Transfers ^(*)	(104.641)	(98.357)
Impairment Provision(-)/Reversal of Impairment Provision ^(*)	(42.339)	(1.598)
Net closing balance	118.978	131.050

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

As of December 31, 2021, TL 118.932 (December 31, 2020: TL 131.042) of the assets held for sale is comprised of real estates, TL 46 (December 31, 2020: TL 8) is comprised of other tangible assets. The Bank has not any discontinued operations and assets of discontinued operations.

9. Ownership investments:

a. Associates:

a.1. Information on unconsolidated associates:

As of balance sheet date, the Bank does not have any unconsolidated associates.

a.2. Information on consolidated associates:

As of balance sheet date, the Bank does not have any consolidated associates.

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b. Information on subsidiaries (net):

b1. Information on unconsolidated non financial subsidiaries:

As of balance sheet date, the Bank does not have any non financial subsidiaries.

b2. Information on consolidated subsidiaries:

Bereket Varlık Kiralama A.Ş. and Değer Varlık Kiralama A.Ş., 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 December 31, 2021, the capital of each company is TL 50.

i. The balances of Bereket Varlık Kiralama A.Ş. presented in the table below have been obtained from audited financial statements as of December 31, 2021.

Name	Address (City/Country)	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
4.115.041	180	-	-	-	7	113	-

ii. The balances of Değer Varlık Kiralama A.Ş. presented in the table below have been obtained from audited financial statements as of December 31, 2021.

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
52	50	-	-	-	-	-	-

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iii. In the Board of Directors meeting dated February 25, 2015, the 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 December 31, 2021, 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 audited financial statements as of December 31, 2021.

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
85.368	78.829	1.036	12.596	-	31.221	395	-

iv. As of December 31, 2021 unaudited financial statements of the Bank's subsidiary "Insha GMBH" based in Berlin (Germany) established under "Europe Digital Banking Project" is as follows;

Name	Address (City/Country)	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
€ 1.008.207	€ 119.969	-	-	-	€ (517.572)	€ (2.298.240)	-

v. Movement and sectoral information on consolidated subsidiaries:

	Current Period	Prior Period
Amount at the beginning of the period	23.411	23.711
Movements inside the term	-	(300)
Purchases/new incorporations/capital increases/capital decreases (-)	-	(300)
Bonus shares	-	-
Profit received from current year share	-	-
Sales	-	-
Revaluation increases	-	-
Impairments	-	-
Amount at the end of the period	23.411	23.411
Capital commitments	-	-
Share of the capital at the end of the period (%)	100	100

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

c. Information on investments in joint-ventures:

The 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. The financial data from unaudited financial statements as of December 31, 2021 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.	50,00	50,00	351.165	5.776.031	5.802.749	305.436	(249.542)

Investment in joint venture in the unconsolidated financial statements is carried at cost.

10. Information on tangible assets:

Current period	Immovables ^(*)	Leased tangible assets	Vehicles	Other ^(*)	Assets held for sale	Total
Cost						
Opening balance: January 1, 2021	876.740	-	922	365.685	555.254	1.798.601
Additions	46.985	-	18	38.885	-	85.888
Revaluation differences	185.972	-	-	-	-	185.972
Disposals	-	-	(122)	(7.762)	(190.492)	(198.376)
Impairment losses(-)/Reversal of impairment losses	-	-	-	-	27.896	27.896
Transfers	-	-	-	-	104.641	104.641
Ending balance: December 31, 2021	1.109.697	-	818	396.808	497.299	2.004.622
Accumulated depreciation(-)						
Opening balance: January 1, 2021	165.280	-	706	242.036	2.320	410.342
Depreciation expense	54.432	-	85	37.115	-	91.632
Reversal of depreciation of the disposed assets	-	-	(99)	(6.034)	(187)	(6.320)
Transfers	-	-	-	-	-	-
Ending balance: December 31, 2021	219.712	-	692	273.117	2.133	495.654
Total cost at the end of the year	1.109.697	-	818	396.808	497.299	2.004.622
Total accumulated depreciation at the end of the year	(219.712)	-	(692)	(273.117)	(2.133)	(495.654)
Closing net book value	889.985	-	126	123.691	495.166	1.508.968

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Prior period	Immovables	Leased tangible assets	Vehicles	Other	Assets Held for sale	Total
Cost						
Opening balance: January 1, 2020	793.873	-	737	308.648	743.088	1.846.346
Additions	41.159	-	185	70.307	-	111.651
Revaluation differences	41.708	-	-	-	-	41.708
Disposals	-	-	-	(13.270)	(290.271)	(303.541)
Impairment losses(-)/Reversal of impairment losses	-	-	-	-	4.080	4.080
Transfers	-	-	-	-	98.357	98.357
Ending balance: December 31, 2020	876.740	-	922	365.685	555.254	1.798.601
Accumulated depreciation(-)						
Opening balance: January 1, 2020	112.284	-	606	214.625	2.416	329.931
Depreciation expense	52.996	-	100	56.715	-	109.811
Reversal of depreciation of the disposed assets	-	-	-	(29.304)	(96)	(29.400)
Transfers	-	-	-	-	-	-
Ending balance: December 31, 2020	165.280	-	706	242.036	2.320	410.342
Total cost at the end of the year	876.740	-	922	365.685	555.254	1.798.601
Total accumulated depreciation at the end of the year	(165.280)	-	(706)	(242.036)	(2.320)	(410.342)
Closing net book value	711.460	-	216	123.649	552.934	1.388.259

As of December 31, 2021, the immovables of the Bank have been revalued by an independent valuer and revaluation fund of TL 444.616 (December 31, 2020: TL 300.370) net of deferred tax and depreciation has been reflected in the financial statements. After the revaluation, the cost of the Bank's immovables amounting to TL 688.517 (December 31, 2020: TL 518.049), their amortisations amounting to TL 90.454 (December 31, 2020: TL 77.788), net carrying value is TL 598.063 (December 31, 2020: TL 440.261). As of December 31, 2021, the cost of the movables and immovable recognized as "right of use" under tangible assets accordance with "TFRS 16 Leases" standard in the balance sheet of the Bank is TL 451.424 (December 31, 2020: TL 400.880), related amortisations amounting to TL 145.415 (December 31, 2020: TL 104.546).

11. Information on intangible assets:

a) Opening and ending book values and accumulated depreciation balances:

	Current Period	Prior Period
Gross book value	283.265	197.843
Accumulated depreciation (-)	200.265	157.310
Total (net)	83.000	40.533

b) Intangible assets movement between the beginning and end of the period:

	Current Period	Prior Period
Opening balance	40.533	30.535
Additions	75.121	29.382
Disposals (-) (net)	-	32
Depreciation expense (-)	32.654	19.352
Closing net book value	83.000	40.533

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12. Information on investment property:

None (December 31, 2020: None).

13. Information related to deferred tax asset:

As of December 31, 2021, the Bank calculated net deferred tax asset of TL 489.049 (December 31, 2020: TL 191.314) by netting off deferred tax asset of TL 631.449 (December 31, 2020: TL 277.217) and deferred tax liability of TL 142.400 (December 31, 2020: TL 85.903) 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	79.209	46.315
Provisions for retirement premium and vacation pay liabilities	30.142	28.928
Difference between carrying value and tax base of tangible assets (amortisation differences)	46.991	33.517
Depreciation of tangible assets	45.110	42.304
Provisions for cases on trial	6.811	4.037
Provisions	70.461	63.397
Leasing profit share expenses	33.226	23.098
Other ^(*)	319.499	35.621
Deferred tax asset	631.449	277.217
Revaluation difference of property	41.415	24.803
Rediscount on profit share	9.577	9.333
Right of use assets	60.625	40.006
Derivative financial liabilities	17.697	2.737
Other	13.086	9.024
Deferred tax liability	142.400	85.903
Deferred tax asset (net)	489.049	191.314

^(*) Includes tax asset amounts to TL 265.902 calculated from net financial losses (December 31, 2020: TL 9.799). Since the Bank has projections on that it will acquire adequate taxable income to deduct these amounts in the coming periods, it has recognized TL 265.902 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	1.113.492	-
Total	1.156.096	42.604

14. Information on other assets:

As of the balance sheet date, the Bank's other assets balance is TL 708.621 (December 31, 2020: TL 515.360) and does not exceed 10% of balance sheet total excluding off balance sheet commitments.

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II. Explanations and notes related to liabilities:

1. Information on funds collected:

a. Information on maturity structure of funds collected:

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	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	3.713.083	-	-	-	-	-	-	-	3.713.083
Public Sector	84.792	-	-	-	-	-	-	-	84.792
Commercial Institutions	3.423.994	-	-	-	-	-	-	-	3.423.994
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	-	840.330	1.994.941	137.709	-	12.031	167.947	120	3.153.078
Public Sector	-	10	110	-	-	-	-	-	120
Commercial Institutions	-	785.975	1.598.806	135.664	-	12.024	165.558	120	2.698.147
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	16.467.636	-	-	-	-	-	-	-	16.467.636
Residents in Turkey-Corporate	10.655.873	-	-	-	-	-	-	-	10.655.873
Residents Abroad-Corporate	4.369.056	-	-	-	-	-	-	-	4.369.056
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	-	1.255.705	4.051.953	28.420	-	29.869	34.009	2.014	5.401.970
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	844.323	3.394.400	21.434	-	9.968	33.959	2.014	4.306.098
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)	46.282.435	13.617.322	25.742.439	1.452.650	-	182.160	3.925.389	34.254	91.236.649

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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	1.992.760	-	-	-	-	-	-	-	1.992.760
II. Real Persons Participation Accounts Non-Trade TL	-	2.463.568	4.087.946	153.137	-	26.584	499.675	12.971	7.243.881
III. Current Account other-TL	2.641.808	-	-	-	-	-	-	-	2.641.808
Public Sector	105.782	-	-	-	-	-	-	-	105.782
Commercial Institutions	2.402.259	-	-	-	-	-	-	-	2.402.259
Other Institutions	114.555	-	-	-	-	-	-	-	114.555
Commercial and Other Institutions	9.858	-	-	-	-	-	-	-	9.858
Banks and Participation Banks	9.354	-	-	-	-	-	-	-	9.354
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	9.338	-	-	-	-	-	-	-	9.338
Participation Banks	14	-	-	-	-	-	-	-	14
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	455.400	3.016.812	32.117	-	8.231	74.024	-	3.586.584
Public Sector	-	27	108	-	-	-	-	-	135
Commercial Institutions	-	383.245	2.756.996	25.207	-	7.715	70.716	-	3.243.879
Other Institutions	-	71.921	258.159	6.910	-	516	3.308	-	340.814
Commercial and Other Institutions	-	207	1.521	-	-	-	-	-	1.728
Banks and Participation Banks	-	-	28	-	-	-	-	-	28
V. Real Persons Current Accounts Non-Trade FC	6.905.657	-	-	-	-	-	-	-	6.905.657
VI. Real Persons Participation Accounts Non-Trade FC	-	3.833.633	6.121.582	554.465	-	33.262	1.521.954	5.708	12.070.604
VII. Other Current Accounts FC	8.115.898	-	-	-	-	-	-	-	8.115.898
Residents in Turkey-Corporate	5.966.305	-	-	-	-	-	-	-	5.966.305
Residents abroad-Corporate	1.657.861	-	-	-	-	-	-	-	1.657.861
Banks and Participation Banks	491.732	-	-	-	-	-	-	-	491.732
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	485.345	-	-	-	-	-	-	-	485.345
Participation Banks	6.387	-	-	-	-	-	-	-	6.387
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other- FC	-	691.876	2.067.408	57.440	-	14.922	19.547	983	2.852.176
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	578.194	1.863.815	51.626	-	7.183	16.155	983	2.517.956
Other Institutions	-	19.257	38.631	8	-	-	-	-	57.896
Commercial and Other Institutions	-	94.425	164.962	5.806	-	-	71	-	265.264
Banks and Participation Banks	-	-	-	-	-	7.739	3.321	-	11.060
IX. Precious Metals Deposits	3.503.252	730.043	1.795.960	85.342	-	14.686	73.309	1.164	6.203.756
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)	23.159.375	8.174.520	17.089.708	882.501	-	97.685	2.188.509	20.826	51.613.124

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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 Current Period	Under the guarantee of Insurance Prior Period	Exceeding the guarantee of Insurance Current Period	Exceeding the guarantee of Insurance Prior Period
Real persons' current and participation accounts not subject to trading transactions				
Turkish Lira accounts	6.207.822	4.996.232	7.126.212	4.241.399
Foreign currency accounts	8.600.262	6.815.438	38.238.727	17.579.364
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 150 (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	312.319	101.643
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	39.825	17.468
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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2. Information on borrowings:

a.1. Information on types of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Syndication Loans	-	-	-	-
Wakala Loans	-	1.249.451	-	2.211.237
Loans Obtained from Issued Lease Certificates (Sukuk)	4.109.766	-	4.242.982	-
Other	58.621	841.377	71.776	775.870
Total	4.168.387	2.090.828	4.314.758	2.987.107

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	4.168.387	465.339	4.314.758	392.353
Loans from foreign banks, institutions and funds	-	1.625.489	-	2.594.754
Total	4.168.387	2.090.828	4.314.758	2.987.107

a.3. Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	4.041.603	2.007.533	4.284.444	2.754.315
Medium and Long-Term	126.784	83.295	30.314	232.792
Total	4.168.387	2.090.828	4.314.758	2.987.107

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

The Bank does not have concentration on customer or sector group providing funds (December 31, 2020: None).

3. Information on derivative financial liabilities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	20.861	-	3.850	-
Swap transactions	159.624	6.769	138.746	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	180.485	6.769	142.596	-

The Bank has not any derivative financial liabilities for hedging purposes (December 31, 2020: None).

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4. Lease payables (Net):

	Current Period		Prior Period	
	TL	FC	TL	FC
Less than a year	4.631	-	4.449	-
1 to 5 years	108.401	-	103.519	714
Over 5 years	214.808	21.774	206.716	12.997
Total	327.840	21.774	314.684	13.711

5. Information on provisions:

a. Information on provisions for employee rights:

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 130.282 (December 31, 2020: TL 120.932), vacation pay liability amounting to TL 17.764 (December 31, 2020: TL 13.709) totaling to TL 148.046 (December 31, 2020: TL 134.641). Provisions for performance premium have not been allocated in the current period (December 31, 2020: TL 10.000). The Bank has calculated the reserve for employee termination benefits using actuarial valuation methods as indicated in TAS 19. Accordingly, following actuarial assumptions were used in the calculation of the total liability.

	Current Period	Prior Period
Discount rate (%)	14,50	12,40
Estimated increase rate of salary ceiling (%)	10,00	10,70

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

	Current Period	Prior Period
Prior period ending balance	120.932	85.961
Allocation the in period	25.300	20.400
Actuarial (gain)/loss	(15.950)	14.571
Balance at the end of the period	130.282	120.932

b. Other provisions:

	Current Period	Prior Period
Non-cash loans first and second stage expected loss provisions	16.435	26.446
Provisions allocated from profit shares to be distributed to profit sharing accounts	2.957	-
Third stage expected loss provisions for undemnified letter of guarantees	3.881	4.578
Third stage expected loss provisions for cheques commitments	4.002	3.717
Provisions for promotions related with credit cards and promotion of banking services	283	217
Provisions for cases on trial	34.057	20.183
Accrual for purchase and sale commitments	1.583	725
Free provisions allocated for possible losses	100.000	-
Other	834	736
Total	164.032	56.602

As of December 31, 2021, free provisions amount in the financial statements are TL 100.000 and all the amount has been recognised in the current term (December 31, 2020: None)

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

As of December 31, 2021, there is not any provision for foreign exchange losses on foreign currency indexed loans and financial lease receivables (December 31, 2020: TL 1.325).

6. Information on taxes payable:

a. Explanations on current tax liability

a.1. Explanations on tax provisions:

As of December 31, 2021, the Bank has remaining tax liability after offsetting prepaid corporate tax amount to TL 18.614 (December 31, 2020: TL 10.912).

a.2. Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	18.614	10.912
Banking insurance transaction tax	26.333	28.030
Taxation on securities income	18.094	14.122
Value added tax payable	3.224	1.673
Taxation on real estate income	1.371	548
Foreign exchange transaction tax	17.031	3.153
Income tax deducted from wages	14.432	10.482
Other	2.611	1.128
Total	101.710	70.048

a.3. Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	6.708	5.568
Social security premiums-employer	7.366	6.164
Bank pension fund premium-employees	-	-
Bank pension fund premium-employer	-	-
Pension fund membership fees and provisions-employees	-	-
Pension fund membership fees and provisions-employer	-	-
Unemployment insurance-employee	478	396
Unemployment insurance-employer	956	792
Other	-	-
Total	15.508	12.920

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

None (December 31, 2020: None).

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8. 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 additional Tier I Capital	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in calculation of Tier II Capital	-	3.119.354	-	1.732.562
Subordinated loans	-	3.119.354	-	1.732.562
Subordinated debt instruments	-	-	-	-
Total	-	3.119.354	-	1.732.562

The Bank has obtained subordinated loan on November 30, 2015 from the investors not resident in Turkey through its structured entity Albaraka Sukuk Limited 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 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 Bank has realized unmatured additional Tier 1 Capital amount to USD 205.000.000 on February 20, 2018.

9. 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, 2020: None).

10. 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 Bank and if so, amount of the registered share capital ceiling:

In the Board of Directors meeting dated February 28, 2013, the Bank has taken a resolution on transition to registered capital system. The application dated December 27, 2016 for the extension of the Registered Capital Ceiling to the Capital Markets Board was approved on January 10, 2017 and the registered capital ceiling was determined as TL 2.500.000 to be valid until December 31, 2021.

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

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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.

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

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

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

There are no privileges 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 ^(*)	11.641	6.760	(1.500)	5.308
Foreign exchange difference	-	-	-	-
Total	11.641	6.760	(1.500)	5.308

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

ğ) Information on other capital reserves:

The Bank has evaluated its unmatured 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 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 Bank has option to cancel the expense amounts. If the Bank uses this option, it is not obligatory to pay the amount it has not paid in the following periods.

The total coupon payment for the related transaction amounting to TL 468.589 (December 31, 2020: TL 310.576) has been recognized under prior years profit / loss.

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

1. Explanations on off balance sheet:

a. Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for credit card limits	1.059.919	919.974
Payment commitments for cheques	834.732	667.621
Asset purchase and sale commitments	927.624	1.209.072
Loan granting commitments	655.296	429.887
Tax and funds liabilities arising from export commitments	17.234	13.538
Commitments for promotions related with credit cards and banking activities	555	398
Other irrevocable commitments	552	547
Other revocable commitments	39.500	4.000
Total	3.535.412	3.245.037

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	12.371.236	9.202.929
Bank loans	99.278	49.363
Letters of credit	4.898.399	1.770.792
Other guaranties and sureties	34.387	98.747
Total	17.403.300	11.121.831

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

	Current Period	Prior Period
Letters of guarantees	12.371.236	9.202.929
Long standing letters of guarantees	8.421.227	5.865.414
Temporary letters of guarantees	294.638	445.644
Advance letters of guarantees	803.105	551.308
Letters of guarantees given to customs	654.451	564.615
Letters of guarantees given for obtaining cash loans	2.197.815	1.775.948
Sureties and similar transactions	34.387	98.747
Total	12.405.623	9.301.676

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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	2.197.815	1.775.948
With original maturity of 1 year or less	662.573	445.879
With original maturity of more than 1 year	1.535.242	1.330.069
Other non-cash loans	15.205.485	9.345.883
Total	17.403.300	11.121.831

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

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

	Current period			
	TL	(%)	FC	(%)
Agricultural	110.103	1,56	53.430	0,52
Farming and stockbreeding	59.909	0,85	52.460	0,51
Forestry	49.622	0,70	970	0,01
Fishery	572	0,01	-	0,00
Manufacturing	1.745.283	24,65	4.600.865	44,57
Mining	55.295	0,78	690	0,01
Production	1.513.702	21,38	3.896.762	37,75
Electricity, gas and water	176.286	2,49	703.413	6,81
Construction	1.486.579	21,00	1.045.891	10,13
Services	3.539.218	49,99	4.275.662	41,42
Wholesale and retail trade	1.938.841	27,38	1.780.183	17,24
Hotel, food and beverage services	43.099	0,61	87.363	0,85
Transportation and telecommunication	305.655	4,32	146.175	1,42
Financial Institutions	390.114	5,51	1.989.986	19,28
Real estate and renting services	340.794	4,81	176.968	1,71
Self-employment services	207.978	2,94	55.029	0,53
Education services	64.880	0,92	1.469	0,01
Health and social services	247.857	3,50	38.489	0,38
Other	199.074	2,80	347.195	3,36
Total	7.080.257	100,00	10.323.043	100,00

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	Prior period			
	TL	(%)	FC	(%)
Agricultural	48.603	0,85	21.374	0,39
Farming and stockbreeding	29.947	0,52	20.773	0,38
Forestry	17.730	0,31	601	0,01
Fishery	926	0,02	-	0,00
Manufacturing	1.458.367	25,54	2.558.209	47,27
Mining	35.507	0,62	27.660	0,51
Production	1.216.621	21,31	2.170.891	40,11
Electricity, gas and water	206.239	3,61	359.658	6,65
Construction	1.276.062	22,35	602.784	11,14
Services	2.802.568	49,08	2.064.741	38,15
Wholesale and retail trade	1.549.561	27,14	1.228.682	22,70
Hotel, food and beverage services	45.305	0,79	50.309	0,93
Transportation and telecommunication	231.496	4,05	83.966	1,55
Financial Institutions	207.272	3,63	554.681	10,25
Real estate and renting services	453.045	7,93	106.033	1,96
Self-employment services	153.684	2,69	23.898	0,44
Education services	52.239	0,91	226	0,00
Health and social services	109.966	1,94	16.946	0,32
Other	124.537	2,18	164.586	3,05
Total	5.710.137	100,00	5.411.694	100,00

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

Current Period	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	6.940.630	10.048.418	104.436	223.386
Letters of guarantee	6.908.691	5.048.293	104.436	223.386
Bank loans	-	99.278	-	-
Letters of credit	12.324	4.886.075	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	19.615	14.772	-	-

Prior Period	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	5.582.217	5.331.329	89.560	70.410
Letters of guarantee	5.519.271	3.475.701	89.560	70.082
Bank loans	-	49.363	-	-
Letters of credit	39.522	1.730.942	-	328
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	23.424	75.323	-	-

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2. Explanations on derivative transactions:

	Derivative transactions according to purpose December 31, 2021	Derivative transactions according to purpose December 31, 2020
Trading Derivatives		
Foreign Currency Related Derivative Transactions (I)	6.798.644	6.292.062
Currency Forwards-Purchases, sales	951.048	243.125
Currency Swaps-Purchases, sales	5.847.596	6.048.937
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
Profit share Rate Related Derivative Transactions (II)	-	-
Profit share rates forwards-Purchase, sales	-	-
Profit share rates swaps-Purchases, sales	-	-
Profit share rates options-Purchases, sales	-	-
Profit share rates futures-Purchases, sales	-	-
Other Trading Derivatives (III)	-	-
A. Total Trading Derivatives (I + II + III)	6.798.644	6.292.062
Hedging Derivatives	-	-
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total Hedging Derivatives	-	-
Total Derivatives Transactions (A+B)	6.798.644	6.292.062

3. Explanations on contingent assets and liabilities:

The Bank has made a provision amounting to TL 34.057 (December 31, 2020: TL 20.183), as presented under "Other Provisions" note in Section Five Note II.5.b, for the lawsuits opened by various real persons and legal entities against the Bank with high probability of realization and cash outflows. Although there are other ongoing lawsuits against the Bank, the Bank considers the probability of a negative result in ongoing litigations resulting in cash outflows as remote.

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

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

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IV. Explanations and notes related to the 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	889.366	200.080	491.018	126.555
Medium and Long Term Loans ^(**)	2.173.463	785.728	1.578.454	735.265
Profit Share on Non-Performing Loans	121.382	5.838	129.976	4.095
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	3.184.211	991.646	2.199.448	865.915

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

(**) Includes TL 146.893 as fair value profit from profit and loss sharing investments. (December 31, 2020: TL 97.309).

b. Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	134.657	-	14.777	-
Domestic Banks	373	-	244	387
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	135.030	-	15.021	387

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	123.911	111.756	55.325	47.135
Financial assets measured at fair value through other comprehensive income	100.431	33.898	101.995	71.505
Financial assets measured at amortised cost	107.823	194.687	114.405	82.555
Total	332.165	340.341	271.725	201.195

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit shares income received from associates and subsidiaries	34.438	-	6.338	-
Total	34.438	-	6.338	-

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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						Accumulated profit sharing account	Total
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			
	TL								
Funds collected from banks through current and profit sharing accounts	-	780	2.420	-	-	-	-	3.200	
Real persons' non-trading profit sharing accounts	357.644	572.616	18.051	-	3.324	64.908	1.449	1.017.992	
Public sector profit sharing accounts	3	1	-	-	-	-	-	4	
Commercial sector profit sharing accounts	78.780	410.641	25.908	-	32.533	6.101	2	553.965	
Other institutions profit sharing accounts	8.718	55.325	448	-	48	330	-	64.869	
Total	445.145	1.039.363	46.827	-	35.905	71.339	1.451	1.640.030	
FC									
Funds collected from banks through current and profit sharing accounts	389	4.069	-	-	193	49	-	4.700	
Real persons' non-trading profit sharing accounts	49.994	86.700	8.822	-	734	31.855	62	178.167	
Public sector profit sharing accounts	-	-	-	-	-	-	-	-	
Commercial sector profit sharing accounts	7.175	47.027	1.817	-	3.878	313	21	60.231	
Other institutions profit sharing accounts	1.464	2.380	106	-	-	-	-	3.950	
Precious metals deposits	1.556	5.223	321	-	170	512	17	7.799	
Total	60.578	145.399	11.066	-	4.975	32.729	100	254.847	
Grand total	505.723	1.184.762	57.893	-	40.880	104.068	1.551	1.894.877	
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	-	3	315	-	-	-	-	318	
Real persons' non-trading profit sharing accounts	224.930	421.278	16.651	-	2.892	44.431	1.097	711.279	
Public sector profit sharing accounts	4	7	-	-	-	-	-	11	
Commercial sector profit sharing accounts	39.554	176.119	8.873	-	3.472	4.994	-	233.012	
Other institutions profit sharing accounts	3.225	16.576	241	-	44	282	-	20.368	
Total	267.713	613.983	26.080	-	6.408	49.707	1.097	964.988	
FC									
Funds collected from banks through current and profit sharing accounts	1.102	3.430	2.184	-	73	13	-	6.802	
Real persons' non-trading profit sharing accounts	32.594	53.960	5.110	-	367	17.329	27	109.387	
Public sector profit sharing accounts	-	-	-	-	-	-	-	-	
Commercial sector profit sharing accounts	5.497	24.494	852	-	70	193	8	31.114	
Other institutions profit sharing accounts	588	2.601	123	-	-	1	-	3.313	
Precious metals deposits	652	2.068	73	-	22	120	1	2.936	
Total	40.433	86.553	8.342	-	532	17.656	36	153.552	
Grand total	308.146	700.536	34.422	-	6.940	67.363	1.133	1.118.540	

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	289	48.500	297	57.821
CBRT	-	-	-	-
Domestic banks	-	1.919	-	3.240
Foreign banks	289	46.581	297	54.581
Head offices and branches abroad	-	-	-	-
Other institutions	950.925	261.130	323.240	195.011
Total	951.214	309.630	323.537	252.832

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	941.694	-	315.508	-
Total	941.694	-	315.508	-

ç. Profit share expenses paid to marketable securities issued:

None (December 31, 2020: None).

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	71.518	46.235
Clearing room fees and commissions	75.188	37.569
Commissions on money orders	58.764	31.393
Appraisal fees	16.580	17.014
Insurance and brokerage commissions	28.422	26.472
Checks and bills commissions	4.910	3.481
Safe deposit box commissions	3.312	2.616
Advocacy service commissions and counsel fee	8.517	5.282
Service pack commissions	15.345	8.126
Enquiry fees received	2.315	3.203
Fees and commissions from correspondent banks	4.377	3.272
Export credit commissions	9.559	7.767
Prepaid import commissions	47.128	20.617
Pledge Put and Mortgage Release Fees	3.209	3.827
Loan Limit Allocation Fees	22.474	14.910
Other	44.856	34.898
Total	416.474	266.682

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Other Fees and Commissions Paid	Current Period	Prior Period
Funds borrowed fees and commissions	9.551	8.099
Credit cards fees and commissions	36.762	25.872
Member firm-POS fees and commissions	37.955	29.016
Fees and commissions for Swift, EFT and money orders	71.204	22.534
Required Reserves Commissions for CBRT in Foreign currency	1.504	58.815
Other	18.941	16.778
Total	175.917	161.114

4. Information on dividend income:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	768	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	-	-	-	-
Other	-	-	-	-
Total	768	-	-	-

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

	Current Period	Prior Period
Income	46.453.647	23.875.049
Income from capital market transactions	140.505	117.442
Income from derivative financial instruments	241.653	74.655
Foreign exchange income	46.071.489	23.682.952
Loss (-)	46.317.420	23.608.165
Loss on capital market transactions	213.439	42.537
Loss on derivative financial instruments	471.127	216.783
Foreign exchange losses	45.632.854	23.348.845
Trading Income/Loss (net)	136.227	266.884

6. Explanations related to other operating income:

	Current Period	Prior Period
Reversal of prior year provisions	944.571	460.353
Income from sale of assets	150.670	72.753
Communication revenue	23.337	15.166
Cheque book charges	3.044	2.204
Operating Lease Income	10.592	2.962
Other income	10.717	8.621
Total	1.142.931	562.059

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7. Informations on Expected Credit Losses:

	Current Period	Prior Period
Expected Credit Loss	1.575.273	1.122.267
12 month expected credit loss (stage 1)	59.313	75.144
Significant increase in credit risk (stage 2)	241.260	349.669
Non-performing loans (stage 3)	1.274.700	697.454
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	-	-
Other ^(*)	136.070	37.488
Total	1.711.343	1.159.755

Expected credit losses amount to TL 1.711.343 (December 31, 2020: TL 1.159.755) includes TL 650.124 (December 31, 2020: TL 496.047) representing participation account share of expected credit losses of loans provided from participation accounts.

^(*) Details of the "other" amount is as follows:

	Current Period	Prior Period
Expected credit losses for 1st and 2nd group non-cash loans	3.607	15.581
Third stage expected loss provision for unindemnified non cash loans	-	627
Expected credit losses (stage 1) for banks	22.111	18.035
Profit and loss sharing investments' fair value provision.	109.533	2.956
Expected credit losses (stage 1) for other financial assets.	726	289
Expected credit losses for financial assets measured at amortized cost	93	-
Vacation pay provision expenses ^(**)	4.055	10.439
Provisions allocated for financial assets measured at fair value through profit/loss ^(***)	3.393	10.383
Provisions for cases on trial ^(**)	13.874	4.528
Free provisions allocated for possible losses ^(***)	100.000	-
Provisions allocated from profit shares to be distributed to profit sharing accounts ^(**)	2.604	616
Total	259.996	63.454

^(**) Represented under "other provision expenses" in the income statement.

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8. Information on other operating expenses:

	Current Period	Prior Period
Provision for retirement pay liability	-	12.329
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	116.920	109.811
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	32.654	19.352
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	1	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and assets of discontinued operations	46.769	1.745
Other business expenses	194.703	181.376
Leasing Expenses on TFRS 16 Exceptions	6.079	1.659
Maintenance and repair expenses	36.317	32.224
Advertisement expenses	9.819	6.461
Other expenses ^(*)	142.488	141.032
Loss on sale of assets	1.062	1.763
Other ^(**)	262.303	210.108
Total	654.412	536.484

^(*) The details of the "Other Expenses" balance under Other Operating Expenses are as follows:

	Current Period	Prior Period
Communication Expenses	37.875	26.862
Donations	8.133	14.078
Cleaning expenses	22.897	23.128
Heating, lighting and water expenses	16.290	15.359
Representation and Hosting expenses	10.200	9.030
Vehicle expenses	6.568	5.256
Lawsuit and court expenses	3.783	2.712
Movables Insurance Expenses	4.837	5.099
Stationery Expenses	4.641	2.865
Expense Share for Common Expenses	2.514	2.826
Group transportation costs	9.939	7.836
Other	14.811	25.981
Total	142.488	141.032

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

	Current Period	Prior Period
Saving Deposit Insurance Fund	120.296	106.174
Taxes, Duties, Charges and Funds	82.365	58.240
Expertise and Information Expenses	21.888	21.756
Audit and Consultancy Fees	13.211	11.059
Institution and Union participation share	13.201	11.209
Other	11.342	1.670
Total	262.303	210.108

As per the decision by Public Oversight Accounting and Auditing Standards Authority dated March 26, 2021, the following table represents the fees for the services received from the auditor or independent audit firm for reporting period. The audit fees of the associates of the Bank are included as well. The fees in the table does not include Value Added Tax.

Current Period	Audit services provided by Group auditor	Audit services provided by other audit firms
Independent Audit fee for reporting period ^(*)	2.324	190
Fees for tax consultancy	185	-
Other assurance services' fees	1.945	-
Other service fees other than independent audit.	450	-
Total	4.904	190

Prior Period	Audit services provided by Group auditor	Audit services provided by other audit firms
Independent Audit fee for reporting period ^(*)	1.992	91
Fees for tax consultancy	147	-
Other assurance services' fees	-	-
Other service fees other than independent audit.	-	-
Total	2.139	91

(*) For foreign currency independent audit fees fx rates of December 31, 2021 and December 31, 2020 have been used.

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

As the Bank does not have any discontinued operations, there is no explanation related to income/loss from discontinued operations before taxes.

The Bank's income before tax decreased by 74,84% compared to prior period and is realized as TL 81.442 (31 December 2020: TL 323.735). Income before tax comprises net profit share income in the amount of TL 1.693.362 (December 31, 2020: TL 1.705.620) and fees and commission income in the amount of TL 405.756 (December 31, 2020: TL: 233.567). Total other operating expenses amount to TL 654.412 (December 31, 2020: TL 536.484).

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

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

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

As of December 31, 2021, the Bank has deferred tax income amounts to TL 688.099 (December 31, 2020: TL 308.493) and deferred tax expense amounts to TL 646.524 (December 31, 2020: TL 366.579). Current tax provision amounts to TL 18.614 (December 31, 2020: TL 10.912).

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

The Bank has no discontinued operations. Net income for the period has been realized as TL 81.442 (December 31, 2020: TL: 323.735) by adding tax income amounting to TL 22.961 (December 31, 2020: TL 68.998) from profit from continued operations amounting to TL 104.403 (December 31, 2020: TL 254.737).

12. Explanations on net income/loss:

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

None.

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

None.

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

a) There is no declaration of dividends made subsequent to the balance sheet date, and prior to the announcement of the financial statements.

Decision related to the dividend distribution will be taken in the General Assembly. General Assembly has not been held as of the date of finalization of the accompanying financial statements.

b) "Unrealized gains and losses" arising from changes in the fair value of securities classified as financial assets measured at fair value through other comprehensive income are recognized in the "Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss" account under equity, until the financial assets are sold, disposed of or impaired at which time they are transferred to the statement of income. TL 18.045 increase (before deferred tax) has occurred after the revaluation of financial assets measured at fair value through other comprehensive income (December 31, 2020: TL 32.582 decrease).

c) Revaluation amounts related to tangible and intangible assets are accounted under equity in revaluation reserve on tangible assets and revaluation reserve on intangible assets.

d) Foreign exchange differences arising from translation of income statement of foreign branch of the Bank are accounted in other capital reserves amounts to TL 205.376 as increase. (December 31, 2020: TL 19.695 increase).

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

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

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

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

(a) Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
Cash	5.406.129	4.027.884
Cash in TL/foreign currency	1.457.399	1.022.107
Cash in transit	844.125	558.717
CBRT	3.104.605	2.447.060
Cash equivalents	2.649.148	3.154.582
Domestic banks	1.442.851	910.035
Foreign banks	1.206.297	2.244.547
Total cash and cash equivalents	8.055.277	7.182.466

(b) Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
Cash	10.090.678	5.406.129
Cash in TL/foreign currency	1.795.408	1.457.399
Cash in transit	1.695.443	844.125
CBRT	6.599.827	3.104.605
Cash equivalents	3.815.879	2.649.148
Domestic banks	1.053.457	1.442.851
Foreign banks	2.762.422	1.206.297
Total cash and cash equivalents	13.906.557	8.055.277

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

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

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

The "Others" item under "Operating profit before changes in operating assets and liabilities" amounting to TL (675.534) (December 31, 2020: TL 192.578) mainly comprises other operating expenses excluding personnel expenses and amortization expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 1.345.755 (December 31, 2020: TL (233.974) mainly comprises changes in miscellaneous payables, other liabilities and taxes and other duties payable.

Effect of the changes in foreign currency rates on cash and cash equivalents has been calculated approximately as TL 3.140.562 as of December 31, 2021 (December 31, 2020 TL 336.393).

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

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

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

a. Current period:

Risk Group of the Bank ^(*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at the beginning of the period	6	53	818.807	34.537	187	-
Balance at the end of the period	90	62	1.219.475	64.583	52	-
Profit share and commission income received	-	-	36.243	183	-	-

b. Prior period:

Risk Group of the Bank ^(*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of period	53	5	632.926	27.308	27	-
Balance at end of period	6	53	818.807	34.537	187	-
Profit share and commission income received	-	-	55.909	216	12	-

^(*) 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 Bank's risk group:

Risk Group of the Bank ^(*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and profit sharing accounts						
Balance at the beginning of period	35.342	20.935	271.125	831.442	12.518	11.073
Balance at the end of period	15.374	35.342	688.843	271.125	28.403	12.518
Profit share expense	2	452	3	2.511	117	239

^(*) As of December 31, 2021, wakala borrowings obtained from risk group of the Bank through investment purpose wakala contracts amount to USD 42.837.711 and EUR 21.600.000 (December 31, 2020: USD 52.297.028 and EUR 146.469.895). The profit share expense relating to such borrowings for the period between January 1, 2021 – December 31, 2021 is TL 19.896 (December 31, 2020: TL 9.581).

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 company. The related amount is accounted under other capital reserves in the financial statements.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

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

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

As of December 31, 2021, the Bank has paid TL 21.695 (December 31, 2020: TL 15.654) to top management.

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

1. Information on the domestic and foreign branches and representative offices of the Bank:

	Number	Number of Personnel			
Domestic Branches	229	2.900			
			Country		
Foreign Representation Office	-	-	-		
				Total Assets (Thousand TL)	Statutory Share Capital
Foreign Branches	2	18	Iraq	1.677.840	USD 50.000.000
Off-Shore Branches	-	-	-	-	-

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

The Bank has opened 1 domestic branch (digital branch) in 2021. The Bank has not opened any branch abroad in 2021.

IX. Explanations related to subsequent events:

None.

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

None.

SECTION SIX Independent auditor's report

I. Explanations on independent auditor's report:

The Bank's unconsolidated financial statements as of and for the period ended December 31, 2021 have been audited by "Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş." (the member of the Ernst & Young Global Ltd.) and the audit report dated February 25, 2022 is presented at the beginning of the financial statements and related notes.

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

None.

Albaraka Türk Katılım Bankası Anonim Şirketi

Consolidated financial statements
and related disclosures at
December 31, 2021 together with
independent auditor's report

(Convenience translation of the independent auditor's
report and financial statements originally issued in
Turkish – see section three Note I.b)



Güney Bağımsız Denetim ve SMMM A. Ş.
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**Convenience Translation of the Independent Auditor's Report originally issued in Turkish
(See Note 1.b of Section Three)**

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Albaraka Türk Katılım Bankası A.Ş.

Report on the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Albaraka Türk Katılım Bankası A.Ş. (the "Bank") and its subsidiaries(together will be referred as "the Group"), which comprise the statement of consolidated statement of financial position as at December 31, 2021, consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, except for the effects of the matter on the consolidated financial statements described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Albaraka Türk Katılım Bankası A.Ş. as at December 31, 2021 and financial performance and consolidated its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as in accordance with "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 (BRSA), circulars, interpretations published by BRSA and "BRSA Accounting and Financial Reporting Legislation" which includes the provisions of Turkish Financial Reporting Standards (TFRS) for the matters which are not regulated by these regulations.

Basis for Qualified Opinion

As explained in Section Five Part II.6.b, the accompanying consolidated financial statements as at December 31, 2021 include a free provision at an amount of TL 100.000 thousands which was provided in the current period by the Bank management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

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



Key Audit Matters

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

Key Audit Matter	How the Key Audit Matter is addressed in our audit
<p>Financial impact of TFRS 9 "Financial Instruments" standard and recognition of impairment on financial assets and related important disclosures</p> <p>As disclosed in footnote VIII of Section 3; the Group measures expected credit losses for financial instruments by TFRS 9 "Financial Instruments Standards". The rationale reasons for selecting TFRS 9 implementation and impairment of financial assets as key audit subject are as follows;</p> <ul style="list-style-type: none"> - Financial assets within balance-sheet and off-balance-sheet subject to TFRS 9 expected credit losses measurement have significant balance in the financial statements - The applications TFRS 9 are complex and comprehensive - The classification of financial instruments based on the Group's business models and the characteristics of contractual cash flows in line with TFRS 9 and requirement of important judgments to determine this business model and the characteristics of contractual cash flows - Risks related to the policies established by the management with the compliance and requirements of the legislation and other applications for the calculation of expected credit losses - The use of significant assumptions in the fair value calculations of real estates in profit and loss project loans - The complexity and intensity of the control environment in the processes designed or reorganized for TFRS 9 - Estimations and assumptions used in expected credit losses are new, important and complex - Complex and comprehensive disclosure requirements of TFRS 9. 	<p>Our audit procedures in addition to our current audit procedures:</p> <ul style="list-style-type: none"> - Evaluation of the compliance of the accounting policies adopted with regard to TFRS 9, the Group's past performance, and local and global practices - Analysis and testing of processes, systems, and controls originated or re-designed in order to calculate expected credit losses by the Information Systems and Process Audit specialists - Evaluating the impact of Covid-19 outbreak on staging of loans and macroeconomic parameters used in expected credit losses calculation and fair value calculations together with forward-looking estimates and significant assumptions. - Evaluation of the key judgments, assumptions, methods used for calculation of expected credit loss determined by the management, and whether the data source is reasonable or not, and their compliance and standard requirements in light of industry and global practices - Testing criteria used for determining the contractual cash flows including profit share payments with regard to solely principal and principal balance of financial assets on a sample basis and evaluation of Group's business model - Evaluation of significant increase in credit risk, definition of default, definition of restructuring, probability of default, loss given default, exposure at default and macro-economic variables, and related basic and significant estimates and assumptions determined for calculation process of expected credit loss and whether these assumptions determined by financial risk management are in line with the Group's historical performance, legislation, and reasonableness of the estimation process regarding future performance and investigation of credit risk portfolio on a sample basis - Evaluating the judgments and estimates used for the individually assessed financial assets based on expert opinion - Evaluation of the accuracy and completeness of attributes of the data used for the calculation process of expected credit losses - Detailed testing of mathematical verification of expected credit losses' calculation on a sample basis - Testing the fair value calculations of real estates included in profit and loss project loans by the valuation experts of another company included in the network which we are affiliated. - Evaluating the necessity and accuracy of the updates made or required updates after the modeling process Auditing of disclosures related to TFRS 9.



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

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

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

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

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

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

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities and financial statements for the period January 1 – December 31, 2021 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

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

Additional paragraph for convenience translation to English

As explained in detail in Note I.b. of Section Three, accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting Legislation, 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.

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



Emre Çelik, SHMM
Partner

March 8, 2022
Istanbul, Turkey

**CONSOLIDATED FINANCIAL REPORT OF ALBARAKA TÜRK KATILIM BANKASI A.Ş.
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

Parent Bank's headquarter address : Saray Mah. Dr. Adnan Büyükdeniz Cad. No:6
34768 Ümraniye/İstanbul
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 : albarakaturk@albarakaturk.com.tr

The consolidated year ended 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
- INDEPENDENT AUDITOR'S 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. Inovasyon Girişim Sermayesi Yatırım Fonu	-	-	-
4. İnsha 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	-	-	-

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 independently audited and presented as attached.

**Mazin Khairy Shaker
MANNA**

Chairman of the Board of Directors

Malek Khodr TEMSAH

Deputy 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

Houssem 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

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ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

(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, 2020: 228) local branches and 2 (December 31, 2020: 2) foreign branches and with 2.918 (December 31, 2020: 3.390) staff as of December 31, 2021. The Group has 2.943 (December 31, 2020: 3.415) staff as of December 31, 2021.

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 December 31, 2021, 36,29% (December 31, 2020: 36,29%) of the Parent Bank's shares are owned by Albaraka Banking Group, 15,38% (December 31, 2020: 15,38%) owned by Dallah Albaraka Group, 7,84% (December 31, 2020: 7,84%) owned by Islamic Development Bank, 36,93% (December 31, 2020: 36,81%) of the shares are publicly traded and quoted at Borsa İstanbul. Rest belongs to different real persons and corporate entities.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

(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	Hisse Oranı (%)
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	-
	Housseem 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	-
	Deputy General Manager: Malek Khodr TEMSAH ^(**)	Member of BOD/ Deputy General Manager	Master	-
Assistant General Managers:	Turgut SİMİTÇİOĞLU	Chief Assistant General Manager Responsible for Credit Risks	Master	-
	Fatih BOZ	Assistant General Manager Responsible for Credits	Master	-
	Mehmet Fatih YORULMAZ	Assistant General Manager Responsible for Marketing	Master	-
	Hasan ALTUNDAĞ	Assistant General Manager Responsible for Sales	Bachelor	-
	Malek Khodr TEMSAH	Assistant General Manager Responsible for Treasury and Financial Institutions	Master	-
	Mustafa ÇETİN	Assistant General Manager Responsible for Finance	Bachelor	-
	Volkan EVCİL	Assistant General Manager Responsible for Central Operations	Bachelor	-
	Süleyman ÇELİK	Assistant General Manager Responsible for Human Values and Administrative Affairs	Bachelor	-
	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	-
	Housseem BEN HAJ AMOR	Member of Audit Committee	Bachelor	-

^(*) Appointed as member of Board of Directors by Parent Bank's Board of Directors on January 18, 2022.

^(**) In addition to his present tasks, appointed as Deputy 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.

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.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

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.

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" 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.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

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
- VII. Consolidated statement of profit appropriation

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF DECEMBER 31, 2021

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

	Notes (Section Five-I)	Audited CURRENT PERIOD December 31, 2021			Audited PRIOR PERIOD December 31, 2020		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. FINANCIAL ASSETS (Net)		4.739.239	35.729.467	40.468.706	3.610.559	18.080.122	21.690.681
1.1 Cash and Cash Equivalents	(1)	3.306.028	28.469.107	31.775.135	2.117.138	14.507.009	16.624.147
1.1.1 Cash and Balances with Central Bank		1.820.832	24.677.779	26.498.611	1.371.053	11.873.379	13.244.432
1.1.2 Banks		1.531.688	3.802.373	5.334.061	781.048	2.634.093	3.415.141
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4. Expected Credit Losses (-)		46.492	11.045	57.537	34.963	463	35.426
1.2 Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	(2)	963.086	6.889.642	7.852.728	724.424	3.257.849	3.982.273
1.2.1 Government Securities		707.698	6.850.649	7.558.347	552.653	3.236.130	3.788.783
1.2.2 Equity Securities		45.331	19.198	64.529	12.921	10.774	23.695
1.2.3 Other Financial Assets		210.057	19.795	229.852	158.850	10.945	169.795
1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	(3)	381.640	370.718	752.358	755.313	315.264	1.070.577
1.3.1 Government Securities		373.973	353.699	727.672	745.044	306.067	1.051.111
1.3.2 Equity Securities		7.667	17.019	24.686	7.667	9.197	16.864
1.3.3 Other Financial Assets		-	-	-	2.602	-	2.602
1.4 Derivative Financial Assets	(5)	88.485	-	88.485	13.684	-	13.684
1.4.1 Derivative Financial Assets Measured at Fair Value through Profit/Loss		88.485	-	88.485	13.684	-	13.684
1.4.2 Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)		24.807.293	40.232.465	65.039.758	23.290.701	20.517.445	43.808.146
2.1 Loans	(6)	25.484.848	33.819.930	59.304.778	23.254.473	18.801.331	42.055.804
2.2 Lease Receivables	(7)	379.930	440.744	820.674	291.476	68.673	360.149
2.3 Financial Assets Measured at Amortised Cost	(4)	697.735	7.405.476	8.103.211	832.051	2.392.749	3.224.800
2.3.1 Government Securities		697.735	7.405.476	8.103.211	832.051	2.392.749	3.224.800
2.3.2 Other Financial Assets		-	-	-	-	-	-
2.4 Expected Credit Losses (-)	(6)	1.755.220	1.433.685	3.188.905	1.087.299	745.308	1.832.607
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(8)	118.874	104	118.978	130.757	293	131.050
3.1 Asset Held for Resale		118.874	104	118.978	130.757	293	131.050
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
IV. OWNERSHIP INVESTMENTS (Net)	(9)	357.379	-	357.379	327.378	-	327.378
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)		88.683	-	88.683	58.682	-	58.682
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		88.683	-	88.683	58.682	-	58.682
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(10)	1.485.146	24.834	1.509.980	1.372.244	17.226	1.389.470
VI. INTANGIBLE ASSETS (Net)	(11)	83.026	9.240	92.266	40.535	6.352	46.887
6.1 Goodwill		-	6.958	6.958	-	4.783	4.783
6.2 Others		83.026	2.282	85.308	40.535	1.569	42.104
VII. INVESTMENT PROPERTY (Net)	(12)	1.035.405	-	1.035.405	1.261.475	-	1.261.475
VIII. CURRENT TAX ASSET		2.737	-	2.737	3.750	-	3.750
IX. DEFERRED TAX ASSET	(13)	489.049	-	489.049	191.360	-	191.360
X. OTHER ASSETS	(14)	764.995	145.195	910.190	640.871	28.943	669.814
TOTAL ASSETS		33.883.143	76.141.305	110.024.448	30.869.630	38.650.381	69.520.011

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 DECEMBER 31, 2021

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

	Notes (Section Five-II)	Audited CURRENT PERIOD December 31, 2021			Audited PRIOR PERIOD December 31, 2020		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED	(1)	20.181.030	71.027.651	91.208.681	15.389.368	36.148.001	51.537.369
II. FUNDS BORROWED	(2)	53.707	2.090.828	2.144.535	72.778	2.987.107	3.059.885
III. BORROWINGS FROM MONEY MARKETS		1.327	-	1.327	1.246.687	1.029.766	2.276.453
IV. SECURITIES ISSUED (Net)	(3)	3.065.049	-	3.065.049	4.042.163	-	4.042.163
V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS		-	-	-	-	-	-
VI. DERIVATIVE FINANCIAL LIABILITIES	(4)	180.485	6.769	187.254	142.596	-	142.596
6.1 Derivative Financial Liabilities at Fair Value through Profit or Loss		180.485	6.769	187.254	142.596	-	142.596
6.2 Derivative Financial Liabilities at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
VII. LEASE PAYABLES	(5)	327.840	21.774	349.614	314.684	13.711	328.395
VIII. PROVISIONS	(6)	309.931	4.060	313.991	200.073	2.451	202.524
8.1 Restructuring Reserves		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		149.554	-	149.554	145.872	-	145.872
8.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
8.4 Other Provisions		160.377	4.060	164.437	54.201	2.451	56.652
IX. CURRENT TAX LIABILITY	(7)	106.980	19.825	126.805	74.012	11.018	85.030
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)	-	3.119.354	3.119.354	-	1.732.562	1.732.562
12.1 Loans		-	3.119.354	3.119.354	-	1.732.562	1.732.562
12.2 Other Debt Instruments		-	-	-	-	-	-
XIII. OTHER LIABILITIES	(10)	2.143.338	665.320	2.808.658	1.573.899	190.199	1.764.098
XIV. SHAREHOLDERS' EQUITY	(11)	6.692.420	6.760	6.699.180	4.343.628	5.308	4.348.936
14.1 Paid-In Capital		1.350.000	-	1.350.000	1.350.000	-	1.350.000
14.2 Capital Reserves		1.208.524	-	1.208.524	960.566	-	960.566
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		1.193.669	-	1.193.669	945.711	-	945.711
14.3 Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss		388.024	-	388.024	254.045	-	254.045
14.4 Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss		314.936	6.760	321.696	93.130	5.308	98.438
14.5 Profit Reserves		1.745.919	-	1.745.919	1.494.079	-	1.494.079
14.5.1 Legal Reserves		145.290	-	145.290	131.703	-	131.703
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		1.600.540	-	1.600.540	1.362.171	-	1.362.171
14.5.4 Other Profit Reserves		89	-	89	205	-	205
14.6 Profit or Loss		(258.893)	-	(258.893)	(27.128)	-	(27.128)
14.6.1 Prior Years Profit/(Loss)		(591.729)	-	(591.729)	(329.432)	-	(329.432)
14.6.2 Current Year Profit/(Loss)		332.836	-	332.836	302.304	-	302.304
14.7 Minority Shares		1.943.910	-	1.943.910	218.936	-	218.936
TOTAL LIABILITIES		33.062.107	76.962.341	110.024.448	27.399.888	42.120.123	69.520.011

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET AS OF SEPTEMBER 30, 2020

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

	Notes (Section Five-III)	Audited CURRENT PERIOD December 31, 2021			Audited PRIOR PERIOD December 31, 2020		
		TL	FC	Total	TL	FC	Total
A. STATEMENT OF OFF-BALANCE SHEET OFF BALANCE SHEET COMMITMENTS (I+II+III)		11.428.440	16.308.916	27.737.356	11.377.799	9.281.131	20.658.930
I. GUARANTEES AND SURETIES	(1)	7.080.257	10.323.043	17.403.300	5.710.137	5.411.694	11.121.831
1.1. Letters of Guarantees		7.048.318	5.322.918	12.371.236	5.647.191	3.555.738	9.202.929
1.1.1. Guarantees Subject to State Tender Law		1.098.043	134.460	1.232.503	876.326	77.888	954.214
1.1.2. Guarantees Given for Foreign Trade Operations		15	1.905.653	1.905.668	15	1.043.724	1.043.739
1.1.3. Other Letters of Guarantee		5.950.260	3.282.805	9.233.065	4.770.850	2.434.126	7.204.976
1.2. Bank Loans		-	99.278	99.278	-	49.363	49.363
1.2.1. Import Letter of Acceptances		-	99.278	99.278	-	49.363	49.363
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letter of Credits		12.324	4.886.075	4.898.399	39.522	1.731.270	1.770.792
1.3.1. Documentary Letter of Credits		-	-	-	-	-	-
1.3.2. Other Letter of Credits		12.324	4.886.075	4.898.399	39.522	1.731.270	1.770.792
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		-	14.772	14.772	-	75.323	75.323
1.7. Other Collaterals		19.615	-	19.615	23.424	-	23.424
II. COMMITMENTS	(1)	2.929.406	606.006	3.535.412	2.395.012	850.025	3.245.037
2.1. Irrevocable Commitments		2.889.906	606.006	3.495.912	2.391.012	850.025	3.241.037
2.1.1. Asset Purchase and Sale Commitments		321.618	606.006	927.624	359.047	850.025	1.209.072
2.1.2. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3. Loan Granting Commitments		655.296	-	655.296	429.887	-	429.887
2.1.4. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6. Payment Commitment for Cheques		834.732	-	834.732	667.621	-	667.621
2.1.7. Tax And Fund Liabilities from Export Commitments		17.234	-	17.234	13.538	-	13.538
2.1.8. Commitments for Credit Card Expenditure Limits		1.059.919	-	1.059.919	919.974	-	919.974
2.1.9. Commitments for Promotions Related with Credit Cards and Banking Activities		555	-	555	398	-	398
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	547	-	547
2.2. Revocable Commitments		39.500	-	39.500	4.000	-	4.000
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		39.500	-	39.500	4.000	-	4.000
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	1.418.777	5.379.867	6.798.644	3.272.650	3.019.412	6.292.062
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		1.418.777	5.379.867	6.798.644	3.272.650	3.019.412	6.292.062
3.2.1. Forward Foreign Currency Buy/Sell Transactions		461.810	489.238	951.048	128.188	114.937	243.125
3.2.1.1. Forward Foreign Currency Transactions-Buy		239.837	242.194	482.031	83.763	39.298	123.061
3.2.1.2. Forward Foreign Currency Transactions-Sell		221.973	247.044	469.017	44.425	75.639	120.064
3.2.2. Other Forward Buy/Sell Transactions		956.967	4.890.629	5.847.596	3.144.462	2.904.475	6.048.937
3.3. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		104.483.970	48.433.026	152.916.996	87.262.122	24.652.412	111.914.534
IV. ITEMS HELD IN CUSTODY		5.856.026	12.698.331	18.554.357	5.519.997	8.677.435	14.197.432
4.1. Assets Under Management		2.448.761	-	2.448.761	2.911.168	-	2.911.168
4.2. Investment Securities Held in Custody		17.473	548.751	566.224	137.652	344.021	481.673
4.3. Cheques Received for Collection		2.325.217	700.121	3.025.338	1.696.146	275.497	1.971.643
4.4. Commercial Notes Received for Collection		811.654	164.241	975.895	526.549	83.168	609.717
4.5. Other Assets Received for Collection		103	-	103	103	-	103
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		219.693	1.043.531	1.263.224	215.254	1.519.560	1.734.814
4.8. Custodians		33.125	10.241.687	10.274.812	33.125	6.455.189	6.488.314
V. PLEDGED ITEMS		98.627.944	35.734.695	134.362.639	81.742.125	15.974.977	97.717.102
5.1. Marketable Securities		10.587.982	8.001.966	18.589.948	11.668.013	4.659.421	16.327.434
5.2. Guarantee Notes		2.043.190	506.747	2.549.937	1.438.998	219.572	1.658.570
5.3. Commodity		11.752.302	3.695.799	15.448.101	6.545.244	1.758.326	8.303.570
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		67.505.021	18.800.660	86.305.681	56.903.781	6.988.385	63.892.166
5.6. Other Pledged Items		6.458.745	4.715.730	11.174.475	4.924.606	2.341.372	7.265.978
5.7. Pledged Items-Depository		280.704	13.793	294.497	261.483	7.901	269.384
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		115.912.410	64.741.942	180.654.352	98.639.921	33.933.543	132.573.464

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 DECEMBER 31, 2021

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

		Audited	Audited
		CURRENT PERIOD	PRIOR PERIOD
	Notes	January 1-	January 1-
	(Section Five-IV)	December 31, 2021	December 31, 2020
	(1)	5.035.088	3.594.052
STATEMENT OF PROFIT OR LOSS			
I. PROFIT SHARE INCOME			
1.1 Profit Share on Loans		4.175.857	3.065.363
1.2 Income Received from Reserve Deposits		134.657	14.777
1.3 Income Received from Banks		373	631
1.4 Income Received from Money Market Placements		-	-
1.5 Income Received from Marketable Securities Portfolio		684.496	482.344
1.5.1 Financial Assets at Fair Value Through Profit and Loss		282.095	118.222
1.5.2 Financial Assets at Fair Value through Other Comprehensive Income		99.891	167.162
1.5.3 Financial Assets Measured at Amortised Cost		302.510	196.960
1.6 Finance Lease Income		38.313	28.550
1.7 Other Profit Share Income		1.392	2.387
II. PROFIT SHARE EXPENSE	(2)	3.160.184	1.856.988
2.1 Expense on Profit Sharing Accounts		1.881.683	1.114.179
2.2 Profit Share Expense on Funds Borrowed		319.316	261.175
2.3 Profit Share Expense on Money Market Borrowings		80.024	79.520
2.4 Profit Share Expense on Securities Issued		785.170	297.535
2.5 Finance Lease Expense		51.346	56.986
2.6 Other Profit Share Expense		42.645	47.593
III. NET PROFIT SHARE INCOME (I - II)		1.874.904	1.737.064
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		405.756	233.567
4.1 Fees and Commissions Received		582.163	394.977
4.1.1 Non-Cash Loans		165.689	128.295
4.1.2 Other	(3)	416.474	266.682
4.2 Fees and Commissions Paid (-)		176.407	161.410
4.2.1 Non-Cash Loans		490	296
4.2.2 Other	(3)	175.917	161.114
V. DIVIDEND INCOME	(4)	768	-
VI. TRADING INCOME/LOSS(net)	(5)	280.954	245.832
6.1 Capital Market Transaction Income/(Loss)		70.578	53.851
6.2 Profit/(Loss) from Derivative Financial Instruments		(229.474)	(142.128)
6.3 Foreign Exchange Income/(Loss)		439.850	334.109
VII. OTHER OPERATING INCOME	(6)	1.727.489	665.995
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		4.289.871	2.882.458
IX. EXPECTED CREDIT LOSS (-)	(7)	1.711.343	1.162.439
X. OTHER PROVISION EXPENSES (-)	(7)	123.926	22.974
XI. PERSONNEL EXPENSES (-)		820.560	731.506
XII. OTHER OPERATING EXPENSES (-)	(8)	735.271	602.043
XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		898.771	363.496
XIV. EXCESS AMOUNT RECORDED AS GAIN AFTER MERGER		-	-
XV. PROFIT/(LOSS) ON EQUITY METHOD		31.027	21.398
XVI. PROFIT/(LOSS) ON NET MONETARY POSITION		-	-
XVII. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)	(9)	929.798	384.894
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(10)	(12.663)	73.788
18.1 Provision for Current Taxes		28.912	15.702
18.2 Deferred Tax Expense Effect (+)		646.524	366.579
18.3 Deferred Tax Income Effect (-)		688.099	308.493
XIX. NET INCOME/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)	(11)	942.461	311.106
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)	942.461	311.106
25.1 Group's Income/Loss		332.836	302.304
25.2 Minority Shares Profit/Loss (-)		609.625	8.802
Earnings Per Share		0,247	0,224

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 DECEMBER 31, 2021

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

	Audited	Audited
	CURRENT PERIOD	PRIOR PERIOD
	January 1- December 31, 2021	January 1- December 31, 2020
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
I. CURRENT PERIOD PROFIT/LOSS	942.461	311.106
II. OTHER COMPREHENSIVE INCOME	357.237	8.640
2.1 Other Income/Expense Items not to be Recycled to Profit or Loss	133.979	10.641
2.1.1 Revaluation Surplus on Tangible Assets	185.972	41.708
2.1.2 Revaluation Surplus on Intangible Assets	-	-
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses	(12.834)	(22.642)
2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss	(7.644)	(3.906)
2.1.5 Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	(31.515)	(4.519)
2.2 Other Income/Expense Items to be Recycled to Profit or Loss	223.258	(2.001)
2.2.1 Translation Differences	207.083	22.716
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Financial Assets Measured at Fair Value through Other Comprehensive Income	20.023	(33.852)
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	(3.848)	9.135
III. TOTAL COMPREHENSIVE INCOME (I+II)	1.299.698	319.746

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 DECEMBER 31, 2021

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

	Notes (Section Five-V)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves ^(*)	OF LOSS						Current Period's Net Profit/Loss	Total Equity Before Minority Shares	Minority Shares	Total Shareholders' Equity			
						1	2	3	4	5	6							
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Audited)																		
CURRENT PERIOD																		
(January 1 - December 31, 2021)																		
I.	Closing balance	(V)	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
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		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
IV.	Of Period (I+II)		-	-	-	-	144.246	(10.267)	-	207.083	16.175	-	-	-	332.836	690.073	609.625	1.299.698
V.	Total Comprehensive Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Subordinated Liabilities		-	-	-	247.958	-	-	-	-	-	-	7.914 (300.095)(*)	-	-	(64.803)	1.115.349	1.050.546
XI.	Others Changes		-	-	-	-	-	-	-	-	-	-	243.926	58.378	(302.304)	-	-	-
11.1 Profit Distribution																		
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	243.926	(243.926)	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	302.304	(302.304)	-	-	-	-
Balances at end of the period (III+IV...+X+XI)																		
			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

(*) 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" standard.

(**) The Parent Bank has paid TL 158.013 in February and August 2021, the coupon payment amount of unmatured additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 50.458, the deferred tax expense related to the payment has been recognized under "prior periods' profit/ loss" as well. In addition, it includes net loss amounting to TL 170.282 arising from investment funds trading transactions that the Parent Bank has made without causing loss of control.

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)

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

31 ARALIK 2021 TARİHİNDE SONA EREN HESAP DÖNEMİNE AİT KONSOLİDE ÖZKAYNAK DEĞİŞİM TABLOSU

(Tutarlar aksi belirtilmedikçe Bin Türk Lirası (TL) olarak ifade edilmiştir.)

	Notes (Section Five-V)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/ Loss	Minority Shares	Total Equity Before Minority Shares	Total Shareholders' Equity
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Audited)																	
PRIOR PERIOD (January 1 - December 31, 2020)																	
I. Closing balance	(V)	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	(112.640)(*)	-	(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

(*) 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" standard.

(**) The Parent Bank has paid TL 138.241 in February and August 2020, the coupon payment amount of unmatured additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 29.649, 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 DECEMBER 31, 2021

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

	Notes (Section Five-VI)	Audited CURRENT PERIOD January 1- December 31, 2021	Audited PRIOR PERIOD January 1- December 31, 2020
STATEMENT OF CASH FLOWS			
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit Before Changes In Operating Assets And Liabilities	2.412.893	2.216.768
1.1.1	Profit Share Income Received	5.006.365	3.409.799
1.1.2	Profit Share Expense Paid	(3.090.234)	(1.781.221)
1.1.3	Dividend Received	-	-
1.1.4	Fees and Commissions Received	405.471	266.682
1.1.5	Other Income	1.294.247	628.358
1.1.6	Collections from Previously Written Off Loans	(V-I-6,h2) 463.030	608.331
1.1.7	Payments to Personnel and Service Suppliers	(1.015.263)	(912.882)
1.1.8	Taxes Paid	(70.446)	(132.320)
1.1.9	Others	(V-VI-3) (580.277)	130.021
1.2	Changes In Operating Assets And Liabilities	7.666.621	(7.186.879)
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(3.741.005)	(3.236.981)
1.2.2	Net (Increase) Decrease in Due From Banks and Other Financial Institutions	(6.646.458)	(2.178.742)
1.2.3	Net (Increase) Decrease in Loans	(7.775.635)	(9.830.159)
1.2.4	Net (Increase) Decrease in Other Assets	(47.466)	(993.462)
1.2.5	Net Increase (Decrease) in Bank Deposits	773.699	(1.600.976)
1.2.6	Net Increase (Decrease) in Other Deposits	23.929.606	10.868.959
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	(V-VI-3) 1.173.880	(215.518)
I.	Net Cash Flow From Banking Operations	10.079.514	(4.970.111)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash flow from investing activities	(1.144.340)	807.643
2.1	Cash Paid For Acquisition of Investments, Associates and Subsidiaries	(26.709)	(708)
2.2	Cash Obtained From Disposal of Investments, Associates and Subsidiaries	-	-
2.3	Purchases of Property and Equipment	(164.270)	(173.884)
2.4	Disposals of Property and Equipment	836.234	505.245
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(25.970)	(78.509)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income	487.855	1.339.025
2.7	Purchase of Financial Assets Measured at Amortised Cost	(V-I-4) (3.762.132)	(1.740.999)
2.8	Sale of Financial Assets Measured at Amortised Cost	(V-I-4) 1.510.652	957.473
2.9	Other	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Flow From Financing Activities	(6.188.719)	4.693.466
3.1	Cash Obtained from Funds Borrowed and Securities Issued	31.900.998	32.924.345
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	(37.846.285)	(28.007.100)
3.3	Issued Capital Instruments	-	-
3.4	Dividends Paid	-	-
3.5	Payments for Leases	(85.419)	(85.538)
3.6	Other	(158.013)	(138.241)
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(V-VI-3) 3.140.669	336.393
V.	Net (Decrease) Increase in Cash and Cash Equivalents	5.887.124	867.391
VI.	Cash and Cash Equivalents at the Beginning of the Period	(V-VI-a) 8.057.072	7.189.681
VII.	Cash and Cash Equivalents at the End of the Period	(V-VI-b) 13.944.196	8.057.072

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT APPROPRIATION AS OF DECEMBER 31, 2021

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

	Audited CURRENT PERIOD December 31, 2021	Audited PRIOR PERIOD December 31, 2020
STATEMENT OF PROFIT APPROPRIATION		
I. Distribution of current year income		
1.1. Current year income	81.442	323.735
1.2. Taxes and duties payable (-)	(22.961)	68.998
1.2.1. Corporate tax (Income tax)	18.614	10.912
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and legal liabilities ^(*)	(41.575)	58.086
A. Net income for the year (1.1-1.2)	104.403	254.737
1.3. Prior year losses (-)	-	-
1.4. First legal reserves (-)	-	12.737
1.5. Other statutory reserves (-)	-	11.661
B. Distributable net period income [(A)-(1.3+1.4+1.5)]^(**)	104.403	230.339
1.6. First dividend to shareholders (-)	-	-
1.6.1. To owners of ordinary shares	-	-
1.6.2. To owners of preferred shares	-	-
1.6.3. To owners of preferred shares (Preemptive rights)	-	-
1.6.4. To Profit sharing bonds	-	-
1.6.5. To owners of the profit /loss sharing certificates	-	-
1.7. Dividend to personnel (-)	-	-
1.8. Dividend to board of directors (-)	-	-
1.9. Second dividend to shareholders (-)	-	-
1.9.1. To owners of ordinary shares	-	-
1.9.2. To owners of preferred shares	-	-
1.9.3. To owners of preferred shares (Preemptive rights)	-	-
1.9.4. To profit sharing bonds	-	-
1.9.5. To owners of the profit /loss sharing Certificates	-	-
1.10. Second legal reserve (-)	-	-
1.11. Status reserves (-)	-	-
1.12. Extraordinary reserves	-	230.339
1.13. Other reserves	-	-
1.14. Special funds	-	-
II. Distribution from reserves		
2.1. Distributed reserves	-	-
2.2. Second legal reserves (-)	-	-
2.3. Share to shareholders (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of preferred shares	-	-
2.3.3. To owners of preferred shares (Preemptive rights)	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To owners of the profit /loss sharing certificates	-	-
2.4. Share to personnel (-)	-	-
2.5. Share to board of directors (-)	-	-
III. Earnings per share		
3.1. To owners of ordinary shares ^(***) (Full TL)	0,077	0,189
3.2. To owners of ordinary shares (%)	7,73	18,86
3.3. To owners of preferred shares	-	-
3.4. To owners of preferred shares (%)	-	-
IV. Dividend per share		
4.1. To owners of ordinary shares (Full TL)	-	-
4.2. To owners of ordinary shares (%)	-	-
4.3. To owners of preferred shares	-	-
4.4. To owners of preferred shares (%)	-	-

^(*)Deferred tax income is presented in "other taxes and legal liabilities" line. Deferred tax income is not subject to profit appropriation; thus it is classified under extraordinary reserves.

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

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

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

(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" ("TAS") 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.

In the announcement published by the Public Oversight Accounting and Auditing Standards Authority on January 20, 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the consolidated financial statements as of December 31, 2021, since the cumulative change in the general purchasing power of the last three years according to Consumer Price Index (CPI) is 74.41%. In this respect, consolidated financial statements as of December 31, 2021 are not adjusted for inflation in accordance with TAS 29.

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.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

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 December 31, 2021, 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. Inovasyon 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. Kısa Vadeli Katılım Serbest Fonu respectively.

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, 2020, financial statements.

The covid 19 pandemia 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 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 December 31, 2021 financials, the Parent Bank has reflected the possible impacts of covid 19 pandemia 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.

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.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

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.

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").

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NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

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.

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NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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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 ⁽¹⁾	Istanbul/Turkey	Buy real estate and rights based on real estates, rent, lease and sell	0,00	0,00
Albaraka Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu ⁽¹⁾	Istanbul/Turkey	Buy real estate and rights based on real estates, rent, lease and sell	0,00	0,11
Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu ⁽¹⁾	Istanbul/Turkey	Buy real estate and rights based on real estates, rent, lease and sell	0,24	0,24
Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu ⁽¹⁾	Istanbul/Turkey	Buy real estate and rights based on real estates, rent, lease and sell	0,00	0,13
Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu ⁽¹⁾	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.	0,00	0,00
Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu ⁽¹⁾	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.	0,00	0,02
Albaraka Portföy Yönetimi A.Ş. Start-Up Girişim Sermayesi Yatırım Fonu ⁽¹⁾	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	0,02
Albaraka Portföy Yönetimi A.Ş. Inovasyon Girişim Sermayesi Yatırım Fonu ⁽¹⁾	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.	0,00	9,27
Albaraka Portföy Yönetimi A.Ş. Bilişim Vadisi Girişim Sermayesi Yatırım Fonu ⁽¹⁾	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.	0,00	0,00
Albaraka Portföy Yönetimi A.Ş. Kısa Vadeli Katılım Serbest Fonu ⁽¹⁾	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	0,06

⁽¹⁾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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

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. The derivative transactions are initially recognized at fair value and presented in the financial statements at fair values recalculated in the subsequent reporting periods.

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". Negative ones are represented under "Expected Credit Losses" account.

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 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.

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.

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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:

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.

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NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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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.

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's effect to market, economical conjuncture, and sectoral position, and other market conditions.

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.

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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 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.

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.

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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.

Additionally, considering BRSA's decisions dated March 17, 2020 numbered 8948 and dated March 27, 2020 numbered 8970, because of the malfunction in economical and commercial operations arising from COVID-19 pandemic, within the context of clause 4 and 5 of the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside", it has been determined that 90 days overdue will be 180 days to classify the receivables as non performing loans and 30 days overdue will be 90 days to classify the receivables as second group loans until September 30, 2021.

With the statement on September 16, 2021, it has been decided that the related flexibility will conclude as of September 30, 2021, but as of October 1, 2021 for first group loans whose overdue are between 30 days and 90 days, the mentioned application will continue. In addition to first group loans, beginning from October 1, 2021 second group loans whose overdue are between 90 and 180 days, the same application will continue as well.

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 December 31, 2021. From the beginning of the covid 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, this approach used through 2021, will be reviewed in the coming reporting periods by considering the changes in outcomes of pandemic, 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.

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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.

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.

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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.

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. 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.

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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. 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. 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.

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

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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 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.

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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.

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.

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XVI. Explanations on provisions and contingent liabilities:

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

Provisions are recognized when the 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".

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 December 31, 2021, there is an actuarial loss amounts to TL 70.740 before deferred tax calculation. (December 31, 2020: TL 57.906 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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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.

As per the temporary 13th clause of the Law numbered 5520 which is added to 11st clause of the Law numbered 7316, 20 % corporate tax rate in the Corporate tax Law will be applied as 25 % for 2021 taxation period (accounting periods starting in the relevant years for companies designated as a special accounting period) and 23% for 2022 taxation period.

In this context, corporate taxes will be collected from corporate taxpayers for their corporation income at the rate of 25% for 2021 period and 23 % for 2022 period. In addition, prepaid taxes will be paid at the rate of 25% for 2021 and 23 % for 2022 to be deducted from corporate tax stated the articles of Corporate Tax Law.

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.

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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.

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

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. Since the "law regarding changes on tax laws and some other laws" numbered 7061 and the 22% corporate tax rate have been terminated as of 2020, the Parent Bank has used 25% rate for temporary differences expected to be realized or terminated until end of 2021, 23% for temporary differences expected to be realized or terminated until end of 2022 and 20 % for temporary differences expected to be realized or terminated after 2023 while preparing financial statements as of December 31, 2021. There is not deferred tax calculation for free provisions.

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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."

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.

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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 December 31, 2021, the Parent Bank's total capital has been calculated as TL 6.399.996 and capital adequacy standard ratio is 14,65%. As of December 31, 2020, the Parent Bank's total capital amounted to TL 5.642.560 and capital adequacy ratio was 14,18%. 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	1.154.190	1.164.647
Gains recognized in equity as per TAS	1.184.247	568.785
Profit	332.836	302.304
Current Period Profit	332.836	302.304
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	4.036.128	3.400.591
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st 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	46.311
Improvement costs for operating leasing	21.295	20.340
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	87.948	44.312
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	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 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	19.811	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	563.844	222.414
Total Common Equity Tier 1 Capital	3.472.284	3.178.177

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	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 deduct 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)	4.248.004	3.953.897
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.983.300	1.374.112
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)	303.215	321.443
Tier II Capital Before Deductions	2.286.515	1.695.555
Deductions From Tier II Capital	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	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	127.336	-
Total Tier II Capital	2.159.179	1.695.555
Total Capital (The sum of Tier I Capital and Tier II Capital)	6.407.183	5.649.452
The sum of Tier I Capital and Tier II Capital (Total Capital)	-	-
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	7.187	6.892

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	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)	6.399.996	5.642.560
Total risk weighted amounts	43.674.167	39.792.959
Capital Adequacy Ratios		
Consolidated Core Capital Adequacy Ratio (%)	7,95	7,99
Consolidated Tier 1 Capital Adequacy Ratio (%)	9,73	9,94
Consolidated Capital Adequacy Ratio (%)	14,65	14,18
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 (%)	3,45	3,49
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	349.209	279.792
Limits related to provisions considered in Tier II calculation	-	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	303.215	321.443
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	303.215	321.443
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.

In press release by BRSA dated March 23, 2020 it is stated that there are financial market turbulences as a result of Covid 19 pandemia. 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 December 31, 2021, the Parent Bank has utilized this facility mentioned above.

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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)	TL 1.983.300	TL 775.720 ^(*)
Par Value of Instrument	TL 3.093.274	TL 775.720
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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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:

(1) Credit risk represents the Parent Bank's risk or losses arising from corporate and individual loan customers who have cash or non-cash credit relations with the Parent Bank not fulfilling the terms of their agreements partially or in full. Limit assignment authority primarily belongs to the Board of Directors and based on the authority given by the Board of Directors, the risk limits of the Parent Bank are determined by Head-office Loan Committee, Loan Committee and Board of Directors. Head-office Loan Committee may exercise such authority partially through units of the Parent Bank or branches. Proposal for loans are presented in a written format to the Loan Committee and Board of Directors.

Regarding the credit risk, debtors or group of debtors is subject to risk limitations. Credit limits are determined separately for each individual customer, company, group of companies, and risk groups. While determining credit risk several criteria such as the customers' financial strength, commercial capacities, sectors, geographical areas and capital structure are evaluated collectively.

In accordance with the decision taken by the Board of Directors of the Parent Bank, the Parent Bank cannot grant loans above 15% of its equity to a real person or legal entity (Exception to this decision is subject to the decision of the Board of Directors). Distributing the risk in a balanced manner to the sectors is observed, therefore in their marketing operations the branches strive for reaching various firms existing in different sectors. As a principle, each branch oversee the balanced distribution of the total risk to the sectors and progress of the firms existing in critical sectors.

The credibility of the debtors of loans are monitored periodically in accordance with related legislation. The financial documents for loans are obtained, audited and updated as necessary as stipulated in the related legislation. Credit limits of customers are renewed periodically according to the Parent Bank's credit limit renewal procedure. The Parent Bank obtains necessary collaterals for loans by analyzing the creditworthiness of corporate and individual loans according to its credit policy. Main collaterals obtained for credit risk are mortgage on real estate, cash blockage, pledges on vehicle and machinery.

Limits defined by the Board of Directors and Loan Committee for each bank are followed-up by Treasury Management on a daily basis for the transactions related with placements or treasury operations like foreign currency purchase and sales with domestic and foreign correspondent banks.

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As of 1 January 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. Related classifications are mentioned in the third section under the heading of Accounting Policies, in VIII. No. "Explanations on expected credit loss provisions".

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

Risk Categories	Current Period Risk Amount	Average Risk Amount^(*)
Receivables from central governments or central banks	19.539.686	14.661.811
Receivables from regional or local governments	112.481	178.803
Receivables from administrative units and non-commercial enterprises	44.810	50.314
Receivables from multilateral development banks	-	-
Receivables from international organizations	-	-
Receivables from banks and brokerage houses	6.228.803	5.406.313
Receivables from corporates	20.664.601	22.848.477
Retail receivables	7.857.559	7.849.378
Receivables secured by mortgages on property	9.436.596	5.216.582
Past due receivables	592.097	561.436
Receivables defined in high risk category by BRSA	-	-
Collateralized Securities	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	1.342
Other receivables	6.656.406	5.859.296
Equity share investments	131.322	67.015
TOTAL^(*)	71.264.361	62.700.767

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

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(2) The credit risk undertaken for forwards, options and similar agreements is managed together with the risks arising from market movements

(3) The risks of forwards, options and similar agreements are followed regularly and the Parent Bank utilizes risk mitigation methods if needed.

(4) Indemnified non-cash loans are subject to the same risk weight as overdue loans. Rescheduled or restructured loans are followed in accordance with the principles of credit risk management and follow-up principle of the Parent Bank. Financial position and commercial operations of those customers are analyzed continuously and the principal and profit payments based on the restructured payment plan are monitored by the related departments.

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

(5) Ana Ortaklık Banka'nın çeşitli yabancı ülkelerde bankacılık faaliyeti kapsamında limiti mevcut olup, bu limitlerin tahsisi ve revizyonu aşamasında gerekli araştırmalar (ekonomik, konjonktürel vb.) yapılmaktadır. Muhabirlik faaliyetleri ve uluslararası emtia işlemleri için çalışılacak bankalara ise ilgili kredi komitelerince limit tahsis edilmekte olup, bu limitler Ana Ortaklık Banka'nın ölçeği ve muhatap banka ölçeği dikkate alınarak tahsis edilmekte ve risk yoğunlaşmasından kaçınılmaktadır. Bu açıdan ciddi bir risk taşınmamaktadır.

(6) Ana Ortaklık Banka'nın ilk büyük 100 ve 200 nakdi kredi müşterisinden olan nakdi alacağının toplam nakdi krediler portföyü içindeki payı sırasıyla %52 (31 Aralık 2020: %51) ve %59 (31 Aralık 2020: %60)'dur.

Ana Ortaklık Banka'nın ilk büyük 100 ve 200 gayrinakdi kredi müşterisinden olan gayrinakdi alacağının toplam gayrinakdi krediler portföyü içindeki payı sırasıyla %48 (31 Aralık 2020: %43) ve %58 (31 Aralık 2020: %55)'dir.

Ana Ortaklık Banka'nın ilk büyük 100 ve 200 kredi müşterisinden olan nakdi ve gayrinakdi alacak tutarının toplam bilanço içi ve nazım hesaplarda izlenen varlıklar içindeki payı %46 (31 Aralık 2020: %44) ve %54 (31 Aralık 2020: %53)'tür.

(7) Ana Ortaklık Bankaca üstlenilen kredi riski için ayrılan gayri nakdi krediler için ayrılanlar hariç beklenen zarar karşılıkları (Aşama 1 ve 2) tutarı 588.399 TL'dir (31 Aralık 2020: 620.083 TL).

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(8) Profile on significant risks in significant regions:

Current Period	1	2	3	4	5	Risk Categories ^(*)						12	Total
						6	7	8	9	10	11		
Domestic	19,539,686	112,481	44,810	-	2,296,063	190,544,63	7,806,973	9,359,004	586,261	-	6,441,536	109,389	65,350,606
EU Countries	-	-	-	-	772,033	63,328	3,457	7,707	-	-	-	19,178	865,703
OECD Countries ^(**)	-	-	-	-	1,879,084	355	1,113	530	-	-	-	-	1,881,082
Off-shore banking regions	-	-	-	-	823,226	98,810	5,094	7,702	-	-	-	-	934,832
USA, Canada	-	-	-	-	445,344	6,482	456	501	-	-	-	-	452,783
Other countries	-	-	-	-	13,053	1,441,163	40,526	61,152	5,836	-	214,870	2,755	1,779,355
Associates, subsidiaries and jointly controlled entities	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated assets/liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	19,539,686	112,481	44,810	-	6,228,803	20,664,601	7,857,559	9,436,596	592,097	-	6,656,406	131,322	71,264,361
Prior Period	1	2	3	4	5	6	7	8	9	10	11	12	Total
Domestic	12,075,930	263,340	71,654	-	2,106,871	21,031,237	7,391,850	3,874,184	513,815	2,603	6,251,282	71,450	53,654,216
EU Countries	-	-	-	-	484,454	176,618	7,946	5,579	3	-	-	18,643	693,243
OECD Countries ^(**)	-	-	-	-	23,828	-	6	-	-	-	-	-	23,834
Off-shore banking regions	-	-	-	-	757,610	349,038	34,454	7,270	-	-	-	-	1,160,372
USA, Canada	-	-	-	-	238,941	47,240	809	578	-	-	-	-	287,568
Other countries	505	-	-	-	917,412	656,504	15,235	5,174	1,554	-	231	8,586	1,605,201
Associates, subsidiaries and jointly controlled entities	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated assets/liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	12,076,435	263,340	71,654	-	4,529,116	22,272,637	7,450,300	3,892,785	515,372	2,603	6,251,513	98,679	57,424,434

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

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

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

- 1- Receivables from central governments or central banks
- 2- Receivables from regional or local governments
- 3- Receivables from administrative units and non-commercial enterprises
- 4- Receivables from multilateral development banks
- 5- Receivables from banks and brokerage houses
- 6- Receivables from corporates
- 7- Retail receivables
- 8- Receivables secured by mortgages on property
- 9- Past due receivables
- 10- Investments as collective investment enterprises
- 11- Other receivables
- 12- Equity share investments

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Profile on significant risks in significant regions:

Sectors / Counterparties		Risk Categories												Total	
	1	2	3	4	5	6	7	8	9	10	11	12	TL	FC	
1 Agriculture	-	-	-	-	-	198.657	132.191	87.064	9.647	-	-	-	306.552	121.007	427.559
1.1 Farming and stockbreeding	-	-	-	-	-	198.657	132.191	-	-	-	-	-	210.843	120.005	330.848
1.2 Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Fishery	-	-	-	-	-	-	-	87.064	9.647	-	-	-	95.709	1.002	96.711
2 Manufacturing	-	-	923	-	-	8.091.570	2.960.311	959.577	236.906	-	3.559.250	-	6.141.027	9.667.510	15.808.537
2.1 Mining	-	-	-	-	-	940.098	272.608	82.021	104.267	-	-	-	701.865	697.129	1.398.994
2.2 Production	-	-	-	-	-	5.069.484	2.614.256	770.173	132.639	-	3.559.250	-	4.993.478	7.152.324	12.145.802
2.3 Electricity, gas, water	-	-	923	-	-	2.081.988	73.447	107.383	-	-	-	-	445.684	1.818.057	2.263.741
3 Construction	-	-	282	-	-	3.432.366	235.639	1.174.385	152.002	-	-	-	2.117.877	2.877.797	4.995.674
4 Services	19.539.686	-	41.466	-	6.228.803	8.330.582	4.313.613	7.044.186	186.352	-	557.892	131.322	16.891.153	29.482.749	46.373.902
4.1 Wholesale and retail trade	-	-	254	-	-	5.948.191	3.492.870	2.855.404	129.445	-	555.406	14.381	7.373.640	5.622.311	12.995.951
4.2 Hotel, food and beverage services	-	-	-	-	-	321.019	75.692	72.716	12.294	-	-	-	159.412	322.309	481.721
4.3 Transportation and telecommunication	-	-	-	-	-	944.466	434.900	108.534	20.816	-	-	-	550.316	958.400	1.508.716
4.4 Financial institutions	19.539.686	-	-	-	6.222.090	401.666	11.424	654.525	2.608	-	2.486	116.941	5.781.106	21.170.320	26.951.426
4.5 Real estate and renting services	-	-	-	-	6.713	-	98.782	3.279.448	15.602	-	-	-	2.144.182	1.256.363	3.400.545
4.6 Self-employment services	-	-	-	-	-	557.038	-	-	-	-	-	-	415.368	141.670	557.038
4.7 Education services	-	-	18.296	-	-	5.233	26.943	18.946	2.884	-	-	-	6.7337	4.965	72.302
4.8 Health and social services	-	-	22.916	-	-	152.969	173.002	54.613	2.703	-	-	-	399.792	6.411	406.203
5 Other	112.481	112.481	2.139	-	-	610.426	215.805	171.384	7.190	-	2.539.264	-	2.198.670	1.460.019	3.658.689
6 Total	19.539.686	112.481	44.810	-	6.228.803	20.664.601	7.857.559	9.436.596	592.097	-	6.656.406	131.322	27.655.279	43.609.082	71.264.361

- 1- Receivables from central governments or central banks
- 2- Receivables from regional or local governments alacaklar
- 3- Receivables from administrative units and non-commercial enterprises
- 4- Receivables from multilateral development banks
- 5- Receivables from banks and brokerage houses
- 6- Receivables from corporates
- 7- Retail receivables
- 8- Receivables secured by mortgages on property
- 9- Past due receivables
- 10- Investments as collective investment enterprises
- 11- Other receivable
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Distribution of risks with term structure according to remaining maturities:

Risk Categories	Time to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	1 year and over
1 Receivables from central governments or central banks	130.242	1.393.278	50.337	348.475	4.397.111
2 Receivables from regional or local governments	-	-	-	-	-
3 Receivables from administrative units and non-commercial enterprises	-	-	-	251	44.444
4 Receivables from multilateral development banks	-	-	-	-	-
5 Receivables from international organizations	-	-	-	-	-
6 Receivables from banks and brokerage houses	60	8.879	53.275	29.365	1.708.359
7 Receivables from corporates	622.186	1.605.414	2.845.408	639	11.355.794
8 Retail receivables	215.325	556.176	825.927	1.498.840	4.665.286
9 Receivables secured by mortgages on property	78.704	542.160	327.610	3.076.547	5.347.856
10 Past due receivables	520	-	275	-	586.326
11 Receivables defined in high risk category by BRSA	-	-	-	-	-
12 Collateralized Securities	-	-	-	-	-
13 Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
14 Investments similar to collective investment funds	-	-	-	-	-
15 Other receivables	-	-	-	-	3.447
16 Equity share investments	-	-	-	-	-
17 TOTAL	1.047.037	4.105.907	4.102.832	4.954.117	28.108.623

(9) While determining risk weights of receivables from banks and receivables from central banks and central governments indicated in the sixth article of "Regulation on Measurement and Assessment of Capital Adequacy of Banks", rating grades obtained from rating agencies commissioned by customers are being used. Resident banks and intermediary firms are evaluated as unrated and credit rating agencies' ratings are considered for non resident counterparties. The ratings by IIRA (Islamic International Rating Agency) are considered for receivables from central governments or central banks. Other receivables in the regulation are considered as unrated while calculating capital adequacy.

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The match-up of the ratings by rating agencies are represented in "credit quality stages" in the following table:

		Credit Quality stage	Fitch Ratings	Moody's Investor Service	S&P Ratings Services	Japan Credit Rating Agency	DBRS	IIRA
The match-up of the ratings	Long term credit ratings	1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA-	AAA to AA (low)	AAA to AA-
		2	A+ to A-	A1 to A3	A+ to A-	A+ to A-	A (high) to A (low)	A+ to A-
		3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB+ to BBB-	BBB (high) to BBB (low)	BBB+ to BBB-
		4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	BB+ to BB-	BB (high) to BB (low)	BB+ to BB-
		5	B+ to B-	B1 to B3	B+ to B-	B+ to B-	B (high) to B (low)	B+ to B-
		6	CCC+ and lower	Caa1 and lower	CCC+ and lower	CCC and lower	CCC (high) and lower	CCC+ and lower
	Short term credit ratings	1	F1+ to F1	P-1	A-1+ to A-1	J-1	R-1 (high) to R-1 (low)	A-1+ to A-1
		2	F2	P-2	A-2	J-2	R-2 (high) to R-2 (low)	A-2
		3	F3	P-3	A-3	J-3	R-3	A-3
		4	F3 lower	NP	A-3 lower	J-3 lower	R-3 lower	A-3 lower
		5	-	-	-	-	---	-
		6	-	-	-	-	---	-
	Ratings for long term securitization positions	1	AAA to AA-	Aaa to Aa3	AAA to AA-	-	AAA to AA (low)	AAA to AA-
		2	A+ to A-	A1 to A3	A+ to A-	-	A (high) to A (low)	A+ to A-
		3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	-	BBB (high) to BBB (low)	BBB+ to BBB-
		4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	-	BB (high) to BB (low)	BB+ to BB-
		5	B+ and lower	B1 and lower	B+ and lower	-	B (high) and lower	B+ and lower
	Ratings for short term securitization positions	1	F1+ to F1	P-1	A-1+ to A-1	-	R-1 (high) to R-1 (low)	A-1+ to A-1
		2	F2	P-2	A-2	-	R-2 (high) to R-2 (low)	A-2
		3	F3	P-3	A-3	-	R-3	A-3
		Diğerleri	F3 lower	NP	A-3 lower	-	R-3	A-3 lower
	The match-up for collective investment undertakings	1	AAA to AA-	Aaa to Aa3	FCQR: AAAf to AA-f; PSFR: AAAm to AA-m	-	-	-
		2	A+ to A-	A1 to A3	FCQR: A+f to A-f; PSFR: A+m to A-m	-	-	-
		3	BBB+ to BBB-	Baa1 to Baa3	FCQR: BBB+f to BBB-f; PSFR: BBB+m to BBB-m	-	-	-
		4	BB+ to BB-	Ba1 to Ba3	FCQR: BB+f to BB-f; PSFR: BB+m to BB-m	-	-	-
		5	B+ to B-	B1 to B3	FCQR: B+f to B-f; PSFR: B+m to B-m	-	-	-
		6	CCC+ and lower	Caa1 and lower	FCQR: CCC+f and lower; PSFR: CCC+m and lower	-	-	-

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Total exposure amount before and after applying risk mitigation techniques and total amounts deducted from the capital which are calculated in accordance with the Appendix-1 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks" are presented below:

Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	Deductions from Shareholders' Equity
1 Amount before credit risk mitigation	22.037.379	-	4.773.634	2.527.511	7.384.896	7.771.919	26.354.028	414.994	-	227.881
2 Amount after credit risk mitigation	23.789.333	-	5.484.361	2.520.147	7.581.773	7.302.726	24.171.128	414.893	-	227.881

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

As of December 31 2021, the Parent Bank has allocated expected lifetime loss provision for loans classified as Stage 2 based on the risk assessments made under TFRS 9. For the loans which are determined as impaired by being classified in the third stage, the expected lifetime loss provision has been allocated for such loans as well.

As of December 31, 2021, the credit risks of the loans which has not increased at first recognition or thereafter, are classified as stage 1 and 12 months expected credit loss has been allocated for such loans.

Sectors / Counterparties		Loans		Provisions
		Impaired Value (TFRS 9)		Provisions for Credit Losses (TFRS 9)
		Significant increase in credit risk (Stage 2)	Default (Stage 3)	
1	Agriculture	11.794	36.057	24.199
1.1	Farming and stockbreeding	1.967	31.547	20.076
1.2	Forestry	9.827	4.510	4.123
1.3	Fishery	-	-	-
2	Manufacturing	2.280.241	1.659.685	1.437.457
2.1	Mining	3.002	275.330	213.811
2.2	Production	852.495	812.946	614.334
2.3	Electricity, gas, water	1.424.744	571.409	609.312
3	Construction	858.852	1.012.871	751.766
4	Services	2.446.565	1.010.174	790.353
4.1	Wholesale and retail trade	1.593.899	434.058	328.640
4.2	Hotel, food and beverage services	396.373	109.436	118.503
4.3	Transportation and telecommunication	110.835	230.073	180.313
4.4	Financial institutions	13.716	10.212	10.359
4.5	Real estate and renting services	258.940	194.534	142.647
4.6	Self-employment services	61.784	13.223	3.225
4.7	Education services	6.349	12.149	4.271
4.8	Health and social services	4.669	6.489	2.395
5	Other	144.893	64.450	21.751
6	Total	5.742.345	3.783.237	3.025.526

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(11) Information related to value adjustments and credit provisions:

Current Period

Risk Weight	Opening Balance	Provision made during the period	Reversal of Provisions	Other Adjustments ^(*)	Closing Balance
1. Stage 3 Provisions	1.247.950	1.599.318	(742.418) ^(**)	553.193	2.658.043
2. Stage 1 and 2 Provisions	584.657	300.573	(360.443)	6.075	530.862

^(*) Determined according to currency differences.

^(**) Includes reversal of provisions related to write off amounts to TL 249.185

Prior Period

Risk Weight	Opening Balance	Provision made during the period	Reversal of Provisions	Other Adjustments ^(*)	Closing Balance
1. Stage 3 Provisions	946.631	697.454	(470.965) ^(**)	74.830	1.247.950
2. Stage 1 and 2 Provisions	185.151	424.813	(26.748)	1.441	584.657

^(*) Determined according to currency differences.

^(**) Includes reversal of provisions related to write off amounts to TL 53.145 and reversal of provisions of previous terms' non performing loans carried to performing loans by approximation amounts to TL 324.618.

III. Explanations on consolidated risks including countercyclical capital buffer calculation:

Explanations on receivables from consolidated private sector:

Country where risk is ultimately taken	Private sector loans in banking books	Risk weighted amount calculated within trading book	Total
Turkey	37.825.509	1.063.974	38.889.483
Iraq	1.349.939	-	1.349.939
Marshall Islands	407.214	-	407.214
Libya	207.158	-	207.158
Pakistan	149.150	-	149.150
Algeria	99.797	-	99.797
Malta	99.642	-	99.642
Tunisia	80.808	-	80.808
Georgia	78.380	-	78.380
Italy	42.146	-	42.146
Singapore	24.324	-	24.324
United States of America	13.241	-	13.241

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IV. 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 December 31, 2021 - Balance sheet evaluation rate	13,222	15,004
As of December 30, 2021	12,850	14,546
As of December 29, 2021	12,469	14,124
As of December 28, 2021	11,687	13,213
As of December 27, 2021	11,205	12,678
As of December 24, 2021	11,122	12,590

- 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 13,562 for 1 USD (December 2020: TL 7,670), TL 15,327 for 1 EUR (December 2020: TL 9,337).

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

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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	5.941.783	14.998.097	3.737.899	24.677.779
Banks	718.539	1.292.020	1.780.769	3.791.328
Financial assets at fair value through profit and loss(**)	883.945	1.128.327	4.877.370	6.889.642
Money market placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	1.243	362.822	6.653	370.718
Loans and financial lease receivables(***)	10.535.499	22.815.034	2	33.350.535
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	1.425.525	5.979.811	-	7.405.336
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	24.834	24.834
Intangible assets	9.240	-	-	9.240
Other assets(***)	124.674	22.801	1.443	148.918
Total assets	19.640.448	46.598.912	10.428.970	76.668.330
Liabilities				
Current account and funds collected from banks via participation accounts	662.001	974.193	24.851	1.661.045
Other current and profit sharing accounts	15.761.383	43.516.754	10.088.469	69.366.606
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	1.075.156	4.135.026	-	5.210.182
Marketable securities issued	-	-	-	-
Miscellaneous payables	275.065	366.671	23.584	665.320
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	771	31.598	20.059	52.428
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
Prior Period				
Total assets	10.852.989	22.619.959	6.411.927	39.884.875
Total liabilities	10.841.016	24.794.716	6.479.083	42.114.815
Net balance sheet position	11.973	(2.174.757)	(67.156)	(2.229.940)
Net off balance sheet position	(244.207)	2.670.013	142.713	2.568.519
Derivative financial instruments assets	22.001	3.036.480	160.497	3.218.978
Derivative financial instruments liabilities	266.208	366.467	17.784	650.459
Non-cash loans(***)	2.160.361	3.210.278	41.055	5.411.694

(*) TL 3.664.103 (December 31, 2020: TL 2.644.380) 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 962.090 (December 31, 2020: TL 1.308.455) of the balance in Banks in other FC column represent precious metals accounts with banks, TL 9.344.729 (December 31, 2020: TL 6.203.756) of the balance in Other current and profit sharing accounts in other FC column represent precious metals deposits accounts. TL 4.877.174 (December 31, 2020: TL 2.114.472) 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 523.546 (December 31, 2020: TL 1.227.719).

(****) Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 3.479 (December 31, 2020: TL 6.775) is included in other assets.

(*****) In the current period, derivative financial instruments assets include foreign currency purchase commitment in the amount of TL 142.473 (December 31, 2020: TL 275.205) and derivative financial instruments liabilities include foreign currency sale commitment in the amount of TL 463.533 (December 31, 2020: TL 574.820).

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

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Other issues related to currency risk:

Since the Parent Bank has issued unmatured 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.

V. 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 131.322. 100% risk weight is applied to related whole amount (December 31, 2020: TL 98.679).

VI. 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.

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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 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, 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.

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Consolidated liquidity coverage ratio:

Current Period	Rate of "Percentage to be taken into account" not Implemented Total Value ⁽¹⁾		Rate of "Percentage to be taken into account" Implemented Total Value ⁽¹⁾	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 HIGH QUALITY LIQUID ASSETS			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

⁽¹⁾ 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	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

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Prior Period	Rate of "Percentage to be taken into account" not Implemented Total Value ^(*)		Rate of "Percentage to be taken into account" Implemented Total Value ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 HIGH QUALITY LIQUID ASSETS			17.944.736	15.283.364
CASH OUTFLOWS				
2 Retail and Small Business Funds Collected	31.872.530	22.571.143	2.980.865	2.257.114
3 Stable Funds Collected	4.127.753	-	206.388	-
4 Less stable Funds Collected	27.744.777	22.571.143	2.774.477	2.257.114
5 Unsecured Funding other than Retail and Small Business Customers Deposits	16.095.895	11.597.593	7.995.215	5.311.412
6 Operational Funds Collected	9.756.716	7.568.365	2.439.179	1.892.091
7 Non-Operational Funds Collected	4.090.810	1.944.013	1.813.377	803.307
8 Other Unsecured Funding	2.248.369	2.085.215	3.742.659	2.616.014
9 Secured funding	-	-	-	-
10 Other Cash Outflows	2.504.337	1.325.553	2.504.337	1.325.553
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	2.504.337	1.325.553	2.504.337	1.325.553
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	11.333.373	5.429.471	1.087.474	661.606
16 TOTAL CASH OUTFLOWS			14.567.891	9.555.685
CASH INFLOWS				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	7.088.663	4.663.950	5.870.652	4.167.086
19 Other contractual cash inflows	2.528.119	2.312.918	2.528.119	2.312.918
20 TOTAL CASH INFLOWS	9.616.782	6.976.868	8.398.771	6.480.004
Upper limit applied amounts				
21 TOTAL HQLA			17.944.736	15.283.364
22 TOTAL NET CASH OUTFLOWS			6.169.120	3.075.681
23 Liquidity Coverage Ratio (%)			290,88	496,91

^(*) 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 2020 are as follows:

Liquidity Coverage Ratio (%)	Prior Period	
	TL+FC	FC
Lowest Date	272,72 November 30, 2020	439,29 December 31, 2020
Highest Date	300,51 October 31, 2020	571,64 November 30, 2020
Average	290,88	496,91

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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.

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 6,56% cash, 55,36% deposits in central banks and 38,08% 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 91,63% funds collected, 8,37% 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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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	10.619.482	15.878.705	-	-	-	-	-	26.498.187
Banks	3.627.891	1.517.713	131.344	-	-	-	-	5.276.948
Financial Assets at Fair Value Through Profit and Loss ^(*)	92.565	305.471	1.375.712	119.445	5.998.363	49.657	-	7.941.213
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	24.686	-	340.635	154.728	232.309	-	-	752.358
Loans ^(**)	127.091	4.112.062	8.802.171	18.970.700	20.049.411	3.749.918	1.125.194	56.936.547
Financial Assets Measured at Amortised Cost	-	143.301	1.685.594	312.666	5.961.650	-	-	8.103.211
Other Assets ^(****)	-	866	6.814	14.109	163.710	241.543	4.088.942	4.515.984
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
Liabilities								
Current account and funds collected from banks via participation accounts	1.459.724	248.846	32	19.901	-	-	-	1.728.503
Other current and profit-sharing accounts	44.822.430	34.027.927	7.127.368	3.378.530	123.923	-	-	89.480.178
Funds provided from other financial institutions and subordinated loans	-	1.201.189	731.231	174.008	3.157.461	-	-	5.263.889
Money Market Borrowings	-	1.327	-	-	-	-	-	1.327
Marketable securities issued	-	886.253	2.055.251	123.545	-	-	-	3.065.049
Miscellaneous payables	-	800.096	170.634	65.870	76	-	1.771.982	2.808.658
Other liabilities	775.720	-	700	3.932	108.401	214.808	6.573.283	7.676.844
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
Prior Period								
Total Assets	8.999.546	11.982.136	8.024.539	14.988.877	18.901.479	2.191.933	4.431.501	69.520.011
Total Liabilities	23.935.016	26.001.910	8.180.244	3.985.161	1.907.424	206.715	5.303.541	69.520.011
Net Liquidity Gap	(14.935.470)	(14.019.774)	(155.705)	11.003.716	16.994.055	1.985.218	(872.040)	-
Net Off-Balance Sheet Position	-	(62.018)	(109.221)	(65.751)	-	-	-	(236.990)
Financial Derivative Assets	-	918.683	1.452.662	656.191	-	-	-	3.027.536
Financial Derivative Liabilities	-	980.701	1.561.883	721.942	-	-	-	3.264.526
Non-Cash Loans	6.733.505	238.758	512.408	2.735.817	868.546	32.797	-	11.121.831

^(*) 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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VII. Explanations on consolidated leverage ratio:

	Current Period ^(*)	Prior Period ^(**)
Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards ^(*)	102.949.931	71.007.168
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	6.047.894	6.999.965
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	16.729	1.897.763
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	39.014	30.636
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	123.857.781	85.717.241

^(*) 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.

As of December 31, 2021, consolidated leverage ratio of the Group calculated from the arithmetic average of the last three months is 3,30% (December 31, 2020: 4,60%). 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)	103.252.744	71.507.442
2 (Assets deducted from Core capital)	(189.027)	(59.245)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	103.063.717	71.448.197
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	157.781	70.179
5 Potential credit risk amount of derivative financial assets and credit derivatives	31.543	35.331
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	189.324	105.510
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	600.159	303.792
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)	600.159	303.792
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	20.035.331	13.863.342
11 (Correction amount due to multiplication with credit conversion rates)	(30.750)	(3.600)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	20.004.581	13.859.742
Capital and total risk		
13 Core Capital	4.060.873	3.943.968
14 Total risk amount (sum of lines 3, 6, 9 and 12)	123.857.781	85.717.241
Leverage ratio		
15 Leverage ratio (%)	3,30	4,60

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

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

a. Information on fair value of financial assets and liabilities :

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated profit share accruals of corresponding financial assets or liabilities.

The fair values of financial assets and liabilities are calculated based on the following principles:

The fair values of investments measured at amortised cost are determined based on market prices. As of December 31, 2021, and December 31, 2020, fair value hierarchy of financial investments measured at amortized cost is determined as level 1.

The fair value of loans is determined by calculating the discounted cash flows using the current market profit share rates.

Carrying value of funds collected via special current accounts and participation accounts is assumed to approximate their fair value as they are valued at year-end unit values.

The fair values of funds collected from financial institutions are determined by calculating the discounted cash flows using the current market profit share rates.

	Carrying value		Fair value	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Financial Assets				
Money market placements	-	-	-	-
Banks	5.334.061	3.415.141	5.334.061	3.415.141
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	7.852.728	3.982.273	7.852.728	3.982.273
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	752.358	1.070.577	752.358	1.070.577
Financial Assets Measured at Amortised Cost	8.103.211	3.224.800	8.066.060	3.082.412
Loans and financial lease receivables	56.936.547	40.583.346	53.502.790	37.787.460
Financial Liabilities				
Funds collected from banks via current accounts and profit sharing accounts	1.728.503	512.176	1.728.503	512.176
Other current and profit sharing accounts	89.480.178	51.025.193	89.480.178	51.025.193
Funds provided from other financial institutions	5.263.889	4.792.447	5.422.259	4.815.574
Marketable securities issued	3.065.049	4.042.163	3.087.327	4.082.368
Debts to Money Markets	1.327	2.276.453	1.327	2.024.503
Other Liabilities	2.808.658	1.764.098	2.808.658	1.764.098

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b. Information on fair value measurement recognized in the financial statements:

"Finansal Araçlar: Açıklamalara ilişkin Türkiye Finansal Raporlama Standardı" ("TFRS 7") uyarınca, gerçeğe uygun değer ölçümleri, söz konusu ölçümler yapılırken kullanılan verilerin önemini yansıtan bir sıra dahilinde sınıflandırılır. Gerçeğe uygun değere ilişkin söz konusu sınıflandırma aşağıdaki şekilde oluşturulur:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level I);
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in Level 1 (Level II);
- Data not based on observable data regarding assets and liabilities (Level III).

Fair value hierarchy of the financial assets and liabilities of the Parent Bank carried at fair value according to the foregoing principles are given in the table below:

Current period ^(*)	Level I	Level II	Level III	Total
Financial assets				
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	7.607.936	199.461	45.331	7.852.728
Government Securities	7.558.347	-	-	7.558.347
Equity securities	19.198	-	45.331	64.529
Other Financial Assets	30.391	199.461	-	229.852
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	727.672	-	-	727.672
Equity securities ^(**)	-	-	-	-
Government Securities	727.672	-	-	727.672
Other Financial Assets	-	-	-	-
Derivative Financial Assets	-	88.485	-	88.485
Financial Liabilities				
Derivative financial liabilities	-	187.254	-	

^(*) In the current period, there is no classification between level I and level II.

^(**) Equity securities amounting to TL 24.686 under financial assets measured at fair value through other comprehensive income are not quoted in an active market and hence, they are accounted at cost in the financial statement and not represented above table.

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Prior period ^(*)	Level I	Level II	Level III	Total
Financial assets				
Financial assets at fair value through profit and loss	3.971.086	-	11.187	3.982.273
Government Securities	3.788.783	-	-	3.788.783
Equity securities	17.971	-	5.724	23.695
Other Financial Assets	164.332	-	5.463	169.795
Financial assets- available for sale	1.051.111	2.602	-	1.053.713
Equity securities ^(**)	-	-	-	-
Government Securities	1.051.111	-	-	1.051.111
Other Financial Assets	-	2.602	-	2.602
Derivative Financial Liabilities	-	13.684	-	13.684
Financial liabilities				
Derivative financial liabilities held for trading	-	142.596	-	142.596

^(*) In the prior period, there is no classification between level I and level II.

^(**) Equity securities amounting to TL 16.864 under financial assets measured at fair value through other comprehensive income are not quoted in an active market and hence, they are accounted at cost in the financial statements and not represented above table

Apart from financial assets and financial liabilities, as of December 31, 2021 and 2020, the Parent Bank carries the real estates at fair value under tangible assets. Level III section is used in determining the related fair values.

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

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

X. Explanations on consolidated risk management:

Notes and explanations in this section have been prepared in accordance with the Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks that have been published in Official Gazette numbered 29511 dated October 23, 2015 and became effective as of March 31, 2016. Due to usage of standard approach for the calculation of capital adequacy ratio by the Parent Bank, tables which have to be prepared within the scope of Internal rating-based (IRB) approach have not been presented.

a. Consolidated risk management strategy and risk weighted amounts:

a.1. Risk management strategy:

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

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

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

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

The Board of Directors of the Parent Bank takes an important part in the processes of risk management by following policies and strategies on consolidated and unconsolidated basis, setting up limit systems and procedures in the Parent Bank. The related limits are monitored, reported and maintained within the set limits by the units under the internal systems and the related departments in the Parent Bank. Risk Management Department, organized within the frame of Risk Management regulations, undertakes activities for measuring, monitoring, controlling and reporting of risks.

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

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

The risks that the Parent Bank is exposed to or may be exposed to in the future are determined and the definition of these risks is made. Defined risks are measured and prioritized as far as possible. It is provided that all important risks are in the risk appetite considering the potential impact of the risks and the strategy arising from the Parent Bank's strategies to risk profile. The Parent Bank's strategies are integrated with risk profile and risk appetite. If it is expected that the risk profile is going to change in the future, this change is assessed with the degree of capital impact. While a risk profile is being developed, the risk profile is analyzed based on the risk type, the sector and/or the geographic location.

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

The Parent Bank's risk appetite means the amount of risk that can be accepted by the Parent Bank in order to reach the strategic targets, and it includes an acceptable variability around the targets as well.

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

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

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

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

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

Market Risk

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

Within the coverage of market risk, the Parent Bank calculates the foreign currency position risk and the security risk, as well as specific risks associated with market risk, by using the Standard approach and reports to it the authorities accordingly on a regular basis. Additionally, for test-purpose, foreign currency position risk of the Parent Bank is measured by internal models. With backtesting applications, deviations between actual values and daily VaR values, predicted by internal models, are observed in order to control accuracy and performance of these models. Potential strength of portfolio against to unexpected risks is measured with stress tests including stress scenarios.

Whether the market risk of the Parent Bank is in conformity with legal regulations and the determined limits is constantly monitored. Our foreign currency risk is discussed and evaluated at every Assets/Liabilities Committee meeting and our foreign currency strategy is based on holding this

Liquidity risk

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

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

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

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

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

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

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Credit risk

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

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

It is systematically not possible for customers to exceed the predetermined and approved limit. Close attention is paid to prevent any sector concentration that might impair the health of the credit portfolio.

Utmost care is given to the prevention of risks concentrating on a small number of customers. Credit risks are constantly monitored and reported by the internal systems units and risk management bodies. Credit risks are ensured to be in conformity to "Regulation on Credit Policies and Implementation Procedures".

Operational risk

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

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

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

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

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Other risks

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

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

The Parent Bank regards reputational risk as anything that might lead to the Parent Bank's suffering a loss on account of adverse developments such as a reduction in the confidence that is had in it or any impairment in its good standing due to unfavorable opinions that existing or potential customers, shareholders, competitors, regulatory agencies, or other outside or associated parties may have about it or due to any breach of existing laws and regulations.

For the risk of reputation to be avoided and/or controlled by the Parent Bank's Risk Management System, a proactive communication mechanism that gives the customer priority is established any time a condition that could detriment the Parent Bank's reputation or image is detected.

Preparations are made for the worst-case scenarios in advance. In the evaluation of the reputation risk, the relationship, level and impact of operational risks to the reputation risk are also taken into account.

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

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

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

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a.2. Risk weighted amounts:

		Risk Weighted Amount		Minimum capital requirement
		Cari Dönem	Önceki Dönem	Cari Dönem
1	Credit risk (excluding counterparty credit risk) (CCR)	36.040.572	34.772.045	2.883.246
2	Standardised approach (SA)	36.040.572	34.772.045	2.883.246
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	60.985	12.162	4.879
5	Standardised approach for counterparty credit risk (SA-CCR)	60.985	12.162	4.879
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	4.059.574	2.064.728	324.766
17	Standardised approach (SA)	4.059.574	2.064.728	324.766
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	3.513.036	2.944.024	281.043
20	Basic Indicator Approach	3.513.036	2.944.024	281.043
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)	43.674.167	39.792.959	3.493.934

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b. Financial statements and regulatory exposures reconciliation:

b.1. Differences and Matching Between Accounting-related Consolidation and Legal Consolidation:

Current Period	Carrying values of items in accordance with Turkish Accounting Standards (TAS)					Not subject to capital requirements or deducted from capital
	Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)	Subject to credit risk	Subject to counterparty credit risk	Securitization positions	Subject to market risk ^(*)	
Assets						
Cash and cash equivalents	31.832.672	13.058.732	-	-	-	-
Financial assets at fair value through profit and loss	7.852.728	-	360	-	8.911.944	111.451
Financial Assets at Fair Value through Other Comprehensive Income	752.358	752.358	-	-	-	-
Financial Assets Measured at Amortised Cost	8.103.211	6.103.211	-	-	-	-
Derivative Financial Assets	88.485	-	90.479	-	88.845	-
Non Performing Financial Assets	-	-	-	-	-	-
Expected Credit Losses (-)	57.537	-	-	-	-	57.537
LOANS (Net)	56.936.547	43.506.451	-	-	-	(523.675)
Loans	55.521.541	43.146.767	-	-	-	7.187
Financial Lease Receivables	820.674	438.842	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Non Performing Receivables	3.783.237	2.578.885	-	-	-	-
Expected Credit Losses (-)	3.188.905	2.658.043	-	-	-	530.862
Assets Held for Sale and Assets of Discontinued Operations (Net)	118.978	118.978	-	-	-	-
Ownership Investments	357.379	357.379	-	-	-	-
Tangible Assets (Net)	1.509.980	1.431.298	-	-	-	21.295
Intangible Assets (Net)	92.266	34.630	-	-	-	87.948
Investment Property (Net)	1.035.405	1.035.405	-	-	-	-
Current Tax Asset	2.737	2.737	-	-	-	-
Deferred Tax Asset	489.049	489.049	-	-	-	-
Other Assets	910.190	910.190	-	-	-	-
Total assets	110.024.448	67.800.418	90.839	-	9.000.789	(360.518)
Liabilities						
Funds collected	91.208.681	-	-	-	-	91.236.649
Funds borrowed	2.144.535	-	-	-	-	6.259.215
Borrowings from money markets	1.327	-	-	-	-	1.327
Securities issued	3.065.049	-	-	-	-	-
Financial Liabilities At Fair Value Through Profit and Loss	-	-	-	-	-	-
Derivative Financial Liabilities	187.254	-	-	-	-	187.254
Lease Payables	349.614	-	-	-	-	349.614
Provisions	313.991	9.710	-	-	-	302.368
Current Tax Liability	126.805	-	-	-	-	117.218
Deferred Tax Liability	-	-	-	-	-	-
Liabilities For Assets Held For Sale and Assets of Discontinued (Net)	-	-	-	-	-	-
Subordinated Loans	3.119.354	-	-	-	-	3.119.354
Other Liabilities	2.808.658	-	-	-	-	2.745.561
Shareholders' equity	6.699.180	-	-	-	-	4.626.853
Total liabilities	110.024.448	9.710	-	-	-	108.945.413

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

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Prior Period	Carrying values of items in accordance with Turkish Accounting Standards (TAS)					Not subject to capital requirements or deducted from capital
	Carrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)	Subject to credit risk	Subject to counterparty credit risk	Securitization positions	Subject to market risk ^(*)	
Assets						
Cash and cash equivalents	16.659.573	16.659.573	-	-	-	-
Financial assets at fair value through profit and loss	3.982.273	-	175	-	3.982.273	-
Financial Assets at Fair Value through Other Comprehensive Income	1.070.577	1.070.577	-	-	-	-
Financial Assets Measured at Amortised Cost	3.224.800	3.224.800	-	-	-	-
Derivative Financial Assets	13.684	-	13.684	-	13.684	-
Non Performing Financial Assets	-	-	-	-	-	-
Expected Credit Losses (-)	35.426	-	-	-	-	35.426
LOANS (Net)	40.583.346	41.161.111	-	-	-	(577.765)
Loans	40.010.528	40.003.636	-	-	-	6.892
Financial Lease Receivables	360.149	360.149	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Non Performing Receivables	2.045.276	2.045.276	-	-	-	-
Expected Credit Losses (-)	1.832.607	1.247.950	-	-	-	584.657
Assets Held for Sale and Assets of Discontinued Operations (Net)	131.050	131.050	-	-	-	-
Ownership Investments	327.378	327.378	-	-	-	-
Tangible Assets (Net)	1.389.470	1.369.130	-	-	-	20.340
Intangible Assets (Net)	46.887	2.575	-	-	-	44.312
Investment Property (Net)	1.261.475	1.261.475	-	-	-	-
Current Tax Asset	3.750	3.750	-	-	-	-
Deferred Tax Asset	191.360	191.360	-	-	-	-
Other Assets	669.814	669.814	-	-	-	-
Total assets	69.520.011	66.072.593	13.859	-	3.995.957	(548.539)
Liabilities						
Funds collected	51.537.369	-	-	-	-	51.537.369
Funds borrowed	3.059.885	-	-	-	-	3.059.885
Borrowings from money markets	2.276.453	-	-	-	-	2.276.453
Securities issued	4.042.163	-	-	-	-	4.042.163
Financial Liabilities At Fair Value Through Profit and Loss	-	-	-	-	-	-
Derivative Financial Liabilities	142.596	-	-	-	-	142.596
Lease Payables	328.395	-	-	-	-	328.395
Provisions	202.524	8.698	-	-	-	193.826
Current Tax Liability	85.030	-	-	-	-	85.030
Deferred Tax Liability	-	-	-	-	-	-
Liabilities For Assets Held For Sale and Assets of Discontinued (Net)	-	-	-	-	-	-
Subordinated Loans	1.732.562	-	-	-	-	1.732.562
Other Liabilities	1.764.098	-	-	-	-	1.764.098
Shareholders' equity	4.348.936	-	-	-	-	4.348.936
Total liabilities	69.520.011	8.698	-	-	-	69.511.313

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

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

	Current Period	Total	Subject to credit risk	Securitisation positions	Subject to counterparty credit risk	Subject to market risk ^(*)
1	Carrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	110.024.448	67.800.418	-	90.839	9.000.789
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	-	9.710	-	-	-
3	Total net amount within the scope of legal consolidation	110.024.448	67.790.708	-	90.839	9.000.789
4	Off balance sheet amounts	27.737.356	8.171.482	-	35.136	-
5	Repo and similar transactions ^(**)	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	(4.697.829)	-	-	-
10	Risk amounts	137.761.804	71.264.361	-	125.975	9.000.789

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

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

	Prior Period	Total	Subject to credit risk	Securitisation positions	Subject to counterparty credit risk	Subject to market risk ^(*)
1	Carrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	69.520.011	66.072.593	-	13.859	3.995.957
2	Carrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	-	8.698	-	-	-
3	Total net amount within the scope of legal consolidation	69.520.011	66.063.895	-	13.859	3.995.957
4	Off balance sheet amounts	20.658.930	6.246.299	-	36.296	-
5	Repo and similar transactions ^(**)	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	(14.885.760)	-	-	-
10	Risk amounts	90.178.941	57.424.434	-	50.155	3.995.957

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

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

b.3. Explanations on differences between carrying values in accordance with Turkish Accounting Standards (TAS) and risk amounts:

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

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c. Consolidated Credit risk:

c.1. General information on credit risk:

c.1.1. General qualitative information on credit risk:

This information is already included in (II.) Explanations on consolidated credit risk (X.a.1) The Parent Bank's risk management approach.

c.1.2. Credit quality of assets:

Current Period		Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ amortisation and impairments	Net values
		Defaulted	Non-defaulted		
1	Loans	3.783.237	56.395.588	3.242.278	56.936.547
2	Debt securities	-	8.381.311	25.163	8.356.148
3	Off-balance sheet exposures	152.901	20.785.811	27.275	20.911.437
4	Total	3.936.138	85.562.710	3.294.716	86.204.132

Prior Period		Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ amortisation and impairments	Net values
		Defaulted	Non-defaulted		
1	Loans	2.045.276	40.433.986	1.895.916	40.583.346
2	Debt securities	-	8.070.374	19.153	8.051.221
3	Off-balance sheet exposures	61.872	14.304.996	34.741	14.332.127
4	Total	2.107.148	62.809.356	1.949.810	62.966.694

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

	Current Period	Prior Period
1 Defaulted loans and debt securities at end of the previous reporting period	2.107.148	2.289.941
2 Loans and debt securities that have defaulted since the last reporting period	2.458.517	1.657.706
3 Receivables back to non-defaulted status	(8.341)	(1.172.677)
4 Amounts written off	(249.185)	(53.145)
5 Other changes	(372.001)	(614.677)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	3.936.138	2.107.148

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c.1.4. Additional information on credit quality of assets:

The scope and definitions of past due receivables and the methods used by the Parent Bank to determine the provisions are mentioned in the Explanations on Credit risk.

The Parent Bank may restructure not only non-performing credits but also the first and the second stage credits. Restructuring for the first and the second stage credits are made to improve the customer's ability to repay the credit or for changes in contractual terms upon the customer request regardless of the customer's credit risk. Restructuring for non-performing credits are made for providing collection possibility by establishing a new payment plan.

Breakdown for receivables in terms of sectors are stated in "II. Explanations on consolidated credit risk", footnote 8 "Profile of significant risks in significant regions"

Breakdowns according to the remaining maturity for past due receivables and in terms of geographic locations receivables that specific provisions are set are represented below. In accordance with resolution of the Board of the Parent Bank, TL 249.185 has been written off.

Aging analysis for past due receivables:

As per Financial instruments segmentations, aging analysis of past due but not impaired financial assets is as follows:

	0-30 Days	31-90 Days	Total
Current Period	691.894	5.742.345	6.434.239
Prior Period	858.224	3.535.599	4.393.823

Receivables that provisions are set in terms of geographical region:

Current Period	Non-performing Loans ^(*)	Specific Provision ^(*)
Domestic	3.738.378	2.628.505
Off-shore Banking Countries	25.730	23.288
Other Countries	19.129	6.250
General Total	3.783.237	2.658.043

^(*)Represents amounts for cash loans.

Prior Period	Non-performing Loans ^(*)	Specific Provision ^(*)
Domestic	1.998.272	1.202.596
Off-shore Banking Countries	41.509	41.509
Other Countries	5.495	3.845
General Total	2.045.276	1.247.950

^(*)Represents amounts for cash loans.

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c.2. Credit risk mitigation

c.2.1. Qualitative disclosure on credit risk mitigation techniques:

On and off-balance sheet offsetting agreements are not utilized.

The Parent Bank, the risk mitigators that are used in credit process in compliance with Communiqué "The Risk Mitigation Techniques" which is published at September 6, 2014 are stated below.

- a) Financial Collaterals (Government Securities, Cash, Deposit or Participation Fund Pledge, Gold, Stock Pledge)
- b) Guarantees

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

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

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

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

c.2.2. Credit risk mitigation techniques:

Current Period		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	41.491.404	15.445.143	12.853.182	5.192.318	3.918.228	-	-
2	Debt securities	8.356.148	-	-	-	-	-	-
3	Total	49.847.552	15.445.143	12.853.182	5.192.318	3.918.228	-	-
4	Of which defaulted	1.006.082	119.112	93.182	8.158	6.793	-	-

Prior Period		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	31.475.452	9.107.894	6.613.219	2.807.859	1.721.313	-	-
2	Debt securities	8.051.221	-	-	-	-	-	-
3	Total	39.526.673	9.107.894	6.613.219	2.807.859	1.721.313	-	-
4	Of which defaulted	622.366	174.960	75.150	2.597	1.527	-	-

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c.3. Credit risk under standardised approach:

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

Explanations on rating grades that the banks use for calculation of credit risk by the standardised approach are mentioned in the footnote section four numbered II.9 Explanations on Consolidated Credit Risk.

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

Current Period		Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
Risk classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Receivables from central governments or central banks	19.422.851	644	19.514.846	319	-	0,00%
2	Receivables from regional or local governments	112.481	-	113.103	-	56.241	49,73%
3	Receivables from administrative units and non-commercial enterprises	19.832	54.203	19.832	24.978	35.606	79,46%
4	Receivables from multilateral development banks	-	-	-	-	-	0,00%
5	Receivables from international organizations	-	-	-	-	-	0,00%
6	Receivables from banks and brokerage houses	5.013.929	1.368.977	5.222.460	1.255.906	2.115.078	32,65%
7	Receivables from corporates	16.554.063	7.974.394	16.311.189	4.117.293	19.563.573	95,77%
8	Retail receivables	5.618.454	6.173.231	5.560.804	2.239.105	5.652.742	72,47%
9	Receivables secured by mortgages on property	2.501.573	167.213	2.501.439	58.517	908.718	35,50%
10	Receivables secured by mortgages on commercial property	6.407.952	950.619	6.407.463	471.916	3.341.111	48,57%
11	Past due receivables	621.801	-	621.801	-	672.763	108,20%
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	0,00%
13	Collateralized Securities	-	-	-	-	-	0,00%
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	0,00%
15	Investments similar to collective investment funds	-	-	-	-	-	0,00%
16	Other receivables	6.688.621	17.234	6.688.620	3.448	3.563.418	53,25%
17	Equity share investments	131.322	-	131.322	-	131.322	100,00%
18	Total	63.092.879	16.706.515	63.092.879	8.171.482	36.040.572	50,57%

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Prior Period	Risk classes	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Receivables from central governments or central banks	12.075.854	1.337	12.787.975	580	96	0,00%
2	Receivables from regional or local governments	263.340	-	263.708	-	131.670	49,93%
3	Receivables from administrative units and non-commercial enterprises	50.209	46.608	50.209	21.445	59.780	83,43%
4	Receivables from multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	4.095.527	516.991	4.183.430	433.589	2.220.032	48,08%
7	Receivables from corporates	18.680.521	6.492.853	18.368.520	3.592.118	21.529.150	98,04%
8	Retail receivables	5.606.373	5.011.676	5.123.747	1.843.927	5.046.352	72,43%
9	Receivables secured by mortgages on property	1.280.173	69.861	1.275.375	28.386	456.071	34,98%
10	Receivables secured by mortgages on commercial property	2.260.679	609.355	2.260.679	323.546	1.316.427	50,94%
11	Past due receivables	515.372	-	514.406	-	536.483	104,29%
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	2.603	-	2.603	-	2.603	100,00%
16	Other receivables	6.248.805	13.538	6.248.804	2.708	3.374.702	53,98%
17	Equity share investments	98.679	-	98.679	-	98.679	100%
18	Total	51.178.135	12.762.219	51.178.135	6.246.299	34.772.045	60,55%

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c.3.3 Exposures by asset classes and risk weights:

Risk Classes/Risk Weighted	Current Period										Total risk amount (post-CCF and CRM)
	0%	10%	20%	35% secured by Property mortgage	50%	75%	100%	150%	250%	Others	
1 Receivables from central governments or central banks	19,514.867	-	-	-	298	-	-	-	-	-	19,515.165
2 Receivables from regional or local governments	-	-	-	-	113.103	-	-	-	-	-	113.103
3 Receivables from administrative units and non-commercial enterprises	489	-	10.894	-	-	-	33.427	-	-	-	44.810
4 Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5 Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6 Receivables from banks and brokerage houses	1,206.229	-	3,546.949	-	430.468	-	1,294.720	-	-	-	6,478.366
7 Receivables from corporates	624.083	-	434.635	-	91.440	-	19,251.576	26.748	-	-	20,428.482
8 Retail receivables	181.125	-	230.418	-	-	7,302.726	-	85.640	-	-	7,799.909
9 Receivables secured by mortgages on property	2,954	-	4,276	2,520.147	13,536	-	19,043	-	-	-	2,559.956
10 Receivables secured by mortgages on commercial property	110.407	-	32.399	-	6,734.374	-	384	1.815	-	-	6,879.379
11 Past due receivables	95	-	15	-	198.555	-	122.446	300.690	-	-	621.801
12 Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
13 Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-
14 Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15 Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16 Other receivables	2,148.830	-	1,224.775	-	-	-	3,318.463	-	-	-	6,692.068
17 Equity share investments	-	-	-	-	-	-	131.322	-	-	-	131.322
18 Total	23,789,079	-	5,484,361	2,520,147	7,581,774	7,302,726	24,171,381	414,893	-	-	71,264,361

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	Risk Classes/Risk Weighted	Prior Period									Total risk amount (post-CCF and CRM)	
		35% secured by Property mortgage										
		0%	10%	20%		50%	75%	100%	150%	250%	Others	
1	Receivables from central governments or central banks	12.726.101	-	-	-	62.358	-	96	-	-	-	12.788.555
2	Receivables from regional or local governments					263.708	-					263.708
3	Receivables from administrative units and non-commercial enterprises	508	-	14.208	-	-	-	56.938	-	-	-	71.654
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	5.103	-	2.834.996	-	159.870	-	1.617.050	-	-	-	4.617.019
7	Receivables from corporates	206.881	-	238.322	-	193.654	-	21.321.781	-	-	-	21.960.638
8	Retail receivables	136.943	-	161.768	-	-	6.668.963	-	-	-	-	6.967.674
9	Receivables secured by mortgages on property	2.467	-	2.726	-	1.293.696	4.282	590	-	-	-	1.303.761
10	Receivables secured by mortgages on commercial property	-	-	-	-	2.535.596	-	48.629	-	-	-	2.584.225
11	Past due receivables	56	-	4	-	144.754	-	180.881	188.711	-	-	514.406
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	2.603	-	-	-	2.603
16	Other receivables	2.241.660	-	793.938	-	-	-	3.215.914	-	-	-	6.251.512
17	Equity share investments	-	-	-	-	-	-	98.679	-	-	-	98.679
18	Total	15.319.719	- 4.045.962	1.293.696	3.364.222	6.668.963	26.543.161	188.711	-	-	-	57.424.434

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ç. Consolidated counterparty credit risk:

ç.1. Qualitative disclosure on counterparty credit risk (CCR):

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

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

ç.2. Counterparty credit risk (CCR) approach analysis:

Current Period		Replacement cost	Potential future exposure	EEPE ^(*)	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	90.839	35.136		-	125.975	43.712
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						43.712

(*) Effective Expected Positive Exposure

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	Prior Period	Replacement cost	Potential future exposure	EEPE ^(*)	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	13.859	36.296		-	50.155	9.341
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						9.341

(*) Effective Expected Positive Exposure

ç.3. Capital requirement for credit valuation adjustment (CVA):

	Current Period		Prior Period	
	EAD post-CRM	RWA	EAD post-CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation	-	-	-	-
1 (i) VaR component (including the 3×multiplier)		-		-
2 (ii) Stressed VaR component (including the 3×multiplier)		-		-
3 All portfolios subject to the Standardised CVA capital obligation	125.975	17.273	50.155	2.821
4 Total subject to the CVA capital obligation	125.975	17.273	50.155	2.821

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ç.4. CCR exposures by risk class and risk weights:

Current Period												
Risk Classes	Risk Weighted											Total credit exposure ⁽¹⁾
	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	
Receivables from central governments or central banks	77.073	-	-	-	-	-	-	-	-	-	-	77.073
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses	-	-	6.487	-	-	-	-	-	-	-	-	6.487
Receivables from corporates	-	-	-	-	-	-	-	42.415	-	-	-	42.415
Retail receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables secured by mortgages on property	-	-	-	-	-	-	-	-	-	-	-	-
Past due receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-	-
Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	77.073	-	6.487	-	-	-	-	42.415	-	-	-	125.975

⁽¹⁾ Total credit risk: Represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.

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Prior Period	Risk Weighted									Total credit exposure ⁽¹⁾
	Risk Classes	0%	10%	20%	50%	75%	100%	150%	Other	
	Receivables from central governments or central banks	38.142	-	-	-	-	-	-	-	38.142
	Receivables from regional or local governments	-	-	-	-	-	-	-	-	-
	Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-
	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
	Receivables from international organizations	-	-	-	-	-	-	-	-	-
	Receivables from banks and brokerage houses	-	-	2.746	951	-	-	-	-	3.697
	Receivables from corporates	-	-	-	-	-	8.316	-	-	8.316
	Retail receivables	-	-	-	-	-	-	-	-	-
	Receivables secured by mortgages on property	-	-	-	-	-	-	-	-	-
	Past due receivables	-	-	-	-	-	-	-	-	-
	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-
	Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
	Securitisation positions	-	-	-	-	-	-	-	-	-
	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-
	Equity share investments	-	-	-	-	-	-	-	-	-
	Other receivables	-	-	-	-	-	-	-	-	-
	Other assets	-	-	-	-	-	-	-	-	-
	Total	38.142	-	2.746	951	-	8.316	-	-	50.155

⁽¹⁾ Total credit risk: Represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.

ç.5. Collaterals for CCR

Current Period	Collateral for derivative transactions				Collateral for other transactions	
	Collaterals received		Collaterals granted		Collaterals received	Collaterals granted
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	4.440	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	4.440	-	-	-	-

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Prior Period	Collateral for derivative transactions				Collateral for other transactions	
	Collaterals received		Collaterals granted		Collaterals received	Collaterals granted
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	5.597	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	5.597	-	-	-	-

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

The Parent Bank does not have any risks arising from purchased or sold credit derivatives (December 31, 2020: None).

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

The Parent Bank does not have any risks arising from central counterparty (December 31, 2020: None).

d. Consolidated securitization explanations:

There is not any information to be announced to public on securitization (December 31, 2020: None).

e. Consolidated market risk

e.1. Qualitative disclosure on market risk:

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

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

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

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e.2. Market risk under standardised approach:

		Current Period RWA	Prior Period RWA
Outright products			
1	Profit rate risk (general and specific)	2.439.588	487.590
2	Equity risk (general and specific)	145.677	226.818
3	Foreign exchange risk	1.038.213	1.226.213
4	Commodity risk	436.096	124.107
Options			
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	4.059.574	2.064.728

f. Consolidated Operational risk

Capital requirement for operational risk is calculated annually by using the Basic Indicator Method in accordance with Article 24 of the Regulation on the Measurement and Assessment of Capital Adequacy of Banks. As of December 31, 2021, amount subject to operational risk and the calculation information are given below:

	2 PP Value	1 PP Value	CP Value	Total number of years for which gross income is positive	Rate (%)	Total
Gross Income	1.673.004	1.601.280	2.346.573	1.873.619	15	281.043
Amount subject to Operational Risk (Total*12,5)		3.513.036				

g. Qualitative disclosure on profit rate risk arising from banking books

a. Important assumptions including the nature of profit rate risk arising from banking books and the early repayment of loans and movements in deposits other than time deposits with measurement frequency of the profit rate risk

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

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

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Profit share-yield assets, liabilities that profit share is paid, restructuring risk, yield curve risk in banking books and changes in profit rates occurred in market conditions are monitored, assessed, measured and managed by the Parent Bank in the calculations made within the scope of the related regulation.

Against the risk that these matters may affect the Parent Bank's capital negatively, these risks are assessed and managed on a weekly basis within the scope of the Charters established by the Board of Directors.

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

Currency	Applied Shock (+/-x basis point)	Gains/ (Losses)	Gains/Equity (Losses/Equity) (%)
TL	(+) 500bp	(352.883)	(5,51)
TL	(-) 400bp	328.388	5,13
USD	(+) 200bp	154.383	2,41
USD	(-) 200bp	(47.496)	(0,74)
EUR	(+) 200bp	(16.214)	(0,25)
EUR	(-) 200bp	7.572	0,12
Total (For Negative Shocks)	-	288.464	4,51
Total (For Positive Shocks)	-	(214.714)	(3,35)

XI. 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)	(207.316)	2.844.854	1.664.024	469.647	4.771.209
Operating Expenses (*)	(1.169.238)	(1.935.643)	(646.186)	(90.344)	(3.841.411)
Operating Income/Expenses	(1.376.554)	909.211	1.017.838	379.303	929.798
Profit/(Loss) Before Tax	(1.376.554)	909.211	1.017.838	379.303	929.798
Tax Income (Expense)	-	-	-	12.663	12.663
Current Year Profit/(Loss)	(1.376.554)	909.211	1.017.838	391.966	942.461
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

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Operating Income (Net)	(250.238)	2.284.745	1.030.512	174.025	3.239.044
Operating Expenses (*)	(1.018.033)	(1.478.196)	(388.599)	30.678	(2.854.150)
Operating Income/Expenses	(1.268.271)	806.549	641.913	204.703	384.894
Profit/(Loss) Before Tax	(1.268.271)	806.549	641.913	204.703	384.894
Tax Income (Expense)	-	-	-	(73.788)	(73.788)
Current Year Profit/(Loss)	(1.268.271)	806.549	641.913	130.915	311.106
Total Assets	4.029.989	38.607.745	23.912.672	2.969.605	69.520.011
Total Liabilities	33.945.848	20.068.499	11.271.373	4.234.291	69.520.011

(*) 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	158.510	1.636.898	153.161	1.304.238
CBRT	1.477.835	21.001.121	1.100.016	9.074.885
Other ^(*)	184.487	2.039.760	117.876	1.494.256
Total	1.820.832	24.677.779	1.371.053	11.873.379

^(*) Includes precious metals amounting to TL 528.804 (December 31, 2020: TL 768.007) and cash in transit amounting to TL 1.695.443 (December 31, 2020: TL 844.125) as of December 31, 2021.

b. Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	1.436.022	5.163.805	1.092.052	2.012.553
Unrestricted time deposit	-	-	-	-
Restricted time deposit ^(*)	41.813	15.837.316	7.964	7.062.332
Total	1.477.835	21.001.121	1.100.016	9.074.885

^(*) 31 Aralık 2021 tarihi itibarıyla, standart altın cinsinden tesis edilen zorunlu karşılık tutarı 3.135.299 TL'dir (31 Aralık 2020: 1.885.797 TL).

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 December 31, 2021, 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.

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c.1. Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic ^(*)	1.531.688	1.039.578	781.048	1.427.679
Abroad	-	2.762.795	-	1.206.414
Foreign head offices and branches	-	-	-	-
Total	1.531.688	3.802.373	781.048	2.634.093

^(*) Includes blockaged amount TL 1.480.543 (December 31, 2020: TL 764.198) booked under TL accounts arising from POS transactions

c.2. Information on foreign bank accounts:

	Current period		Prior Period	
	Unrestricted amount	Restricted amount	Unrestricted amount	Restricted amount
European Union Countries	1.060.926	-	426.874	-
USA and Canada	657.063	-	247.689	-
OECD Countries ^(*)	61.275	-	26.696	-
Off-shore banking regions	14.204	-	8.040	-
Other ^(**)	797.251	172.076	396.892	100.223
Total	2.590.719	172.076	1.106.191	100.223

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

^(**) Represents the balance amounts to TL 703.028 in Iraq Banks belonging to Parent Bank's foreign branches "Erbil" and "Baghdad" (December 31, 2020: TL 330.923).

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 December 31, 2021, there is not any amount subject to repurchase agreements (December 31, 2020: TL 427.455).

As of December 31, 2021, the collateralized /blocked nominal amount is TL 6.916 (December 31, 2020: TL 5.655).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Sukuk	915.941	6.850.650	711.417	3.235.680
Equity Securities	45.331	19.198	12.921	10.774
Others	1.814	19.794	86	11.395
Total	963.086	6.889.642	724.424	3.257.849

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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 December 31, 2021, there is not any amount subject to repurchase agreements (December 31, 2020: TL 161.208).

As of December 31, 2021, the collateralized/blocked nominal amount is TL 99.011 (December 31, 2020: None).

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

	Current Period	Prior Period
Debt securities	733.943	1.053.922
Quoted on a stock exchange	733.943	1.053.922
Unquoted	-	-
Investment Funds	-	2.602
Quoted on a stock exchange	-	-
Unquoted	-	2.602
Share certificates	24.686	16.864
Quoted on a stock exchange	-	-
Unquoted	24.686	16.864
Impairment provision (-)	6.271	2.811
Total	752.358	1.070.577

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 December 31, 2021, there is not any amount subject to repurchase agreements (December 31, 2020: 421.831)

As of December 31, 2021, the collateralized/blocked nominal amount is TL 539.107. (December 31, 2020: TL 290.072).

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

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities ^(*)	8.103.211	3.224.800
Total	8.103.211	3.224.800

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

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

	Current Period	Prior Period
Debt Securities	8.103.211	3.224.800
Quoted on a stock exchange	8.103.211	3.224.800
Unquoted	-	-
Impairment provision (-)	-	-
Total	8.103.211	3.224.800

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

	Current Period	Prior Period
Balance at beginning of period	3.224.800	1.994.319
Foreign currency differences on monetary assets	2.602.268	424.544
Purchases during period ^(*)	3.762.132	1.740.999
Disposals through sales and redemptions ^(*)	(1.510.652)	(957.473)
Impairment provision (-)	-	-
Reclassifications	-	-
Income accruals	24.663	22.411
Closing balance	8.103.211	3.224.800

^(*) 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	32.030	-	5.725	-
Swap Transactions	56.455	-	7.959	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	88.485	-	13.684	-

The Parent Bank has not any derivative financial assets for hedging purposes (December 31, 2020: None).

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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	102.174	5.591	119.171	12.696
Corporate shareholders	98.481	5.591	114.657	12.346
Real person shareholders	3.693	-	4.514	350
Indirect loans granted to shareholders	1.219.475	64.583	818.807	34.537
Loans granted to employees	20.765	39.800	16.439	2.000
Total	1.342.414	109.974	954.417	49.233

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			
	Standard loans		Restructured	
		Not under the scope of restructuring or rescheduling	Loans with revised contract terms	Refinancing
Cash Loans	Standard loans			
Loans	49.825.565	2.267.843	1.701.046	1.727.087
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

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Prior Period	Loans Under Close Monitoring			
	Standard loans	Not under the scope of restructuring or rescheduling	Restructured	
Cash Loans			Loans with revised contract terms	Refinancing
Loans	36.496.370	1.617.583	1.180.435	716.140
Export loans	2.135.811	7.051	-	-
Import loans	2.767.225	26.060	29.495	-
Business loans	16.728.565	1.471.553	825.171	676.532
Consumer loans	3.783.301	60.337	15.812	-
Credit cards	452.167	2.326	-	-
Loans given to financial sector	1.625.242	-	-	-
Other ^(*)	9.004.059	50.256	309.957	39.608
Other receivables	-	-	-	-
Total	36.496.370	1.617.583	1.180.435	716.140

(*) Details of other loans are provided below:

Commercial loans with installments	2.315.066
Other investment credits	1.168.616
Loans given to abroad	2.397.739
Profit and loss sharing investments ^(**)	3.200.820
Loans for purchase of marketable securities for customer	301.110
Other	20.529
Total	9.403.880

(**) As of December 31, 2020 the related balance represents profit and loss sharing investment projects (7 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, 2020, 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 94.353 for 2020 (TL 97.309 valuation profit, TL 2.956 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 271.089 and valuation loss is TL 61.984 for profit and loss sharing investments.

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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	163.379	-
Significant Increase in Credit Risk	-	367.483

Prior Period	Standard Loans	Loans under close monitoring
12 Month Expected Credit Losses	159.543	-
Significant Increase in Credit Risk	-	425.114

c. Maturity analysis of cash loans:

Cash Loans	Loans Under Follow-Up		
Current Period	Standard Loans	Non-restructured	Restructured
Short term loans	9.732.110	1.123.635	-
Medium and long-term loans ^(*)	40.093.455	3.853.653	718.688
Total	49.825.565	4.977.288	718.688

^(*) Loans with original maturities longer than a year are classified as "Medium and Long Term Loans".

Cash Loans	Loans Under Follow-Up		
Prior Period	Standard Loans	Non-restructured	Restructured
Short term loans	8.976.400	249.586	-
Medium and long-term loans ^(*)	27.519.970	1.367.997	1.896.575
Total	36.496.370	1.617.583	1.896.575

^(*) Loans with original maturities longer than 1 year are classified as "Medium and Long Term Loans".

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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	49.141	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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Prior Period	Short-term	Medium and long-term	Total
Consumer loans-TL	42.891	3.804.906	3.847.797
Housing loans	13.476	3.272.095	3.285.571
Vehicle loans	10.696	403.853	414.549
Consumer loans	18.719	128.958	147.677
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	892	892
Housing loans	-	892	892
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	116.069	214	116.283
With installment	41.698	203	41.901
Without installment	74.371	11	74.382
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	8.595	2.166	10.761
Housing loans	-	445	445
Vehicle loans	98	1.612	1.710
Consumer loans	8.497	109	8.606
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	5.658	20	5.678
With installment	2.842	20	2.862
Without installment	2.816	-	2.816
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL (Real Person)	-	-	-
Overdraft account-FC (Real Person)	-	-	-
Total	173.213	3.808.198	3.981.411

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

Current 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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Prior Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	168.471	1.764.204	1.932.675
Business loans	6.845	442.011	448.856
Vehicle loans	118.689	990.948	1.109.637
Consumer loans	42.937	331.245	374.182
Other	-	-	-
Commercial installment loans-FC indexed	-	115.144	115.144
Business loans	-	65.599	65.599
Vehicle loans	-	9.475	9.475
Consumer loans	-	40.070	40.070
Other	-	-	-
Commercial installment Loans-FC	1.108	266.139	267.247
Business loans	391	96.700	97.091
Vehicle loans	717	117.604	118.321
Consumer loans	-	51.835	51.835
Other	-	-	-
Corporate credit cards-TL	331.660	872	332.532
With installment	108.231	825	109.056
Without installment	223.429	47	223.476
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	-	-	-
Overdraft account-FC (Legal Entity)	-	-	-
Total	501.239	2.146.359	2.647.598

e. Allocation of loans by customers:

	Current Period	Prior Period
Public	103.821	333.571
Private	55.417.720	39.676.957
Total	55.521.541	40.010.528

f. Breakdown of domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	51.950.811	37.612.789
Foreign loans	3.570.730	2.397.739
Total	55.521.541	40.010.528

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g. Loans granted to subsidiaries and associates:

	Current Period		Prior Period	
	TL	FC	TL	FC
Direct Loans Granted to Subsidiaries and Associates	-	-	2	-
Indirect Loans Granted to Subsidiaries and Associates	-	-	-	-
Total			2	-

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

	Current Period	Prior Period
Loans with limited collectability	346.715	133.510
Loans with doubtful collectability	325.046	92.404
Uncollectible loans	1.986.282	1.022.036
Total	2.658.043	1.247.950

Specific provisions in the amount of TL 2.658.043 (December 31, 2020: TL 1.247.950) comprise TL 973.778 (December 31, 2020: TL 441.674) 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	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current period			
Gross amount before specific provisions	-	414	132.728
Restructured loans	-	414	132.728
Prior period			
(Gross amount before specific provisions)	-	2.074	80.452
Restructured loans and other receivables	-	2.074	80.452

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectable loans
Current 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
Provisions (-)	346.715	325.046	1.986.282
Net balance at the balance sheet	176.828	40.437	907.929

(*) 27 Kasım 2019 tarih ve 30961 sayılı Resmi Gazete’de yayınlanan “Kredilerin Sınıflandırılması ve Bunlar için Ayrılacak Karşılıklara İlişkin Usul ve Esaslar Hakkında Yönetmelik”e istinaden canlı alacaklar hesaplarına taşınan bakiye 8.341 TL ve terkin tutarı 249.185 TL’dir. Bu işlemlerin takibe dönüşüm oranına olan etkisi 40 baz puanıdır.

Donuk alacak olarak sınıflandırılan 3.783.237 TL tutarındaki kredilerin, 1.627.858 TL tutarındaki kısmı katılma hesaplarından kullandırılan kredilerin katılma hesapları payıdır.

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectable loans
Prior Period			
Closing balance of prior period	466.434	319.648	1.435.641
Additions in the current period (+)	818.060	353.978	485.668
Transfers from other categories of non-performing loans (+)	-	962.814	1.067.134
Transfers to other categories of non-performing loans (-)	962.814	1.067.134	-
Collections in the current period (-)	58.691	132.195	417.445
Transfers to standard loans and write off (-)(*)	69.124	196.751	959.947
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	193.865	240.360	1.611.051
Specific provisions (-)	133.510	92.404	1.022.036
Net balance at the balance sheet	60.355	147.956	589.015

(*) 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 1.172.677 and the written off amount is TL 53.145. These transactions’ impact to NPL ratio is 289 basis point. The Parent Bank has reclassified TL 1.092.914 as performing loans classified as non-performing loans before July 31, 2020 by approximation. As of December 31, 2020, the Bank has continued to classify TL 603.718 of these loans in performing loans accounts and allocate provisions amounting to TL 324.619 for them..

Non-performing loans in the amount of TL 2.045.276 comprise TL 875.152 of participation account share of loans provided from participation accounts.

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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	328.763	273.061	817.947
Provision (-)	187.531	264.025	696.048
Net balance	141.232	9.036	121.899
Prior period:			
Period end balance	147.246	57.915	403.144
Provision (-)	113.479	36.969	352.207
Net balance	33.767	20.946	50.937

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)	176.828	40.437	907.929
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 and receivables (gross)	-	-	-
Provision (-)	-	-	-
Other loans (net)	-	-	-
Prior period (net)	60.355	147.956	589.015
Loans to individuals and corporates (gross)	193.865	240.360	1.611.051
Provision (-)	133.510	92.404	1.022.036
Loans to individuals and corporates (net)	60.355	147.956	589.015
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (net)	-	-	-
Other loans (gross)	-	-	-
Provision (-)	-	-	-
Other loans (net)	-	-	-

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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)	5.330	21.043	357.066
Profit Share Accruals and Valuation Differences	9.367	21.469	942.724
Provision (-)	4.037	426	585.658
Prior Period (Net)	10.116	43.507	139.389
Profit Share Accruals and Valuation Differences	17.782	48.384	264.252
Provision (-)	7.666	4.877	124.863

i. Liquidation policy for uncollectable loans:

Loans determined as uncollectible are liquidated through starting legal follow up and by converting the guarantees into cash.

i. Information on "Write-off" policies:

The write-off policy of the Parent Bank for receivables under follow up is to retire the receivables from assets in case of determination of the inability of collection through follow-up by the decision of Bank management. As of December 31, 2021, loans which deemed uncollectible amounts to TL 249.185 have been written off as per the decision taken by the Parent Bank management (December 31, 2020: TL 53.145).

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	168.950	158.920	84.351	75.566
1 to 4 years	617.544	563.304	281.824	261.742
More than 4 years	106.525	98.450	27.587	22.841
Total	893.019	820.674	393.762	360.149

b. Information on net investments through finance lease:

	Current Period	Prior Period
Financial lease receivables (Gross)	893.019	393.762
Unearned financial lease receivable (-)	72.345	33.613
Net receivable from financial leases	820.674	360.149

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c. General explanation on finance lease contracts:

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

Information on leasing receivables:

	Loans Under Close Monitoring			
	Standard Loans	Not Under the Scope of Restructuring or Rescheduling	Restructured	
			Loans with Revised Contract Terms	Refinancing
Current Period				
Financial lease receivables (Net)	774.305	38.705	7.664	-
Prior Period				
Financial lease receivables (Net)	338.708	2.709	18.732	-

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	131.050	124.480
Additions	222.019	248.530
Disposals	(87.111)	(142.005)
Transfers ^(*)	(104.641)	(98.357)
Impairment Provision (-)/Reversal of Impairment Provision ^(*)	(42.339)	(1.598)
Net closing balance	118.978	131.050

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

As of December 31, 2021, TL 118.932 (December 31, 2020: TL 131.042) of the assets held for sale is comprised of real estates, TL 46 (December 31, 2020: TL 8) is comprised of other tangible assets. The Parent Bank has not any discontinued operations and assets of discontinued operations.

9. Ownership investments:

a. Associates:

a.1. Information on unconsolidated associates:

None (December 31, 2020: None).

a.2. Information on consolidated associates:

None (December 31, 2020: None).

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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 December 31, 2021 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

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.	İstanbul/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 December 31, 2021, 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 December 31, 2021.

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i). The balances of Bereket Varlık Kiralama A.Ş. presented in the table below have been obtained from audited financial statements as of December 31, 2021.

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
4.115.041	180	-	-	-	7	113	-

ii) The balances of Değer Varlık Kiralama A.Ş. presented in the table below have been obtained from audited financial statements as of December 31, 2021.

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
52	50	-	-	-	-	-	-

iii) Ana Ortaklık Banka'nın 25 Şubat 2015 tarihli Yönetim Kurulu toplantısında 5.000 TL sermayeli "Albaraka Gayrimenkul Portföy Yönetimi Anonim Şirketi" ünvanlı bir gayrimenkul portföy yönetim şirketi kurulması kararı alınmıştır. Şirket, 3 Haziran 2015 tarihinde tescil edilmiş olup, Şirket'in tescili 9 Haziran 2015 tarih 8837 sayılı Ticaret Sicil Gazetesinde ilan edilmiştir. Şirketin ünvanı şirketin 20 Aralık 2017 tarihli 2018 yılı Olağanüstü Genel Kurulu kararına istinaden Albaraka Portföy Yönetimi A.Ş. olarak değiştirilmiştir. Albaraka Portföy Yönetimi A.Ş. 31 Aralık 2021 tarihi itibarıyla Ana Ortaklık Banka ile tam konsolidasyon yöntemine göre konsolide edilmiştir. Şirket'in sermayesi 31 Aralık 2021 tarihi itibarıyla 45.000 TL'dir. Aşağıda tablolarda belirtilen değerler, Albaraka Portföy Yönetimi A.Ş.'nin 31 Aralık 2021 tarihli bağımsız denetimden geçmiş finansal tablolarından alınmıştır.

Name	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Albaraka Portföy Yönetimi 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
85.368	78.829	1.036	12.596	-	31.221	395	-

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iv) As of December 31, 2021, unaudited financial statements of the Parent Bank's subsidiary "Insha GMBH" based in Berlin (Germany) established under "Europe Digital Banking Project" 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
€ 1.008.207	€ 119.969	-	-	-	€ (517.572)	€ (2.298.240)	-

v) Movement and Sectoral Information on consolidated subsidiaries:

	Current Period	Prior Period
Amount at the beginning of the period	23.411	23.711
Movements inside the term	-	(300)
Purchases/new incorporations/capital increases	-	(300)
Bonus shares	-	-
Profit received from current year share	-	-
Sales	-	-
Revaluation increases	-	-
Impairments	-	-
Amount at the end of the period	23.411	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	23.411	23.411

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.

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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 December 31, 2021, Katılım Emeklilik ve Hayat A.Ş. has been consolidated by the Parent Bank using equity method. The financial data from unaudited financial statements as of December 31, 2021 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.	50,00	50,00	351.165	5.776.031	5.802.749	305.436	(249.542)

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 December 31, 2021 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	0,00	-	69.746	18.778	50.968
Albaraka Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu ^(*)	0,00	0,11	-	192.389	32.443	159.946
Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu ^(*)	0,24	0,24	2.124	465.693	30.240	435.453
Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu ^(*)	0,24	0,24	2.124	465.693	30.240	435.453
Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu ^(*)	0,00	0,13	-	218.163	5.856	212.307
Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu ^(*)	0,00	0,00	-	-	7.113	(7.113)
Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu ^(*)	0,00	0,00	-	8.157	1.298	6.859
Albaraka Portföy Yönetimi A.Ş. Start-Up Girişim Sermayesi Yatırım Fonu ^(*)	0,00	0,02	-	10.017	1.047	8.970
Albaraka Portföy Yönetimi A.Ş. İnovasyon Girişim Sermayesi Yatırım Fonu ^(*)	0,00	9,27	-	14.305	1.398	12.907
Albaraka Portföy Yönetimi A.Ş. Bilişim Vadisi Girişim Sermayesi Yatırım Fonu ^(*)	0,00	0,00	-	14.455	1.484	12.971
Albaraka Portföy Yönetimi A.Ş. Kısa Vadeli Katılım Serbest Fonu ^(*)	0,00	0,06	-	112.156	13.323	98.833

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

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10. Information on tangible assets:

Current period	Immovables	Leased tangible assets	Vehicles	Other ⁽¹⁾	Assets held for sale	Total
Cost						
Opening balance: January 1, 2021	876.740	-	2.139	365.858	555.254	1.799.991
Additions	46.985	-	18	38.923	-	85.926
Revaluation differences	185.972	-	-	-	-	185.972
Disposals	-	-	(122)	(7.762)	(190.492)	(198.376)
Impairment losses(-)/Reversal of impairment losses	-	-	-	-	27.896	27.896
Transfers	-	-	-	-	104.641	104.641
Ending balance: December 31, 2021	1.109.697	-	2.035	397.019	497.299	2.006.050
Accumulated depreciation(-)						
Opening balance: January 1, 2021	165.280	-	706	242.215	2.320	410.521
Depreciation expense	54.432	-	423	37.014	-	91.869
Reversal of depreciation of the disposed assets	-	-	(99)	(6.034)	(187)	(6.320)
Transfers	-	-	-	-	-	-
Ending balance: December 31, 2021	219.712	-	1.030	273.195	2.133	496.070
Total cost at the end of the year	1.109.697	-	2.035	397.019	497.299	2.006.050
Total accumulated depreciation at the end of the year	(219.712)	-	(1.030)	(273.195)	(2.133)	(496.070)
Closing net book value	889.985	-	1.005	123.824	495.166	1.509.980
Prior period						
Cost						
Opening balance: January 1, 2020	793.873	-	854	308.723	743.088	1.846.538
Additions	41.159	-	1.285	70.405	-	112.849
Revaluation differences	41.708	-	-	-	-	41.708
Disposals	-	-	-	(13.270)	(290.271)	(303.541)
Impairment losses(-)/Reversal of impairment losses	-	-	-	-	4.080	4.080
Transfers	-	-	-	-	98.357	98.357
Ending balance: December 31, 2020	876.740	-	2.139	365.858	555.254	1.799.991
Accumulated depreciation(-)						
Opening balance: January 1, 2020	112.284	-	606	214.647	2.416	329.953
Depreciation expense	52.996	-	100	56.872	-	109.968
Reversal of depreciation of the disposed assets	-	-	-	(29.304)	(96)	(29.400)
Transfers	-	-	-	-	-	-
Ending balance: December 31, 2020	165.280	-	706	242.215	2.320	410.521
Total cost at the end of the year	876.740	-	2.139	365.858	555.254	1.799.991
Total accumulated depreciation at the end of the year	(165.280)	-	(706)	(242.215)	(2.320)	(410.521)
Closing net book value	711.460	-	1.433	123.643	552.934	1.389.470

⁽¹⁾ As of December 31, 2021, the immovables of the Parent Bank have been revalued by an independent valuer and revaluation fund of TL 444.616 (December 31, 2020: TL 300.370) net of deferred tax and depreciation has been reflected in the financial statements. After the revaluation, the cost of the Parent Bank's immovables amounting to TL 688.517 (December 31, 2020: TL 518.049), their amortisations amounting to TL 90.454 (December 31, 2020: TL 77.788), net carrying value is TL 598.063 (December 31, 2020: TL 440.261). As of December 31, 2021, the cost of the movables and immovable recognized as "right of use" under tangible assets in the balance sheet of the Parent Bank is TL 451.424 (December 31, 2020: TL 400.880) related amortisations amounting to TL 145.415 (December 31, 2020: TL 104.546).

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11. Information on intangible assets:

a. Opening and ending book values and accumulated depreciation balances:

	Current Period	Prior Period
Gross book value	292.534	204.200
Accumulated depreciation (-)	200.268	157.313
Total (net)	92.266	46.887

b. Intangible assets movement between the beginning and end of the period:

	Current Period	Prior Period
Opening balance	46.887	35.810
Additions	78.951	31.166
Disposals (-) (net)	-	32
Depreciation expense (-)	33.572	20.057
Closing net book value	92.266	46.887

12. Information on investment property:

	Current Period		Prior Period	
	FC	TL	FC	YP
Investment properties ^(*)	1.035.405	-	1.261.475	-
Total	1.035.405	-	1.261.475	-

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

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13. Information related to deferred tax asset:

As of December 31, 2021, the Group calculated net deferred tax asset of TL 489.049 (December 31, 2020: TL 191.360) by netting off deferred tax asset of TL 631.449 (December 31, 2020: TL 277.263) and deferred tax liability of TL 142.400 (December 31, 2020: TL 85.903) 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	79.209	46.315
Provisions for retirement premium and vacation pay liabilities	30.142	28.974
Difference between carrying value and tax base of tangible assets (amortization differences)	46.991	33.517
Depreciation of tangible assets	45.110	42.304
Provisions for cases on trial	6.811	4.037
Provisions	70.461	63.397
Leasing profit share expenses	33.226	23.098
Other ^(*)	319.499	35.621
Deferred tax asset	631.449	277.263
Revaluation difference of property	41.415	24.803
Rediscount on profit share	9.577	9.333
Right of use assets	60.625	40.006
Derivative financial liabilities	17.697	2.737
Other	13.086	9.024
Deferred tax liability	142.400	85.903
Deferred tax asset (net)	489.049	191.360

^(*) Includes tax asset amounts to TL 265.902 calculated from net financial losses (December 31, 2020: TL 9.799). 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 265.902 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	1.113.492	-
Total	1.156.096	42.604

14. Information on other assets:

As of the balance sheet date, the Group's other assets balance is TL 910.190 (December 31, 2020: TL 669.814) 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	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

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Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Accumulated Over participation 1 year	accounts	Total
I. Real Persons Current Accounts Non-Trade TL	1.992.760	-	-	-	-	-	-	-	1.992.760
II. Real Persons Participation Accounts Non-Trade TL	-	2.463.568	4.087.946	153.137	-	26.584	499.675	12.971	7.243.881
III. Current Account other-TL	2.641.622	-	-	-	-	-	-	-	2.641.622
Public Sector	105.782	-	-	-	-	-	-	-	105.782
Commercial Institutions	2.402.073	-	-	-	-	-	-	-	2.402.073
Other Institutions	114.555	-	-	-	-	-	-	-	114.555
Commercial and Other Institutions	9.858	-	-	-	-	-	-	-	9.858
Banks and Participation Banks	9.354	-	-	-	-	-	-	-	9.354
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	9.338	-	-	-	-	-	-	-	9.338
Participation Banks	14	-	-	-	-	-	-	-	14
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	453.346	2.943.387	32.117	-	8.231	74.024	-	3.511.105
Public Sector	-	27	108	-	-	-	-	-	135
Commercial Institutions	-	381.191	2.683.571	25.207	-	7.715	70.716	-	3.168.400
Other Institutions	-	71.921	258.159	6.910	-	516	3.308	-	340.814
Commercial and Other Institutions	-	207	1.521	-	-	-	-	-	1.728
Banks and Participation Banks	-	-	28	-	-	-	-	-	28
V. Real Persons Current Accounts Non- Trade FC	6.905.657	-	-	-	-	-	-	-	6.905.657
VI. Real Persons Participation Accounts Non-Trade FC	-	3.833.633	6.121.580	554.465	-	33.262	1.521.954	5.708	12.070.602
VII. Other Current Accounts FC	8.115.810	-	-	-	-	-	-	-	8.115.810
Residents in Turkey-Corporate	5.966.304	-	-	-	-	-	-	-	5.966.304
Residents Abroad-Corporate	1.657.772	-	-	-	-	-	-	-	1.657.772
Banks and Participation Banks	491.734	-	-	-	-	-	-	-	491.734
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	485.347	-	-	-	-	-	-	-	485.347
Participation Banks	6.387	-	-	-	-	-	-	-	6.387
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other- FC	-	691.876	2.067.408	57.440	-	14.922	19.547	983	2.852.176
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	578.194	1.863.815	51.626	-	7.183	16.155	983	2.517.956
Other institutions	-	19.257	38.631	8	-	-	-	-	57.896
Commercial and Other Institutions	-	94.425	164.962	5.806	-	-	71	-	265.264
Banks and Participation Banks	-	-	-	-	-	7.739	3.321	-	11.060
IX. Precious Metals Deposits	3.503.447	729.848	1.795.960	85.342	-	14.686	73.309	1.164	6.203.756
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)	23.159.296	8.172.271	17.016.281	882.501	-	97.685	2.188.509	20.826	51.537.369

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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 Current Period	Under the guarantee of Insurance Prior Period	Exceeding the guarantee of Insurance Current Period	Exceeding the guarantee of Insurance Prior Period
Real persons' current and participation accounts not subject to trading transactions				
Turkish Lira accounts	6.207.822	4.996.232	7.126.212	4.241.399
Foreign currency accounts	8.600.262	6.815.438	38.238.727	17.579.364
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 150 (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	312.319	101.643
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	39.825	17.468
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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2. Information on borrowings:

a.1. Information on types of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Syndication Loans	-	-	-	-
Wakala Loans	-	1.249.451	-	2.211.237
Other	53.707	841.377	72.778	775.870
Total	53.707	2.090.828	72.778	2.987.107

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	53.707	465.339	72.778	392.353
Loans from foreign banks, institutions and funds	-	1.625.489	-	2.594.754
Total	53.707	2.090.828	72.778	2.987.107

a.3. Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	53.707	2.007.533	72.778	2.754.314
Medium and Long-Term	-	83.295	-	232.793
Total	53.707	2.090.828	72.778	2.987.107

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, 2020: None).

3. Information on securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Sukuk issued	3.065.049	-	4.042.163	-
Total	3.065.049	-	4.042.163	-

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4. Information on derivative financial liabilities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	20.861	-	3.850	-
Swap transactions	159.624	6.769	138.746	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	180.485	6.769	142.596	-

The Parent Bank has not any derivative financial liabilities for hedging purposes (December 31, 2020: None).

5. Lease payables:

	Current Period		Prior Period	
	TL	FC	TL	FC
Less than a year	4.631	-	4.449	-
1 to 5 years	108.401	-	103.519	714
Over 5 years	214.808	21.774	206.716	12.997
Total	327.840	21.774	314.684	13.711

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 130.540 (December 31, 2020: TL 121.163), vacation pay liability amounting to TL 17.764 (December 31, 2020: TL 13.709) and provisions for performance amounting to TL 1.250 (December, 31 2020: 11.000 TL), totaling to TL 149.554 (December 31, 2020: TL 145.872). Provisions for performance premium has not been allocated in the current period (December 31, 2020: TL 11.000). 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	12,40
Estimated increase rate of salary ceiling (%)	10,00	10,70

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

	Current Period	Prior Period
Prior period ending balance	121.163	86.118
Amount of provision during the period	25.327	20.474
Actuarial (gain)/loss	(15.950)	14.571
Balance at the end of the period	130.540	121.163

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b. Diğer karşılıklar:

	Current Period	Prior Period
Non-cash loans first and second stage expected loss provisions	16.435	26.446
Provisions allocated from profit shares to be distributed to profit sharing accounts	2.957	-
Third stage expected loss provision for unindemnified letter of guarantees	3.881	4.578
Third stage expected loss provision for cheques commitments	4.002	3.717
Provision for promotions related with credit cards and promotion of banking services	283	217
Provisions for cases on trial	34.057	20.183
Accrual for purchase and sale commitments	1.583	725
Free provisions allocated for possible losses	100.000	-
Other	1.239	786
Total	164.437	56.652

As of December 31, 2021, free provisions amount in the financial statements are TL 100.000 and all the amount has been recognised in the current term (December 31, 2020 : None)

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

As of December 31, 2021, there is not any provision for foreign exchange losses on foreign currency indexed loans and financial lease receivables (December 31, 2020: TL 1.325).

7. Information on taxes payable:

a. Explanations on current tax liability:

a.1. Explanations on tax provisions:

As of December 31, 2021, the Group's has remaining tax liability after offsetting prepaid corporate tax amount to TL 21.647 (December 31, 2020: TL 12.130).

a.2. Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	21.647	12.130
Banking insurance transaction tax	26.333	28.030
Taxation on securities income	18.094	14.122
Value added tax payable	9.343	2.224
Taxation on real estate income	1.371	548
Foreign exchange transaction tax	17.031	3.153
Income tax deducted from wages	14.717	10.656
Other	2.611	1.128
Total	111.147	71.991

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a.3. Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	6.766	5.615
Social security premiums-employer	7.447	6.227
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	482	399
Unemployment insurance-employer	963	798
Other	-	-
Total	15.658	13.039

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

None (December 31, 2020: None).

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 additional Tier I Capital	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in calculation of Tier II Capital	-	3.119.354	-	1.732.562
Subordinated loans	-	3.119.354	-	1.732.562
Subordinated debt instruments	-	-	-	-
Total	-	3.119.354	-	1.732.562

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 unmaturing 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, 2020: None).

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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 December 27, 2016 for the extension of the Registered Capital Ceiling to the Capital Markets Board was approved on January 10, 2017 and the registered capital ceiling was determined as TL 2.500.000 to be valid until December 31, 2021.

Share Capital System	Paid-in Capital	Ceiling
Kayıtlı sermaye	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.

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.

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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 ^(*)	11.641	6.760	(3.082)	5.308
Foreign exchange difference	-	-	-	-
Total	11.641	6.760	(3.082)	5.308

^(*) 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 468.589 (December 31, 2020: TL 310.576) has been recognized under prior years profit / loss.

h. Information on minority shares:

As of December 31, 2021, minority shares calculated for full-consolidated uncontrolled shares amount to TL 1.943.910 (December 31, 2020: TL 218.936).

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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	1.059.919	919.974
Payment commitments for cheques	834.732	667.621
Asset purchase and sale commitments	927.624	1.209.072
Loan granting commitments	655.296	429.887
Tax and funds liabilities arising from export commitments	17.234	13.538
Commitments for promotions related with credit cards and banking activities	555	398
Other irrevocable commitments	552	547
Other revocable commitments	39.500	4.000
Total	3.535.412	3.245.037

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	12.371.236	9.202.929
Bank loans	99.278	49.363
Letters of credit	4.898.399	1.770.792
Other guaranties and sureties	34.387	98.747
Total	17.403.300	11.121.831

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

	Current Period	Prior Period
Letters of guarantees	12.371.236	9.202.929
Long standing letters of guarantees	8.421.227	5.865.414
Temporary letters of guarantees	294.638	445.644
Advance letters of guarantees	803.105	551.308
Letters of guarantees given to customs	654.451	564.615
Letters of guarantees given for obtaining cash loans	2.197.815	1.775.948
Sureties and similar transactions	34.387	98.747
Total	12.405.623	9.301.676

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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	2.197.815	1.775.948
With original maturity of 1 year or less	662.573	445.879
With original maturity of more than 1 year	1.535.242	1.330.069
Other non-cash loans	15.205.485	9.345.883
Total	17.403.300	11.121.831

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

	Current period			
	TL	(%)	FC	(%)
Agricultural	110.103	1,56	53.430	0,52
Farming and stockbreeding	59.909	0,85	52.460	0,51
Forestry	49.622	0,70	970	0,01
Fishery	572	0,01	-	0,00
Manufacturing	1.745.283	24,65	4.600.865	44,57
Mining	55.295	0,78	690	0,01
Production	1.513.702	21,38	3.896.762	37,75
Electricity, gas and water	176.286	2,49	703.413	6,81
Construction	1.486.579	21,00	1.045.891	10,13
Services	3.539.218	49,99	4.275.662	41,42
Wholesale and retail trade	1.938.841	27,38	1.780.183	17,24
Hotel, food and beverage services	43.099	0,61	87.363	0,85
Transportation and telecommunication	305.655	4,32	146.175	1,42
Financial Institutions	390.114	5,51	1.989.986	19,28
Real estate and renting services	340.794	4,81	176.968	1,71
Self-employment services	207.978	2,94	55.029	0,53
Education services	64.880	0,92	1.469	0,01
Health and social services	247.857	3,50	38.489	0,38
Other	199.074	2,80	347.195	3,36
Total	7.080.257	100,00	10.323.043	100,00

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	Prior period			
	TL	(%)	FC	(%)
Agricultural	48.603	0,85	21.374	0,39
Farming and stockbreeding	29.947	0,52	20.773	0,38
Forestry	17.730	0,31	601	0,01
Fishery	926	0,02	-	0,00
Manufacturing	1.458.367	25,54	2.558.209	47,27
Mining	35.507	0,62	27.660	0,51
Production	1.216.621	21,31	2.170.891	40,11
Electricity, gas and water	206.239	3,61	359.658	6,65
Construction	1.276.062	22,35	602.784	11,14
Services	2.802.568	49,08	2.064.741	38,15
Wholesale and retail trade	1.549.561	27,14	1.228.682	22,70
Hotel, food and beverage services	45.305	0,79	50.309	0,93
Transportation and telecommunication	231.496	4,05	83.966	1,55
Financial Institutions	207.272	3,63	554.681	10,25
Real estate and renting services	453.045	7,93	106.033	1,96
Self-employment services	153.684	2,69	23.898	0,44
Education services	52.239	0,91	226	0,00
Health and social services	109.966	1,94	16.946	0,32
Other	124.537	2,18	164.586	3,05
Total	5.710.137	100,00	5.411.694	100,00

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

Current Period	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	6.940.630	10.048.418	104.436	223.386
Letters of guarantee	6.908.691	5.048.293	104.436	223.386
Bank loans	-	99.278	-	-
Letters of credit	12.324	4.886.075	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	19.615	14.772	-	-

Prior Period	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	5.582.217	5.331.329	89.560	70.410
Letters of guarantee	5.519.271	3.475.701	89.560	70.082
Bank loans	-	49.363	-	-
Letters of credit	39.522	1.730.942	-	328
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	23.424	75.323	-	-

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2. Explanations on derivative transactions:

	Derivative transactions according to purpose December 31,2021	Derivative transactions according to purpose December 31,2020
Trading Derivatives		
Foreign Currency Related Derivative Transactions (I)	6.798.644	6.292.062
Currency Forwards-Purchases, sales	951.048	243.125
Currency Swaps-Purchases, sales	5.847.596	6.048.937
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
Profit share Rate Related Derivative Transactions (II)	-	-
Profit share rates forwards-Purchase, sales	-	-
Profit share rates swaps-Purchases, sales	-	-
Profit share rates options-Purchases, sales	-	-
Profit share rates futures-Purchases, sales	-	-
Other Trading Derivatives (III)	-	-
A. Total Trading Derivatives (I + II + III)	6.798.644	6.292.062
Hedging Derivatives	-	-
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total Hedging Derivatives	-	-
Total Derivatives Transactions (A+B)	6.798.644	6.292.062

3. Explanations on contingent assets and liabilities:

The Parent Bank has made a provision amounting to TL 34.057 (December 31, 2020: TL 20.183), as presented under "Other Provisions" note in section five Note II.6.b, for the lawsuits opened by various real persons and legal entities against the Parent Bank with high probability of realization and cash outflows. Although there are other ongoing lawsuits against the Parent Bank, the Parent Bank considers the probability of a negative result in ongoing litigations resulting in cash outflows as remote

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	889.366	200.080	491.018	126.555
Medium and Long-Term Loans ^(**)	2.173.463	785.728	1.578.454	735.265
Profit Share on Non-Performing Loans	121.382	5.838	129.976	4.095
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	3.184.211	991.646	2.199.448	865.915

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

^(**)Includes fair valuation profit of TL 146.893 (31 December 2020: TL 97.309) from profit and loss sharing investments.

b. Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	134.657	-	14.777	-
Domestic Banks	373	-	244	387
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	135.030	-	15.021	387

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	170.339	111.756	71.087	47.135
Financial Assets Measured at Fair Value through Other Comprehensive Income	65.993	33.898	95.657	71.505
Financial Assets Measured at Amortised Cost	107.823	194.687	114.405	82.555
Total	344.155	340.341	281.149	201.195

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

None (December 31, 2020: None).

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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	-	780	2.420	-	-	-	-	3.200
Real persons' non-trading profit sharing accounts	357.644	572.616	18.051	-	3.324	64.908	1.449	1.017.992
Public sector profit-sharing accounts	3	1	-	-	-	-	-	4
Commercial sector profit sharing accounts	67.727	410.641	25.908	-	32.533	6.101	2	542.912
Other institutions profit sharing accounts	8.718	55.325	448	-	48	330	-	64.869
Resmi kuruluş katılma hs.	3	1	-	-	-	-	-	4
Ticari kuruluş katılma hs.	67.727	410.641	25.908	-	32.533	6.101	2	542.912
Diğer kuruluş katılma hs.	8.718	55.325	448	-	48	330	-	64.869
Total	434.092	1.039.363	46.827	-	35.905	71.339	1.451	1.628.977
FC								
Funds collected from banks through current and profit-sharing accounts	389	4.069	-	-	193	49	-	4.700
Real persons' non-trading profit sharing accounts	49.994	86.700	8.822	-	734	31.855	62	178.167
Public sector profit-sharing accounts	-	-	-	-	-	-	-	-
Commercial sector profit sharing accounts	5.034	47.027	1.817	-	3.878	313	21	58.090
Other institutions profit sharing accounts	1.464	2.380	106	-	-	-	-	3.950
Precious metals deposits	1.556	5.223	321	-	170	512	17	7.799
Total	58.437	145.399	11.066	-	4.975	32.729	100	252.706
Grand total	492.529	1.184.762	57.893	-	40.880	104.068	1.551	1.881.683
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	-	3	315	-	-	-	-	318
Real persons' non-trading profit sharing accounts	224.930	421.278	16.651	-	2.892	44.431	1.097	711.279
Public sector profit sharing accounts	4	7	-	-	-	-	-	11
Commercial sector profit sharing accounts	39.554	171.758	8.873	-	3.472	4.994	-	228.651
Other institutions profit sharing accounts	3.225	16.576	241	-	44	282	-	20.368
Total	267.713	609.622	26.080	-	6.408	49.707	1.097	960.627
FC								
Funds collected from banks through current and profit sharing accounts	1.102	3.430	2.184	-	73	13	-	6.802
Real persons' non-trading profit sharing accounts	32.594	53.960	5.110	-	367	17.329	27	109.387
Public sector profit sharing accounts	-	-	-	-	-	-	-	-
Commercial sector profit sharing accounts	5.497	24.494	852	-	70	193	8	31.114
Other institutions profit sharing accounts	588	2.601	123	-	-	1	-	3.313
Precious metals deposits	652	2.068	73	-	22	120	1	2.936
Total	40.433	86.553	8.342	-	532	17.656	36	153.552
Grand total	308.146	696.175	34.422	-	6.940	67.363	1.133	1.114.179

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	289	48.500	297	57.821
CBRT	-	-	-	-
Domestic banks	-	1.919	-	3.240
Foreign banks	289	46.581	297	54.581
Head offices and branches abroad	-	-	-	-
Other institutions	9.397	261.130	8.046	195.011
Total	9.686	309.630	8.343	252.832

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	620	-	438	-
Total	620	-	438	-

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	785.170	-	297.535	-
Total	785.170	-	297.535	-

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	71.518	46.235
Clearing room fees and commissions	75.188	37.569
Commissions on money orders	58.764	31.393
Appraisal fees	16.580	17.014
Insurance and brokerage commissions	28.422	26.472
Checks and bills commissions	4.910	3.481
Safe deposit box commissions	3.312	2.616
Advocacy service commissions and counsel fee	8.517	5.282
Service pack commissions	15.345	8.126
Enquiry fees received	2.315	3.203
Fees and commissions from correspondent banks	4.377	3.272
Export credit commissions	9.559	7.767
Prepaid import commissions	47.128	20.617
Pledge Put and Mortgage Release Fees	3.209	3.827
Loan Limit Allocation Fees	22.474	14.910
Other	44.856	34.898
Total	416.474	266.682

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Other Fees and Commissions Paid	Current Period	Prior Period
Funds borrowed fees and commissions	9.551	8.099
Credit cards fees and commissions	36.762	25.872
Member firm-POS fees and commissions	37.955	29.016
Fees and commissions for Swift, EFT and money orders	71.204	22.534
Required Reserves Commissions for CBRT in Foreign currency	1.504	58.815
Other	18.941	16.778
Total	175.917	161.114

4. Information on dividend income:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	768	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	-	-	-	-
Other	-	-	-	-
Total	768	-	-	-

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

	Current Period	Prior Period
Income	46.598.399	23.853.999
Income from capital market transactions (*)	284.017	96.388
Income from derivative financial instruments	241.653	74.655
Foreign exchange income	46.072.729	23.682.956
Loss (-)	46.317.445	23.608.167
Loss on capital market transactions	213.439	42.537
Loss on derivative financial instruments	471.127	216.783
Foreign exchange losses	45.632.879	23.348.847
Trading Income/Loss (net)	280.954	245.832

6. Explanations related to other operating income:

	Current Period	Prior Period
Reversal of prior year provisions	944.571	460.353
Income from sale of assets	150.670	72.753
Communication income	23.337	15.166
Cheque book charges	3.044	2.204
Operating Lease Income	10.592	2.962
Real estate revaluation income ^(*)	415.222	-
Real estate rental income ^(*)	5.589	14.583
Real estate sales income ^(*)	155.868	82.578
Other income	18.596	15.396
Total	1.727.489	665.995

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

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7. Informations on Expected Credit Losses:

	Current Period	Prior Period
Expected Credit Loss	1.575.273	1.122.267
12 month expected credit loss (stage 1)	59.313	75.144
Significant increase in credit risk (stage 2)	241.260	349.669
Non-performing loans (stage 3)	1.274.700	697.454
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	-	-
Other (*)	136.070	40.172
Total	1.711.343	1.162.439

Expected credit losses amount to TL 1.711.343 (December 31, 2020: TL 1.162.439) includes TL 650.124 (December 31, 2020: TL 496.047) representing participation account share of expected credit losses of loans provided from participation accounts.

(*) Details of the "other" amount is as follows:

	Current Period	Prior Period
Expected credit losses 1st and 2nd group non-cash loans	3.607	15.581
Third stage expected loss provision for unindemnified non- cash loans	-	627
Expected credit losses (stage 1) for banks	22.111	18.035
Profit and loss sharing investments' fair value provision	109.533	2.956
Expected credit losses (stage 1) for other financial assets	726	289
Provision for expected losses for securities measured at amortized cost	93	-
Real estate valuation losses(*)	-	2.684
Vacation pay provision expenses(**)	4.055	10.439
Provisions allocated for financial assets measured at fair value through profit/loss (**)	3.393	7.391
Provisions for cases on trial (**)	13.874	4.528
Free provisions allocated for possible losses(**)	100.000	-
Provisions allocated from profit shares to be distributed to profit sharing accounts(**)	2.604	616
Total	259.996	63.146

(*) Expense balances related to real estates in the portfolio of real estate investment funds

(**) Represented under "other provision expenses" in the income statement.

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8. Information on other operating expenses:

	Current Period	Prior Period
Provision for retirement pay liability	27	12.403
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	117.095	109.968
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	33.572	20.057
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	1	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and assets of discontinued operations	46.769	1.745
Other business expenses	195.600	182.184
Leasing Expenses on TFRS 16 Exceptions	6.437	1.818
Maintenance and repair expenses	36.317	32.224
Advertisement expenses	10.126	6.858
Other expenses ^(*)	142.720	141.284
Loss on sale of assets	1.062	1.763
Other ^(**)	341.145	273.923
Total	735.271	602.043

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

	Current Period	Prior Period
Communication Expenses	37.900	26.876
Donations	8.133	14.078
Cleaning expenses	22.897	23.128
Heating, lighting and water expenses	16.290	15.359
Representation and Hosting expenses	10.293	9.103
Vehicle expenses	6.654	5.385
Lawsuit and court expenses	3.783	2.712
Movables Insurance Expenses	4.837	5.099
Stationery Expenses	4.669	2.901
Expense Share for Common Expenses	2.514	2.826
Group transportation costs	9.939	7.836
Other	14.811	25.981
Total	142.720	141.284

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

	Current Period	Prior Period
Saving Deposit Insurance Fund	120.296	106.174
Taxes, Duties, Charges and Funds	82.558	59.255
Expertise and Information Expenses	21.888	21.756
Audit and Consultancy Fees	14.042	11.471
Institution and Union Participation Share Expense	15.397	16.351
Residence Expenses(*)	53.173	36.181
Shopping Mall expenses(*)	6.909	11.961
Other	26.882	10.774
Total	341.145	273.923

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

As per the decision by Public Oversight Accounting and Auditing Standards Authority dated March 26, 2021, The following table represents the fees for the services received from the auditor or independent audit firm for reporting period. The audit fees of the associates of the Parent Bank are included as well. The fees in the table does not include Value Added Tax.

Current Period	Audit services provided by Group auditor	Audit services provided by other audit firms
Indenpendent Audit fee for reporting period(*)	2.324	190
Fees for tax consultancy	185	-
Other assurance services' fees	1.945	-
Other service fees other than independent audit.	450	-
Total	4.904	190

Prior Period	Audit services provided by Group auditor	Audit services provided by other audit firms
Indenpendent Audit fee for reporting period(*)	1.992	91
Fees for tax consultancy	147	-
Other assurance services' fees	-	-
Other service fees other than independent audit.	-	-
Total	2.139	91

(*) For foreign currency independent audit fees fx rates of December 31, 2021 and December 31, 2020 have been used.

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

As the Parent Bank does not have any discontinued operations, there is no explanation related to income/loss from discontinued operations before taxes.

The Group's income before tax increased by 141,57% compared to prior period and is realized as TL 929.798 (December 31, 2020: TL 384.894). Income before tax comprises net profit share income in the amount of TL 1.874.904 (December 31, 2020: TL 1.737.064) and fees and commission income in the amount of TL 405.756 (December 31, 2020: TL 233.567). Total other operating expenses amount to TL 735.271 (December 31, 2020: TL 602.043).

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 December 31, 2021, the Parent Bank has deferred tax income of TL 688.099 (December 31, 2020: TL 308.493) and deferred tax expense of TL 646.524 (December 31, 2020: TL 366.579). The current tax provision is TL 28.912 (December 31, 2020: TL 15.702).

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

The Parent Bank has no discontinued operations. Net income for the period has been realized as TL 929.798 (December 31, 2020: TL 384.894) by adding tax income amounting to TL 12.663 (December 31, 2020: TL 73.788) from profit from continued operations amounting to TL 942.461 (December 31, 2020: TL 311.106).

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	609.625	8.802

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

a. There is no declaration of dividends made subsequent to the balance sheet date, and prior to the announcement of the financial statements.

Decision related to the dividend distribution will be taken in the General Assembly. General Assembly has not been held as of the date of finalization of the accompanying financial statements.

b. "Unrealized gains and losses" arising from changes in the fair value of securities classified as financial assets measured at fair value through other comprehensive income are recognized in the "Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss" account under equity, until the financial assets are sold, disposed of or impaired at which time they are transferred to the statement of income. TL 20.023 increase (before deferred tax) has occurred after the revaluation of financial assets measured at fair value through other comprehensive income (December 31, 2020: TL 33.852 decrease).

c. Revaluation amounts related to tangible and intangible assets are accounted under equity in revaluation reserve on tangible assets and revaluation reserve on intangible assets.

d. Foreign exchange differences arising from translation of income statement of foreign branch and foreign subsidiary of the Parent Bank are accounted in other capital reserves amounts to TL 207.083 as increase. (December 31, 2020: TL 22.716 increase).

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

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

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

a. Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
Cash	5.406.129	4.027.884
Cash in TL/foreign currency	1.457.399	1.022.107
Cash in transit	844.125	558.717
CBRT	3.104.605	2.447.060
Cash equivalents	2.650.943	3.161.797
Domestic banks	1.444.529	917.218
Foreign banks	1.206.414	2.244.579
Total cash and cash equivalents	8.057.072	7.189.681

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(b) Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
Cash	10.090.678	5.406.129
Cash in TL/foreign currency	1.795.408	1.457.399
Cash in transit	1.695.443	844.125
CBRT	6.599.827	3.104.605
Cash equivalents	3.853.518	2.650.943
Domestic banks	1.090.723	1.444.529
Foreign banks	2.762.795	1.206.414
Total cash and cash equivalents	13.944.196	8.057.072

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

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

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

The "Others" item under "Operating profit before changes in operating assets and liabilities" amounting to TL (580.277) (December 31, 2020: TL 130.021) mainly comprises other operating expenses excluding personnel expenses and amortization expenses and other operating income.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 1.173.880 (December 31, 2020: TL (215.518)) mainly comprises changes in miscellaneous payables, other liabilities and taxes and other duties payable.

Effect of the changes in foreign currency rates on cash and cash equivalents has been calculated approximately as TL 3.140.669 as of December 31, 2021 (December 31, 2020: TL 336.393).

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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	1	53	818.807	34.537	187	-
Balance at the end of the period	90	62	1.219.475	64.583	52	-
Profit share and commission income received	-	-	36.243	183	-	-

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	3	5	632.926	27.308	27	-
Balance at end of period	1	53	818.807	34.537	187	-
Profit share and commission income received	-	-	55.909	216	12	-

^(*) 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.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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

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

The Parent bank has opened 1 domestic branch (digital branch) in 2021. The Parent Bank has not opened any branch abroad in 2021.

IX. Explanations related to subsequent events:

None.

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

None.

SECTION SIX Independent auditor's report

I. Explanations on independent auditor's report:

The Group's consolidated financial statements as of and for the period ended December 31, 2021 have been audited by "Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş." (the member of the Ernst & Young Global Ltd.) and the audit report dated March 8, 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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General Management

Saray Mah. Dr. Adnan
Büyükdeniz Cad. No:6
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Regional Head Office

Istanbul Anatolian Regional Head Office

Kozyatağı Mah. Çardak Sok.
Herti Plaza A Blok No:1/5
Kadıköy/İSTANBUL
Tel: (216) 464 81 00
Fax: (216) 666 16 33

Istanbul European 1 Regional Head Office

Fulya Mah. Likör Yanı Sokak
Akabe İş Hanı No: 1/28
Şişli/İSTANBUL
Tel: (212) 347 68 58
Fax: (216) 666 16 31

Istanbul European 2 Regional Head Office

Göztepe Mah. Batışehir
Cad. Batışehir Sit. K1 Blok
No: 2 İç Kapı No: 21-22
Bağcılar/İSTANBUL
Tel: (212) 603 60 18
Fax: (216) 666 16 32

Ankara Regional Head Office

Mustafa Kemal Mah. 2123
Cad. No: 2D Cepa Ofis
Kat:16 Çankaya/ANKARA
Tel: (312) 311 00 43
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Southern Anatolian Regional Head Office

İncilipınar Mh. Prof.
Muammer Aksoy Bulvarı
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GAZİANTEP
Tel: (342) 215 04 32
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Aegean Regional Head Office

Akdeniz Mah. Fezvipaşa
Bulvarı No:51/31 Konak/
İZMİR
Tel: (232) 254 54 00
Fax: (216) 666 16 47

Central Anatolian Regional Head Office

Fevziçakmak Mah. 10632
Sok. No:2D/201 Karatay/
KONYA
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Fax: (216) 666 16 44

Marmara Regional Head Office

Alacamescit Mah. İnönü
Cad. No:33 Osmangazi/
BURSA
Tel : (224) 999 67 03
Fax: (216) 666 16 49

Corporate Branches

Anatolian Corporate Branch

Kozyatağı Mah. Çardak Sok.
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Kadıköy/İSTANBUL
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European Corporate Branch

Fulya Mah. Likör Yanı Sokak
Akabe İş Hanı No: 1/27
Şişli/İSTANBUL
Tel: (212) 347 13 53
Fax: (216) 666 18 31

Başkent Corporate Branch

Mustafa Kemal Mah. 2123
Cad. No: 2D Cepa Ofis Kat:
15 Çankaya/ANKARA
Tel: (312) 474 09 09
Fax: (216) 666 18 32

Trakya Corporate Branch

Göztepe Mah. Batışehir
Cad. Batışehir Sit. K1 Blok
No: 2 İç Kapı No: 11-12
Bağcılar/İSTANBUL
Tel: (212) 550 16 65
Fax: (216) 666 18 36

Istanbul Branches

Akşemsettin Branch

Telsiz Mah. Seyit
Nizam Cad. No: 160/B
Zeytinburnu/İSTANBUL
Tel: (212) 415 83 40
Fax: (216) 666 18 78

Alibeyköy Branch

Alibeyköy Mah. Atatürk
Cad. No: 21A/1 34100
Eyüpsultan/İSTANBUL
Tel: (212) 627 43 33
Fax: (216) 666 18 17

Altunizade Branch

Altunizade Mah. Kısıklı
Cad. No: 14/1B Üsküdar/
İSTANBUL
Tel: (216) 651 74 94
Fax: (216) 666 17 92

Arnavutköy Branch

Arnavutköy Merkez Mah.
Fatih Cad. No: 15/B 34276
Arnavutköy/İSTANBUL
Tel: (212) 597 67 57
Fax: (216) 666 18 12

Avcılar Branch

Merkez Mah. Reşitpaşa
Cad. No: 37/2B Avcılar/
İSTANBUL
Tel: (212) 509 05 24
Fax: (216) 666 17 53

Bağcılar Branch

Çınar Mah. İstanbul Cad.
No: 27-29C Bağcılar/
İSTANBUL
Tel: (212) 434 23 28
Fax: (216) 666 17 28

Bahçelievler Branch

Bahçelievler Mah. Adnan
Kahveci Bulvarı No: 30/4A
Bahçelievler/İSTANBUL
Tel: (212) 642 00 44
Fax: (216) 666 17 75

Bahçelievler Soğanlı Branch

Soğanlı Mah. Mustafa
Kemal Paşa Cad. No: 176 B
Bahçelievler/İSTANBUL
Tel: (212) 643 16 72
Fax: (216) 666 18 98

Bakırköy Çarşı Branch

Cevizlik Mah. Fahri Korutürk
Cad. No: 28 A Bakırköy/
İSTANBUL
Tel: (212) 583 66 33
Fax: (216) 666 17 99

Basın Ekspres Branch

Yenibosna Merkez Mah.
Değirmenbahçe Cad.
No: 17-A1/10 Yenibosna
Bahçelievler/İSTANBUL
Tel: (212) 397 04 58
Fax: (216) 666 18 52

Başakşehir Branch

İkitelli OSB Mah. Tümsan 1.
Kısım 3. Blok Sok. No: 1/1
Başakşehir/İSTANBUL
Tel: (212) 485 12 74
Fax: (216) 666 89 00

Bayrampaşa Branch

Yenidoğan Mah. Abdi İpekçi
Cad. No: 75A Bayrampaşa/
İSTANBUL
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Fax: (216) 666 17 13

Contact

Beşyüzevler Branch

Eski Edirne Asfaltı No:
349-351A Bayrampaşa/
İSTANBUL
Tel: (212) 477 61 90
Fax: (216) 666 17 27

Beyazıt Branch

Mimar Kemalettin Mah.
Yeniçeriler Cad. No: 59B
Fatih/İSTANBUL
Tel: (212) 516 17 13
Fax: (216) 666 18 84

Beykent Branch

Adnan Kahveci Mah. Y.
Sultan Selim Bulvarı Perla
Vista AVM No: 1C/73
Beylikdüzü/İSTANBUL
Tel: (212) 871 00 45
Fax: (216) 666 17 30

Beylikdüzü Organize Sanayi Branch

Beylikdüzü OSB Mah. Birlik
Sanayi Sitesi 3. Cad. No:1/1
Beylikdüzü/İSTANBUL
Tel: (212) 876 49 13
Fax: (216) 666 18 54

Bulgurlu Branch

Bulgurlu Mah. Bulgurlu
Cad. No: 128/A Üsküdar/
İSTANBUL
Tel: (216) 266 74 94
Fax: (216) 666 89 27

Büyükçekmece Branch

Dizdariye Mah. Cami
Sk. No: 1A/1 34500
Büyükçekmece/İSTANBUL
Tel: (212) 881 57 01
Fax: (216) 666 18 21

Çağlayan Branch

Çağlayan Mah. Vatan Cad.
No: 15C 34403 Çağlayan,
Kağıthane/İSTANBUL
Tel: (212) 246 06 11
Fax: (216) 666 17 44

Çakmak Branch

Armağanlar Mah.
Alemdağ Cad. No: 414A
Ümraniye/İSTANBUL
Tel: (216) 335 04 64
Fax: (216) 666 18 83

Çekmeköy Branch

Meclis Mah. Aşkın Sk.
No: 27/C Sancaktepe/
İSTANBUL
Tel: (216) 420 63 63
Fax: (216) 666 18 22

Cennet Mahallesi Branch

Cennet Mah. Barbaros Cad.
No: 73/B Küçükçekmece/
İSTANBUL
Tel: (212) 598 79 02
Fax: (216) 666 18 50

Digital Branch

Saray Mah. Dr. Adnan
Büyükdüzü Cad. Albaraka
Türk Sitesi 1. Blok No:6
İç Kapı No:6 Ümraniye/
İSTANBUL
Tel: (0216) 666 01 01
Fax: (216) 666 16 00

Dudullu Branch

Adem Yavuz Mah. Alemdağ
Cad. No: 447/A Ümraniye/
İSTANBUL
Tel: (216) 614 09 87
Fax: (216) 666 89 11

Esenler Branch

Menderes Mah. Atışalanı
Cad. No: 11C Esenler/
İstanbul
Tel: (212) 508 49 99
Fax: (216) 666 17 80

Esenyurt Branch

İnönü Mah. Doğan Araslı
Bulvarı No: 108A Esenyurt/
İSTANBUL
Tel: (212) 699 33 99
Fax: (216) 666 18 13

Esenyurt Cumhuriyet Caddesi Branch

Barbaros Hayrettin Paşa
Mah. Nazım Hikmet
Bulvarı No: 86E Esenyurt/
İSTANBUL
Tel : (212) 403 05 52
Fax: (216) 666 89 29

Eyüp Branch

Merkez Mah. Fahri Korutürk
Cad. No: 52/A Eyüpsultan/
İSTANBUL
Tel: (212) 578 10 20
Fax: (216) 666 18 92

Fatih Branch

Ali Kuşçu Mah.
Macar Kardeşler Cad. No: 30
34080 Fatih/İSTANBUL
Tel: (212) 635 48 96
Fax: (216) 666 17 15

Fındıkzade Branch

Haseki Sultan Mah.
Kızılcama Cad. No:3/A
Fatih/İSTANBUL
Tel: (212) 403 00 12
Fax: (216) 666 89 13

Firuzköy Branch

M. Kemal Paşa Mah.
Firuzköy Bulvarı No: 103A
Avcılar/İSTANBUL
Tel: (212) 428 68 36
Fax: (216) 666 18 82

Florya Branch

Şenlikköy Mah. Florya Cad.
No: 88B Florya/Bakırköy/
İSTANBUL
Tel: (212) 574 20 41
Fax: (216) 666 18 42

Gaziosmanpaşa Branch

Sarıgöl Mah. Ordu Cad.
No: 9B Gaziosmanpaşa/
İSTANBUL
Tel: (212) 563 54 10
Fax: (216) 666 17 93

Gelişim Üniversitesi Branch

Üniversitesi Branch
Cihangir Mah. Şehit
Jandarma Komando Er
Hakan Öner Sk. No:4/1
Avcılar/İSTANBUL
Tel: (0212) 931 42 85
Fax: (216) 666 89 16

Gültepe Branch

Ortabayır Mah. Talatpaşa
Cad. No: 80B Kağıthane/
İSTANBUL
Tel: (212) 216 74 01
Fax: (216) 666 18 89

Güneşli Branch

Güneşli Mah. Koçman Cad.
No: 4A Güneşli/Bağcılar/
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Tel: (212) 474 03 03
Fax: (216) 666 17 40

Güngören Branch

Merkez Mah. Posta
Cad. No: 109/B 34164
Güngören/İSTANBUL
Tel: (212) 539 03 80
Fax: (216) 666 18 01

Hadımköy Branch

Akçaburgaz Mah.
Hadımköy Yolu Cad. No:
184/2 Esenyurt/İstanbul
Tel: (212) 886 19 10
Fax: (216) 666 17 98

Hasanpaşa Branch

Hasanpaşa Mah. Fahrettin
Kerim Gökay Cad. No: 7/1
Kadıköy/İSTANBUL
Tel: (216) 336 55 40
Fax: (216) 666 17 81

Ihlamurkuyu Branch

Ihlamurkuyu Mah. Alemdağ
Cad. No: 271/A Ümraniye/
İSTANBUL
Tel: (216) 614 00 77
Fax: (216) 666 18 51

İkitelli Branch

İkitelli OSB Mah. Atatürk
Bulvarı No: 72/B
Başakşehir/İSTANBUL
Tel: (212) 671 28 10
Fax: (216) 666 17 24

İkitelli Metro Branch

İkitelli OSB Mah. Bağcılar
Güngören Metro AVM
A Blok Sok. Bağcılar
Güngören Sanayi Sitesi
AVM A Blok No: 1A/15
Başakşehir/İSTANBUL
Tel: (212) 437 38 04
Fax: (216) 666 18 75

İmes Branch

İmes Sanayi Sitesi, A-Blok
104.Sk. No: 2 34776
Y. Dudullu, Ümraniye/
İSTANBUL
Tel: (216) 590 09 90
Fax: (216) 666 17 37

İstoç Branch

Mahmutbey Mah. 2420.
Sok. No: 77 Bağcılar/
İSTANBUL
Tel: (212) 659 68 70
Fax: (216) 666 17 83

Kadıköy Branch

Rasimpaşa Mah. Rıhtım
Cad. No: 44B 34716
Kadıköy/İSTANBUL
Tel: (216) 414 31 63
Fax: (216) 666 17 11

Kağıthane Branch

Merkez Mah. Nurhan
Sok. No: 2B Kağıthane/
İSTANBUL
Tel: (212) 401 06 96
Fax: (216) 666 17 12

Karaköy Branch

Müeyyetzade Mah.
Kemeralı Cad. No: 6/A
Beyoğlu/İSTANBUL
Tel: (212) 252 56 87
Fax: (216) 666 17 05

Kartal Branch

Kordonboyu Mah. Ankara
Cad. No: 110C Kartal/
İSTANBUL
Tel: (216) 473 60 05
Fax: (216) 666 17 56

Kasımpaşa Branch

Yahya Kahya Mah. Bahriye
Cad. No: 32 Beyoğlu/
İSTANBUL
Tel: (212) 931 78 36
Fax: (216) 666 89 20

Kavacık Branch

Kavacık Mah. Orhan
Veli Kanık Cad. No: 98/1
Beykoz/İSTANBUL
Tel: (216) 680 27 33
Fax: (216) 666 17 57

Kaynarca Branch

Fevzi Çakmak Mah.
Tevfik İleri Cad. No:
175A Kaynarca, Pendik/
İSTANBUL
Tel: (216) 397 07 10
Fax: (216) 666 18 27

Kozyatağı Branch

Kozyatağı Mah. Değirmen
Sok. Nida Kule İş Merkezi
No: 18/7 Kadıköy/
İSTANBUL
Tel: (216) 384 28 22
Fax: (216) 666 17 85

Kurtköy Branch

Şeyhli Mah. Ankara
Cad. No: 372A Pendik/
İSTANBUL
Tel: (216) 378 14 39
Fax: (216) 666 18 20

Küçükbakkalköy Branch

Küçükbakkalköy Mah.
Fevzipaşa Cad. No: 43-45A
Ataşehir/İSTANBUL
Tel: (216) 576 89 99
Fax: (216) 666 18 33

Küçükköy Branch

Yeni Mahalle Hekimsuyu
Cad. No: 7 Küçükköy,
Gaziosmanpaşa/İSTANBUL
Tel: (212) 618 11 80
Fax: (216) 666 18 24

Laleli Branch

Kemalpaşa Mah. Ordu Cad.
No: 56/1 Fatih/İSTANBUL
Tel: (212) 528 70 70
Fax: (216) 666 17 71

Levent Sanayi Branch

Sultan Selim Mah. Sultan
Selim Cad. No: 25A
Kağıthane/İSTANBUL
Tel: (212) 278 25 00
Fax: (216) 666 17 49

Mall of İstanbul Branch

Ziya Gökalp Mah. Süleyman
Demirel Bul. No: 9/29
Başakşehir/İSTANBUL
Tel: (212) 549 37 77
Fax: (216) 666 18 37

Maltepe Branch

Bağlarbaşı Mah. Bağdat
Cad. No: 416A Maltepe/
İSTANBUL
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Maslak Branch

Maslak Mah. Büyükdere
Cad. No: 255/Z12 Maslak
Sarıyer/İSTANBUL
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Mecidiyeköy Branch

Fulya Mah. Büyükdere
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Mecidiyeköy, Şişli/
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Mercan Branch

Mercan Mah. Tacirhane
Sok. No: 25/A Fatih/
İSTANBUL
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Merter Branch

Mehmet Nesih Özmen
Mah. Fatih Cad. No: 24
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Metrokent Branch

Başak Mah. Yeşil Vadi
Cad. Metrokent Sitesi D2
Blok No: 3/1Z Başakşehir/
İSTANBUL
Tel: (212) 777 98 53
Fax: (216) 666 18 99

Osmanbey Branch

Meşrutiyet Mah.
Halaskargazi Cad. No: 100A
Şişli/İSTANBUL
Tel: (212) 231 81 65
Fax: (216) 666 17 86

Örnek Mahallesi Branch

Örnek Mah. Şehit Cahar
Dudayev Cad. No: 38-40A
Ataşehir/İSTANBUL
Tel: (216) 969 34 96
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Pendik Branch

Batı Mah. 23 Nisan Cad.
No: 16/A 34890 Pendik/
İSTANBUL
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Pendik E5 Branch

Çınardere Mah. Gönenli
Mehmet Efendi Cad. No:
71/F-G Pendik/İSTANBUL
Tel: (216) 379 49 00
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Contact

Sahrayıcedit Branch

Sahrayıcedit Mah.
Şemsettin Günaltay Cad.
No: 238 A-B Kadıköy/
ISTANBUL
Tel: (216) 302 16 32
Fax: (216) 666 17 36

Sancaktepe Branch

Meclis Mah. Katip Çelebi
Cad. No: 1C Sancaktepe/
ISTANBUL
Tel: (216) 622 55 00
Fax: (216) 666 18 04

Sefaköy Branch

Kartaltepe Mah.
Halkalı Cad. No: 82A
Küçükçekmece/ISTANBUL
Tel: (212) 580 32 00
Fax: (216) 666 17 58

Şehremini Branch

Şehremini Mah. Turgut
Özal Millet Cad. No: 163/A
Fatih/ISTANBUL
Tel : (212) 585 00 13
Fax: (216) 666 18 69

Silivri Branch

Piri Mehmet Paşa Mah.
Hacı Pervane Cad. No: 49B
Silivri/ISTANBUL
Tel: (212) 728 78 00
Fax: (216) 666 18 66

Şirinevler Branch

Şirinevler Mah. Fetih
Cad. No: 19/A Şirinevler,
Bahçelievler/ISTANBUL
Tel : (212) 551 81 51
Fax: (216) 666 17 48

Soğanlık Branch

Orta Mah. Atatürk Cad. No:
No:106A Kartal/ISTANBUL
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Fax: (216) 666 89 30

Sultanbeyli Branch

Abdurrahman Gazi Mah.
Bosna Bulvarı No: 4B
Sultanbeyli/ISTANBUL
Tel: (216) 419 37 00
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Sultançiftliği Branch

Cebeci Mahallesi Eski
Edirne Asfaltı Caddesi No:
672/A 34270 Sultangazi/
ISTANBUL
Tel: (212) 475 53 40
Fax: (216) 666 17 94

Sultanhamam Branch

Rüstempaşa Mah.
Marpuççular Cad. No: 26/A
Fatih/ISTANBUL
Tel: (212) 519 64 30
Fax: (216) 666 17 23

Taksim Branch

Kuloğlu Mah. İstiklal Cad.
No: 139 Beyoğlu/ISTANBUL
Tel: (212) 939 21 59
Fax: (216) 666 89 22

Terazidere Branch

Terazidere Mah. Güneş
Cad. No: 5-7 Bayrampaşa/
ISTANBUL
Tel: (212) 501 28 76
Fax: (216) 666 18 97

Topçular Branch

Topçular Mah. Rami
Kışla Cad. No: 40-44/A
Eyüpsultan/ISTANBUL
Tel: (212) 613 85 74
Fax: (216) 666 17 84

Topkapı Branch

Maltepe Mah. Gümüşsuyu
Cad. No: 28 Dk:156
Zeytinburnu/ISTANBUL
Tel: (212) 565 95 03
Fax: (216) 666 18 38

Tuzla Sanayi Branch

Mescit Mah. Demokrasi
Cad. A11 Blok No: 3B/3
Tuzla/ISTANBUL
Tel: (216) 394 86 54
Fax: (216) 666 18 44

Ümraniye Branch

Atatürk Mah. Alemdağ
Cad. No: 10-12A 34764
Ümraniye/ISTANBUL
Tel: (216) 443 66 35
Fax: (216) 666 17 18

Ümraniye Çarşı Branch

İstiklal Mah. Alemdağ
Cad. No: 176A Ümraniye/
ISTANBUL
Tel: (216) 523 44 14
Fax: (216) 666 18 95

Üsküdar Branch

Mimar Sinan Mah.
Hakimiyet-i Milliye Cad.
Molla Eşref Sok. No: 17-17/A
Üsküdar/ISTANBUL
Tel: (216) 532 89 39
Fax: (216) 666 17 35

Yavuzselim Branch

Ali Kuşçu Mah. Fevzipaşa
Cad. No: 60 Fatih/
ISTANBUL
Tel: (212) 532 92 52
Fax: (216) 666 18 93

Yenibosna Branch

Fevzi Çakmak Mah. Yıldırım
Beyazıt Cad. No:5 9-61A
Bahçelievler/ISTANBUL
Tel: (212) 924 19 51
Fax: (216) 666 89 26

Yıldıztepe Bağcılar Branch

Yıldıztepe Mah. Bağcılar
Cad. No: 102/B Bağcılar/
ISTANBUL
Tel: (212) 931 65 61
Fax: (216) 666 89 17

Zeytinburnu Branch

Gökalp Mah. 58 Bulvar Cad.
No: 12/A Zeytinburnu/
ISTANBUL
Tel: (212) 510 10 22
Fax: (216) 666 17 39

Other City and District Branches

Adana Branch

Kuruköprü Mah. İnönü Cad.
No: 85A Seyhan/ADANA
Tel: (322) 363 11 00
Fax: (216) 666 17 08

Adana Barkal Branch

Yeşiloba Mah. Turhan
Cemal Beriker Bul. Adana İş
Merkezi Sit. A Blok No: 443
L Seyhan/ADANA
Tel: (322) 429 78 78
Fax: (216) 666 17 79

Adana Çukurova Branch

Mahfesiğmaz Mah. Turgut
Özal Bulvarı No: 131/A
Çukurova/ADANA
Tel : (322) 233 23 51
Fax: (216) 666 18 61

Adana Küçüksaat Branch

Sefaözler Cad. No: 3/E
01060 Seyhan/ADANA
Tel : (322) 351 20 00
Fax: (216) 666 17 96

Adana Organize Sanayi Branch

Adana Hacı Sabancı
Organize Sanayi Bölgesi
OSB Turgut Özal Bulvarı
No: 17 Sarıçam/ADANA
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Adana Ticari Merkez Branch

Kuruköprü Mah. İnönü Cad.
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Adıyaman Branch

Hocaömer Mah. Atatürk
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ADIYAMAN
Tel: (416) 213 60 84
Fax: (216) 666 18 26

Afyonkarahisar Branch

Marulcu Mah. Kadınana
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AFYONKARAHİSAR
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Fax: (216) 666 17 62

Aksaray Branch

Minarecik Mah. 44/
Mehmet Altınsoy Cad. No:
27A/A Merkez/AKSARAY
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Fax: (216) 666 17 91

Amasya Branch

Dere Mah. Mustafa Kemal
Paşa Cad. No: 9A Merkez/
AMASYA
Tel: (358) 218 07 03
Fax: (216) 666 89 12

Ankara Branch

Kızılay Mah. Atatürk Bulvarı
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Tel: (312) 430 53 20
Fax: (216) 666 17 02

Ankara/Bakanlıklar Branch

Kavaklıdere Mah. Atatürk
Bulvarı No: 165/A Çankaya/
ANKARA
Tel: (312) 417 70 33
Fax: (216) 666 18 03

Ankara/Balgat Branch

Ehlibeyt Mah. Tekstilciler
Cad. No: 1D 06520 Balgat,
Çankaya/ANKARA
Tel: (312) 472 40 30
Fax: (216) 666 17 42

Ankara/Cebeci Branch

Demirlibahçe Mah.
Talatpaşa Bulvarı No: 173/B
Mamak/ANKARA
Tel: (312) 363 30 11
Fax: (216) 666 18 64

Ankara/Çukurambar Branch

Kızılırmak Mah. Muhsin
Yazıcıoğlu Cad. No: 17/8
Çukurambar Çankaya/
ANKARA
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Fax: (216) 666 18 91

Ankara/Etimesgut Branch

Kazım Karabekir Mah.
İstasyon Cad. No: 51A
Etimesgut/ANKARA
Tel: (312) 245 57 00
Fax: (216) 666 18 68

Ankara/Etlık Branch

İncirli Mah. Yunus Emre
Cad. No: 5/A Etlık Keçiören/
ANKARA
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Fax: (216) 666 17 59

Ankara/İvedik Branch

OSB Mah. Melih Gökçek
Bulvarı No: 63/156
Yenimahalle/ANKARA
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Fax: (216) 666 18 07

Ankara/Keçiören Branch

Bağlarbaşı Mah. Kızılarpınarı
Cd. No: 104/A Keçiören/
ANKARA
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Fax: (216) 666 18 28

Ankara/Ostim Branch

Ostim OSB Mah. 100. Yıl
Bulvarı No: 3 06370 Ostim,
Yenimahalle/ANKARA
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Fax: (216) 666 17 31

Ankara/Pursaklar Branch

Merkez Mah. Yunus Emre
Cad. No: 15/A Pursaklar/
ANKARA
Tel: (312) 527 00 93
Fax: (216) 666 18 73

Ankara/Sincan Branch

Atatürk Mah. Ankara Cad.
No: 23/2 06930 Sincan/
ANKARA
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Fax: (216) 666 17 64

Ankara/Siteler Branch

Önder Mah. Karacakaya
Cad. No: 73A 06160 Siteler
Altındağ/ANKARA
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Ankara/Şaşmaz Branch

Bahçekapı Mah. Sanayi
Bulvarı No: 16C Etimesgut/
ANKARA
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Fax: (216) 666 18 06

Ankara/Timko Sanayi Sitesi Branch

Macun Mah. 177 Cadde
No: 19 C/7 Yenimahalle/
ANKARA
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Fax: (216) 666 89 24

Ankara/Turan Güneş Branch

Yıldızevler Mah. Turan
Güneş Bulvarı No: 54/B
06500 Çankaya/ANKARA
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Fax: (216) 666 17 90

Ankara/Ulus Branch

Kale Mah. Anafartalar
Cad. No: 59 06250 Ulus
Altındağ/ANKARA
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Fax: (216) 666 17 89

Ankara/Ümitköy Branch

Prof. Dr. Ahmet Taner Kışlalı
Mah. S. Saltoğlu Bulvarı
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Çankaya/ANKARA
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Antalya Branch

Elmalı Mah. Hasan Subaşı
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Muratpaşa/ANTALYA
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Fax: (216) 666 17 21

Antalya/Alanya Branch

Kadıpaşa Mah. Şevket
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Alanya/ANTALYA
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Antalya/Çallı Branch

Fabrikalar Mah. Namık
Kemal Bulvarı No:
7AKepez/ANTALYA
Tel: (242) 344 45 05
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Antalya/Konyaaltı Branch

Arapsuyu Mah. Atatürk
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ANTALYA
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Aydın Branch

Cumhuriyet Mah.
Cumhuriyet Cad. No: 12/21
Efeler/AYDIN
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Fax: (216) 666 17 66

Aydın/Nazilli Branch

Altıntaş Mah. Türkocağı
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Dumlupınar Mah.
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Balıkesir/Bandırma Branch

Dere Mah. İsmet İnönü
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BALIKESİR
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Batman Branch

Şirinevler Mah. Atatürk
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BATMAN
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Bolu Branch

Büyük Cami Mah. İzzet
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Bursa Branch

Reyhan Mah. Haşim İşcan
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BURSA
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Bursa/Demirtaş Branch

Altınova Mah. İstanbul Cad.
No: 428D Osmangazi/
BURSA
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Bursa/FSM Bulvarı Branch

Fethiye Mah. Fatih Sultan
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Bursa/İnegöl Branch

Kemalpaşa Mah. Atatürk
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BURSA
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Fax: (216) 666 18 55

Bursa/Kestel Bursa Branch

Ahmet Vefik Paşa OSB
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Bursa/Beşevler Sanayi Branch

Üçevler Mah. Nilüfer Cad.
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Tel: (224) 443 74 00
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Bursa/Uludağ Branch

Anadolu Mah. Ankarayolu
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Bursa/Yeniyol Branch

Alacamescit Mah. İnönü
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BURSA
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Çanakkale Branch

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ÇANAKKALE
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Çankırı Branch

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Çorum Branch

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Demetevler Branch

Ankara
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ANKARA
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Denizli Branch

Saraylar Mah. 2. Ticari
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Denizli/Sanayi Branch

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DENİZLİ
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Diyarbakır Branch

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Diyarbakır/Kayapınar Branch

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Kayapınar/DİYARBAKIR
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Düzce Branch

Burhaniye Mah. Bolu Cad.
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Edirne Branch

Sabuni Mah. Çilingirler Cad.
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Elazığ Branch

İcadiye Mah. Hürriyet Cad.
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Erzincan Branch

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ERZİNCAN
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Erzurum Branch

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Eskişehir Branch

Cumhuriyet Mah. Sakarya
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ESKİŞEHİR
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Gaziantep Branch

Karagöz Mah. Suburcu
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GAZİANTEP
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Gaziantep/Gatem Branch

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Gaziantep/Organize Sanayi Branch

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GAZİANTEP
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Gaziantep/Şehitkamil Branch

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Gaziantep/Ticari Merkez Branch

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Giresun Branch

Hacı Miktat Mah. Fatih
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Hatay/Antakya Branch

Haraparası Mah. Yavuz
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Fax: (216) 666 18 47

Hatay/İskenderun Branch

Savaş Mah. Mareşal
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Fax: (216) 666 18 00

Isparta Branch

Yayla Mah.118 Cad. No:
11/B Merkez/ISPARTA
Tel: (246) 223 47 42
Fax: (216) 666 17 74

İzmir Branch

Akdeniz Mah. Fezvipaşa
Bulvarı No: 51/A 35210
Konak/İZMİR
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Fax: (216) 666 17 03

İzmir/Bornova Branch

Erzene Mah. Kazım
Karabekir Cad. No: 5/A
35040 Bornova/İZMİR
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İzmir/Çiğli Branch

Şirintepe Mah. Anadolu
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Çiğli/İZMİR
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İzmir/Ege Ticari Merkez Branch

Akdeniz Mah. Fezvipaşa
Bulvarı No: 51A Konak/
İZMİR
Tel: (232) 436 47 72
Fax: (216) 666 18 77

İzmir/Gıda Çarşısı Branch

Halkapınar Mah. 1203/1
Sok. No: 21 Gıda Çarşısı
Yenişehir Konak/İZMİR
Tel: (232) 469 14 03
Fax: (216) 666 18 53

İzmir/Karabağlar Branch

Aşık Veysel Mah. Yeşillik
Cad. No: 437-441A
Karabağlar/İZMİR
Tel: (232) 237 27 81
Fax: (216) 666 17 47

İzmir/Kemalpaşa Branch

Sekiz Eylül Mah. İzmir Cad.
No: 22/A Kemalpaşa/İZMİR
Tel: (232) 878 31 38
Fax: (216) 666 18 57

Kahramanmaraş Branch

Yenişehir Mah.
Cumhuriyet Bulvarı
No: 4B Dulkadiroğlu/
KAHRAMANMARAŞ
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Fax: (216) 666 17 17

Karabük Branch

Bayır Mah. Kemal Güneş
Cad. No: 96 Merkez/
KARABÜK
Tel: (370) 415 66 33
Fax: (216) 666 18 05

Karaman Branch

Fenari Mah. Yunus Emre
Cad. No: 5A Merkez/
KARAMAN
Tel: (338) 213 91 00
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Kastamonu Branch

Cebrail Mah. Plevne
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KASTAMONU
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Fax: (216) 666 17 73

Kayseri Branch

Cumhuriyet Mah. Vatan
Cad. No: 26 38040
Melikgazi/KAYSERİ
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Kayseri/Organize Sanayi Branch

Kayseri OSB Mah. 12
Cad. No: 5/22 Melikgazi/
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Kayseri/Sanayi Branch

Sanayi Mah. Osman
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Kayseri/Sivas Caddesi Branch

Mimarsinan Mah. Sivas
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Kocasinan/KAYSERİ
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Fax: (216) 666 18 85

Kocaeli/İzmit E5 Branch

Körfez Mah. Ankara
Karayolu Cad. No: 123/2A
İzmit/KOCAELİ
Tel: (262) 324 78 06
Fax: (216) 666 18 45

Kocaeli/İzmit Branch

Ömerağa Mah. Alemdar
Cad. No: 17A İzmit/
KOCAELİ
Tel: (262) 323 37 72
Fax: (216) 666 17 19

Kocaeli/Gebze Branch

Hacı Halil Mah. Körfez Cad.
No: 18A Gebze/KOCAELİ
Tel: (262) 641 15 82
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Kocaeli/Gebze İbrahim Ağa Caddesi Branch

Mustafapaşa Mah.
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Gebze/KOCAELİ
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Kocaeli/Gebze Organize Sanayi Branch

İnönü Mah. Gebze Güzeller
OSB Atatürk Bulvarı No:
2/B Gebze/KOCAELİ
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Kocaeli/Gölcük Branch

Merkez Mah. Amiral Sağlam
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KOCAELİ
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Konya Branch

Mevlana Cad. No: 5/1
42030 Karatay/KONYA
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Konya/Akşehir Branch

Selçuk Mah. İnönü Cad.
No: 29 Akşehir/KONYA
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Fax: (216) 666 89 02

Konya/Büsan Branch

Fevziçakmak Mah. Kosgeb
Cad. No: 13C Karatay/
KONYA
Tel: (332) 345 40 40
Fax: (216) 666 17 51

Konya/Ereğli Branch

Namık Kemal Mah. Atatürk
Cad. No: 117 Ereğli/KONYA
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Fax: (216) 666 18 94

Konya/Kobisan Branch

Fevzi Çakmak Mah. Aslım
Cad. No: 63E Karatay/
KONYA
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Fax: (216) 666 89 14

Konya/Mevlana Branch

Sahibiata Mah. Sahibiata
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KONYA
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Fax: (216) 666 18 02

Konya/Organize Sanayi Branch

Büyükkayacık OSB Mah.
Kırım Cad. No: 20/1
Selçuklu/KONYA
Tel: (332) 239 21 76
Fax: (216) 666 18 34

Konya/Sanayi Branch

Musalla Bağları Mah.
Ankara Cad. No: 101
Selçuklu/KONYA
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Fax: (216) 666 17 29

Konya/Ticari Merkez Branch

Fevziçakmak Mah. 10632
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KONYA
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Konya/Yeni Töptancılar Branch

Fevzi Çakmak Mah.
Karakayış Cad. No: 289/1
Karatay/KONYA
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Fax: (216) 666 18 76

Konya/Zafer Sanayi Branch

Horozluhan Mah. Selçuklu
Cad. No: 2/B Zafer Sanayi
Sitesi Selçuklu/KONYA
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Fax: (216) 666 89 01

Kütahya Branch

Balıklı Mah. Pekmez Pazarı
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KÜTAHYA
Tel: (274) 223 75 00
Fax: (216) 666 18 41

Kütahya/Tavşanlı Branch

Yeni Mah. Ada Cad. No: 7/1
Tavşanlı/KÜTAHYA
Tel: (274) 614 77 61
Fax: (216) 666 18 65

Malatya Branch

Hamidiye Mah. İnönü
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MALATYA
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Manisa Branch

1.Anafartalar Mah. Mustafa
Kemal Paşa Cad. No: 14/A
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Fax: (216) 666 17 67

Manisa/Turgutlu Branch

Turan Mah. Atatürk Bulvarı
No: 180/A Turgutlu/
MANİSA
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Manavgat Antalya Branch

Bahçelievler Mah.
Demokrasi Bulvarı No:40/
Z01 Manavgat/ANTALYA
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Mardin Branch

13 Mart Mah. Vali Ozan
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Mersin Branch

Camişerif Mah. İstiklal Cad
No: 33/A Akdeniz/MERSİN
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Fax: (216) 666 17 70

Mersin/Pozcu Branch

Güvenevler Mah. Gazi
Mustafa Kemal Bulvarı No:
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Fax: (216) 666 89 06

Mersin/Tarsus Branch

Şehitmustafa Mah. Atatürk
Bulvarı No: 1A Tarsus/
MERSİN
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Muş Branch

Kültür Mah. Atatürk Bulvarı
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Nevşehir Branch

Kapucubaşı Mah. Atatürk
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NEVŞEHİR
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Ordu Branch

Şarkıye Mah. Süleyman
Felek Cad. No: 54 Altınordu
/ORDU
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Fax: (216) 666 17 88

Osmaniye Branch

İstiklal Mah. Atatürk
Cad. No: 164A Merkez/
OSMANİYE
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Fax: (216) 666 17 68

Rize Branch

Yeniköy Mah. Tevfik İleri
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Sakarya/Adapazarı Branch

Tiğcılar Mah. Atatürk
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SAKARYA
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Samsun Branch

Kale Mah. Kaptanağa Cad.
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Samsun/Sanayi Branch

Şabanoğlu Mah. Atatürk
Bulvarı No: 167B Tekkeköy/
SAMSUN
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Siirt Branch

Bahçelievler Mah.
Hz.Fakirullah Cad. Gönül
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SİİRT
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Fax: (216) 666 18 80

Sivas Branch

Eski Kale Mah. 13-2 Sok.
No: 4 Merkez/SİVAS
Tel: (346) 224 00 90
Fax: (216) 666 17 52

Şanlıurfa Branch

Kamberiye Mah. Kadri
Eroğan Cad. No: 10/1
Haliliye/ŞANLIURFA
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Fax: (216) 666 17 46

Şanlıurfa/Emniyet Caddesi Branch

Yeşildirek Mah. Yunus Emre
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ŞANLIURFA
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Tekirdağ Branch

Yavuz Mah. Hükümet Cad.
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TEKİRDAĞ
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Tekirdağ/Çerkezköy Branch

Gaziosmanpaşa Mah.
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Çerkezköy/TEKİRDAĞ
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Fax: (216) 666 18 60

Tekirdağ/Çorlu Branch

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59850 Çorlu/TEKİRDAĞ
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Tokat Branch

Yar Ahmet Mah.
Gaziosmanpaşa Bulvarı No:
167 Merkez/TOKAT
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Fax: (216) 666 17 78

Trabzon Branch

Kemer kaya Mah.
Kahramanmaraş Cad. No:
35/B Ortahisar/TRABZON
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Fax: (216) 666 17 55

Trabzon/Değirmendere Branch

Sanayi Mah. Devlet
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TRABZON
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Uşak Branch

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