

**ASSOCIATION OF NATIONAL
DEVELOPMENT FINANCE INSTITUTIONS IN
MEMBER COUNTRIES OF THE ISLAMIC
DEVELOPMENT BANK (ADFIMI)**

FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021 TOGETHER WITH
INDEPENDENT AUDITORS' REPORT

Aksis Uluslararası Bağımsız Denetim Anonim Şirketi
14 February 2022

This report includes 2 pages of independent auditors' report and
9 pages of financial statements together with their explanatory
notes

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INDEPENDENT AUDITOR'S REPORT

To the Management Committee of The Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank (ADFIMI)

A) Audit of the Financial Statements

1) Opinion

We have audited the financial statements of ADFIMI, which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ADFIMI as at December 31, 2021, and its financial performance for the year then ended in accordance with Turkish Generally Accepted Accounting Principles (Turkish GAAP).

2) Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 ADFIMI in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements issued by Public Oversight Accounting and Auditing Standards Authority (the "POA"), Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Responsibilities of Management Committee for the Financial Statements

ADFIMI management is responsible for the preparation and fair presentation of these financial in accordance with Turkish Generally Accepted Accounting Principles (Turkish GAAP), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Committee is responsible for assessing the ADFIMI'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 Union's or to cease operations, or has no realistic alternative but to do so.

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





4) Auditor's Responsibilities for the Audit of the Financial Statements

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

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

As part of an independent audit conducted in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

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

We communicate with ADFIMI Management 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.

The name of the audit partner who supervised and concluded this audit is Nail ÇAMCI.



Nail ÇAMCI, SMMM
Partner

14 February 2022

İstanbul, Turkey

Aksis Uluslararası Bağımsız Denetim A.Ş.



**Association of National Development Finance Institutions in Member
Countries of The Islamic Development Bank (ADFIMI)**

Statement of Financial Position

As at 31 December 2021

Monetary Unit: Turkish Lira ("TL")

ASSETS	<i>Notes</i>	Audited 31 December 2021	Audited 31 December 2020
Current Assets			
Cash and Cash Equivalents	3	2.277.687	1.051.768
Total Current Assets		2.277.687	1.051.768
Non-Current Assets			
Property and Equipment	5	52.191	52.191
Total Non-Current Assets		52.191	52.191
Total Assets		2.329.878	1.103.959
LIABILITIES			
Equity			
Retained Earnings		1.103.959	344.491
Net Income for the Period		1.225.919	759.468
Total Equity		2.329.878	1.103.959
Total Equity and Liabilities		2.329.878	1.103.959

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

**Association of National Development Finance Institutions in Member
Countries of The Islamic Development Bank (ADFIMI)**

Statement of Profit or Loss

For the Year Ended 31 December 2021

Monetary Unit: Turkish Lira ("TL")

	<i>Notes</i>	Audited 2021	Audited 2020
Revenue	6	1.555.406	1.503.918
Gross Profit		1.555.406	1.503.918
General Administrative Expenses (-)	7	(1.232.780)	(920.653)
Other Operating Income	8	913.052	130.255
Other Operating Expenses (-)	9	(9.759)	(52)
Net Operating Profit		1.225.919	713.468
Extraordinary Income and Profit	10	--	46.000
Net Profit		1.225.919	759.468

The accompanying notes form an integral part of these financial statements

**Association of National Development Finance Institutions in Member
Countries of The Islamic Development Bank (ADFIMI)**

Notes to the Financial Statements

As at for the Year Ended 31 December 2021

Monetary Unit: Turkish Lira ("TL")

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Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank (ADFIMI)

Notes to the Financial Statements

As at for the Year Ended 31 December 2021

Monetary Unit: Turkish Lira ("TL")

1 General Information

Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank, ADFIMI, presently serves 38 members in 17 countries. Its activities essentially aim at the development of human resources of Development Finance Institutions (DFIs). In this context, ADFIMI organizes seminars, workshops, forums and conferences for high level managers of DFIs.

ADFIMI's contact information is given below:

Rüstem Paşa Mah, Saka Mehmet Sok. No:13 Kat:2 Fatih/İstanbul/Turkey

As of 31 December 2021, members of ADFIMI are listed below:

MEMBER NAME	COUNTRY
ATABANK JSC	Azerbaijan
SAUDI - BANGLADESH INDUSTRIAL AND AGRICULTURAL INVESTMENT CO. LTD. (SABINCO LTD.)	Bangladesh
BANGLADESH DEVELOPMENT BANK LTD.	Bangladesh
BANGLADESH SMALL INDUSTRIES AND COMMERCE BANK LIMITED (BASIC BANK LTD.)	Bangladesh
SOCIETE NATIONALE D'INVESTISSEMENT	Cameroun
PT. SARANA MULTI INFRASTRUKTUR (PERSERO)	Indonesia
BANK OF INDUSTRY & MINE	Iran
BANK KESHAVARZI	Iran
AGRARIAN CREDIT CORPORATION JSC (ACC)	Kazakhstan
BANK PEMBANGUNAN MALAYSIA BERI-UAD	Malaysia
BANK KERJASAMA RAKYAT MALAYSIA BERHAD	Malaysia
BANK PERTANIAN MALAYSIA (AGROBANK)	Malaysia
OMAN DEVELOPMENT BANK	Oman
PAK OMAN INVESTMENT COMPANY LIMITED.	Pakistan
PAK.LIBYA HOLDING COMPANY LIMITES.	Pakistan
ZARAI TARAQIATI BANK LIMITED	Pakistan
QATAR DEVELOPMENT BANK	Qatar
SOMALI DEVELOPMENT BANK	Somalia
EL-NILEIN INDUSTRIAL DEVELOPMENT BANK	Sudan
FINANCIAL INVESTMENT BANK OF SUDAN	Sudan
WORKERS NATIONAL BANK	Sudan
BALAD BANK	Sudan
TADAMON ISLAMIC BANK	Sudan
SAUDI SUDANESE BANK	Sudan
OMDURMAN NATIONAL BANK	Sudan
TURKIYE SINAI KALKINMA BANKASI (TSKB)	Turkey
TURKIYE KALKINMA VE YATIRIM BANKASI (TKYB)	Turkey
TURKIYE IHRACAT KREDI BANKASI A.Ş. (TURK EXIMBANK A.Ş.)	Turkey

Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank (ADFIMI)

Notes to the Financial Statements

As at for the Year Ended 31 December 2021

Monetary Unit: Turkish Lira ("TL")

1. General Information (continued)

MEMBER NAME	COUNTRY
TURKIYE VAKIFLAR BANKASI T.A.O.	Turkey
TURKIYE HALK BANKASI A.Ş.	Turkey
ZIRAAT KATILIM BANKASI A.Ş.	Turkey
TURKIYE EMLAK KATILIM BANKASI A.Ş.	Turkey
IS LEASING A.Ş.	Turkey
KUZZEY KIBRIS TURK CUMHURİYETİ KALKINMA BANKASI	TRNC
UGANDA DEVELOPMENT BANK LIMITED	Uganda
TROPICAL BANK LIMITED	Uganda
COOPERATIVE & AGRICULTURAL CREDIT BANK (CACBANK)	Yemen
ISLAMIC DEVELOPMENT BANK	Saudi Arabia

2. Procedural Examination

ADFIMI's legal books notarial attestation information for 2021 is presented below:

Legal Books	Notary	Attestation Date	Attestation Number
General Journal	İstanbul 23 rd Notary	28.12.2020	2246
General Ledger	İstanbul 23 rd Notary	28.12.2020	2247
Inventory Register	İstanbul 23 rd Notary	28.12.2020	2248

2.1 Basis of Presentation

Basis of Preparation of Financial Statements

ADFIMI keeps accounting records and prepares its statutory financial statements in accordance with the principles and obligations of Turkish Commercial Code (the "TCC"), Uniform Accounting Policy of Tax Legislation.

Basis of Measurement

The attached financial statements are prepared on historical costs.

Functional and Presentation Currency

The financial statements are presented in ("TL"), which is Union's functional currency.

Comparative Information

ADFIMI's financial statements are prepared including comparative information in order to enable readers to understand the trends in the financial position and performance of the ADFIMI. The change in presentation or reclassification of the financial statement items is applied retrospectively and the reclassifications made in the prior year financial information are disclosed in the notes to the financial statements to be in line with the current year presentation.

Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank (ADFIMI)

Notes to the Financial Statements

As at for the Year Ended 31 December 2021

Monetary Unit: Turkish Lira ("TL")

3 Cash and Cash Equivalents

As of 31 December 2021 and 31 December 2020, cash and cash equivalents are as follows:

	31 December 2021	31 December 2020
Cash		
-Turkish Lira	9.504	2.685
Banks-Demand Deposits		
-Turkish Lira		
-Usd	36.135	32.903
-Euro	590.397	873.838
-Aed	98.546	142.342
Banks-Time Deposits		
-Usd	30.391	--
-Euro	1.306.191	--
-Euro	206.523	--
Total	2.277.687	1.051.768

Foreign currency in the bank is valued with "foreign exchange buying rate". The details of foreign currency that are in banks are presented below.

	Foreign Currency Amount 31 December 2021	Foreign Currency Amount 31 December 2020
Demand deposit in Us Dollars	45.494	119.043
Time deposit in US Dollars	100.650	--
Demand deposit in EURO	6.712	15.802
Time deposit in EURO	14.066	--
Demand deposit in AED	8.650	--

4 Related Parties

Parties are considered related with one party either through ownership, contractual rights family relationship or otherwise, has the ability to directly or indirectly control or significantly influence the other party. For the purpose of these financial statements, the personnel of the Association are referred to as related parties.

As of December 31, 2021 there were no outstanding balances with the related parties.

(December 31, 2020: none).

Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank (ADFIMI)

Notes to the Financial Statements

As at for the Year Ended 31 December 2021

Monetary Unit: Turkish Lira ("TL")

5 Property and Equipment

Fixed assets of ADFIMI, are carried at historical cost. Fixed assets comprise of motor vehicles and not depreciated.

Movement of fixed assets for the year ended 31 December 2021 and 2020 are as follows:

	Motor Vehicles	Fixtures and Furniture	Total
Cost			
Balance at 1 January 2021	--	52.191	52.191
Balance at 31 December 2021	--	52.191	52.191

	Motor Vehicles	Fixtures and Furniture	Total
Cost			
Balance at 1 January 2020	85.000	44.127	129.127
Additions	46.000	8.064	54.064
Disposals	(131.000)	--	(131.000)
Balance at 31 December 2020	--	52.191	52.191

6 Revenue

Revenue is recognized, when it is probable that the economic benefits will flow to ADFIMI and the revenue can be reliably measured.

Revenue comprises of membership fees.

Revenues for the period ended 31 December 2021 and 2020 are as follows

Revenue	2021	2020
Membership Fees		
<i>Membership fees for 2018</i>	--	81.093
<i>Membership fees for 2019</i>	--	181.295
<i>Membership fees for 2020</i>	--	1.241.530
<i>Membership fees for 2021</i>	1.142.308	--
<i>Membership fees for 2022</i>	413.098	--
Total	1.555.406	1.503.918

Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank (ADFIMI)

Notes to the Financial Statements

As at for the Year Ended 31 December 2021

Monetary Unit: Turkish Lira ("TL")

7 General Administrative Expenses

General and administrative expenses for the period ended 31 December 2021 and 2020 are as follows:

	2021	2020
Personnel Expenses (including social security premiums, benefits and housing allowances)	896.678	641.433
Transportation and Travel Expenses	83.161	--
Seminar and Workshop Expenses	40.660	77.729
Office Expenses	44.517	60.539
Auditing and Accounting Expenses	37.025	57.605
Health Insurance and Expenses	43.903	33.281
Vehicle Expenses	68.427	26.609
Insurance Expenses	655	6.144
Stationary Expenses	7.215	5.731
Communication Expenses	5.959	5.340
IT Expenses	1.320	3.463
General Assembly and Management Com. Expenses	1.041	1.483
Bank and Transfer Expenses	2.219	1.296
Total	1.232.780	920.653

8 Other Operating Income

Other income and profits for the period ended 31 December 2021 and 2020 are as follows:

Income	2021	2020
Foreign Exchange Gain	904.577	128.004
Proceeds from Banks	8.475	2.251
Total	913.052	130.255

Transactions in foreign currencies are converted into Turkish Lira (TL) at the rates of exchange valid at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate valid on the balance sheet date. Gains and losses arising on settlement and conversion of foreign currency items are included in the statements of income.

The closing US Dollar/TL, Euro/TL and AED/TL exchange rates for the periods are as follows:

	<u>US Dollar/TL</u>	<u>Euro/TL</u>	<u>AED/TL</u>
Year ended at 31 December 2021	12,9775	14,6823	3,5134
Year ended at 31 December 2020	7,3405	9,0079	2,0053

Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank (ADFIMI)

Notes to the Financial Statements

As at for the Year Ended 31 December 2021

Monetary Unit: Turkish Lira ("TL")

9 Other Operating Expenses

Other expenses for the period ended 31 December 2021 and 2020 are as follows:

Expenses	2021	2020
Foreign Exchange Loss	9.759	52
Total	9.759	52

10 Extraordinary Incomes and Profits

Extraordinary incomes and profits for the period ended 31 December 2021 and 2020 are as follows:

	2021	2020
Profit on sale of property and equipment	--	46.000
Total	--	46.000

11 Severance Pay

No provision has been recognized for employee termination benefits.

12 Law, Lawsuit and Execution Prosecution

- As of 31 December 2021, ADFIMI has 2 ongoing lawsuits filed in favor of and 3 against. In addition, there is 1 enforcement proceeding initiated against it. The nature of the lawsuits filed against consist of employee receivables. The lawsuits filed by ADFIMI are lawsuits and complaints related to the lawsuits filed against.
- At the Association's 69. ADFIMI Management Committee Meeting, dated 10.12.2019, the board of directors unanimously decided that convene the Constitution Committee led of Ziraat Katılım Bank, including members of Halk Bank and TKSİB to prepare a new draft of the constitution and revise the personnel regulation. A draft new constitution and personnel regulation were composed, by an elected committee from Ziraat Katılım Bank, Halk Bank and TSKB.
- On September 2, 2021, in Tashkent, Uzbekistan at the 36-37.ADFIMI General Assembly, determined that at the end of January 2022 to conduct an online extraordinary general assembly and change of constitution and personnel regulation.
- At the 74th ADFIMI Management Committee Meeting held on January 12, 2022, an extraordinary general assembly resolution was taken on February 1, 2022, for the new constitution and personnel regulation. ADFIMI 38. General Assembly Meeting, on February 1, 2022, the new constitution, and personnel regulation were approved.

13 Corporate Tax

ADFIMI is exempt from corporate tax.