

Albaraka Türk Katılım Bankası Anonim Şirketi

**Unconsolidated financial statements
and related disclosures at March 31, 2021
together with limited review report**

*(Convenience translation of the limited review report and
financial statements originally issued in Turkish – see section three Note I.b)*

**Convenience translation of the auditor's report originally issued in Turkish
(See Note I.b of Section three)**

REVIEW REPORT ON UNCONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Board of Directors of Albaraka Türk Katılım Bankası A.Ş.

Introduction

We have reviewed the unconsolidated statement of financial position of Albaraka Türk Katılım Bankası A.Ş. ("the Bank") at March 31, 2021 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the three-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of these unconsolidated of interim financial information in accordance with the "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") and circulars and interpretations published by Banking Regulation and Supervision Authority (together referred as BRSA Accounting and Financial Reporting Legislation) and Turkish Accounting Standard 34 "Interim Financial Reporting" principles for those matters not regulated by BRSA Legislation; together referred as "BRSA Accounting and Financial Reporting Legislation". Our responsibility is to express a conclusion on these unconsolidated interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the unconsolidated financial position of Albaraka Türk Katılım Bankası A.Ş. at March 31, 2021, and the results of its operations and its unconsolidated cash flows for the three-month-period then ended in all material aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

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

Additional paragraph for convenience translation to English:

As explained in detail in Note I.b of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with “BRSA Accounting and Financial Reporting Legislation” and the 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



Emre Çelik, SMMM
Partner

May 5, 2021
İstanbul, Turkey

UNCONSOLIDATED FINANCIAL REPORT OF ALBARAKA TRK KATILIM BANKASI A..
AS OF AND FOR THE THREE-MONTH ENDED MARCH 31, 2021

Bank's headquarter address : Saray Mah. Dr. Adnan Bykdeniz Cad. No:6
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Bank's website : www.albaraka.com.tr
Electronic mail contact info : albarakaturk@albarakaturk.com.tr

The unconsolidated interim financial report prepared in accordance with the Communiqu 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
- LIMITED REVIEW REPORT
- INTERIM 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 Communiqu on Accounting Applications of Banks and Safeguarding of Documents, Banking Regulation and Supervision Agency Regulations, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related appendices and interpretations and in compliance with the records of our Bank, have been reviewed and presented as attached.

Sleyman KALKAN

II. Chairman of the Board
of Directors

Melikah UTKU

General Manager

Mustafa ETİN

Assistant General
Manager

Kemaleddin DİLBAZ

Financial Reporting
Manager

Mustafa BYKABACI

Chairman of the Audit
Committee

Mehmet Ali GKCE

Member of the Audit
Committee

Mohamed Ali CHATTI

Member of the Audit
Committee

Contact information of the personnel in charge of the addressing of questions about this financial report:

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ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 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 228 (December 31, 2020: 228) local branches and 2 (December 31, 2020: 2) foreign branches and with 3.347 (December 31, 2020: 3.390) staff as of March 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 March 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, 36,86% (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 MARCH 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:	Süleyman KALKAN	II. Chairman of BOD (Independent)	Bachelor	-
	İbrahim Fayez Humaid ALSHAMSI	Member of BOD	Bachelor	(**) 0,0000
	Ghassan Ahmed M. AMODI	Independent Member of BOD	Bachelor	-
	Mustafa BÜYÜKABACI	Member of BOD	Master	-
	Dr. Mohamed Ali CHATTI	Independent Member of BOD	Doctorate	-
	Prof. Dr. Kemal VAROL	Member of BOD	Doctorate	-
	Mehmet Ali GÖKCE	Independent Member of BOD	Master	-
	Housseem BEN HAJ AMOR	Member of BOD	Bachelor	-
	Tawfig Shaker M. MUFTI	Member of BOD	Bachelor	-
General Manager:	Melikşah UTKU	Member of BOD/General Manager	Master	-
Assistant General Managers:	Turgut SİMİTÇİOĞLU	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	-
	Süleyman ÇELİK (Deputy)	Assistant General Manager Responsible for Information Technologies	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	-
	Dr. Mohamed Ali CHATTI	Member of Audit Committee	Doctorate	-

^(*) Former Chairman of the Board of Director Adnan Ahmed Yusuf Abdulmalek resigned as of 30.03.2021 and Mazin Khairy Shaker MANNA was appointed to his place on 05.04.2021.

^(**) The share amounts of these persons are between TL 1-10 (full).

Chairman and members of BOD, members of audit committee, general manager and assistant general managers own 0,0000% of the Bank's share capital (December 31, 2020: 0,0000 %).

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 MARCH 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, Allianz Sigorta, Unico Sigorta, Neova Sigorta, Ankara Sigorta, Coface Sigorta, Generali Sigorta, Bereket Katılım 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", Albaraka Portföy Yönetimi A.Ş. Bereket Katılım 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 and its subsidiaries.

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF MARCH 31, 2021
(Thousand of Turkish Lira (TL) unless otherwise stated)

ASSETS	Notes (Section Five-I)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		March 31, 2021			December 31, 2020		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		5.084.874	20.147.898	25.232.772	5.126.972	18.067.080	23.194.052
1.1 Cash and Cash Equivalents	(1)	2.965.151	15.715.407	18.680.558	2.115.516	14.497.412	16.612.928
1.1.1 Cash and Balances with Central Bank		2.008.257	13.802.850	15.811.107	1.371.053	11.863.955	13.235.008
1.1.2 Banks		985.354	1.913.091	2.898.445	779.426	2.633.920	3.413.346
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4. Expected Credit Losses (-)		28.460	534	28.994	34.963	463	35.426
1.2 Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	(2)	1.249.863	4.098.877	5.348.740	2.149.588	3.254.404	5.403.992
1.2.1 Government Securities		546.222	4.075.450	4.621.672	536.142	3.232.685	3.768.827
1.2.2 Equity Securities		-	11.626	11.626	-	10.774	10.774
1.2.3 Other Financial Assets		703.641	11.801	715.442	1.613.446	10.945	1.624.391
1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	(3)	687.301	333.614	1.020.915	848.184	315.264	1.163.448
1.3.1 Government Securities		612.797	323.382	936.179	745.044	306.067	1.051.111
1.3.2 Equity Securities		7.667	10.232	17.899	7.667	9.197	16.864
1.3.3 Other Financial Assets		66.837	-	66.837	95.473	-	95.473
1.4 Derivative Financial Assets	(5)	182.559	-	182.559	13.684	-	13.684
1.4.1 Derivative Financial Assets Measured at Fair Value through Profit/Loss		182.559	-	182.559	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)		23.635.062	23.139.180	46.774.242	23.290.703	20.517.445	43.808.148
2.1 Loans	(6)	23.391.449	21.324.591	44.716.040	23.254.475	18.801.331	42.055.806
2.2 Lease Receivables	(7)	299.715	134.175	433.890	291.476	68.673	360.149
2.3 Financial Assets Measured at Amortised Cost	(4)	966.709	2.490.387	3.457.096	832.051	2.392.749	3.224.800
2.3.1 Government Securities		914.783	2.490.387	3.405.170	832.051	2.392.749	3.224.800
2.3.2 Other Financial Assets		51.926	-	51.926	-	-	-
2.4 Expected Credit Losses (-)	(6)	1.022.811	809.973	1.832.784	1.087.299	745.308	1.832.607
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(8)	127.775	326	128.101	130.757	293	131.050
3.1 Asset Held for Resale		127.775	326	128.101	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)	1.395.462	18.118	1.413.580	1.371.033	17.226	1.388.259
VI. INTANGIBLE ASSETS (Net)	(11)	58.057	-	58.057	40.533	-	40.533
6.1 Goodwill		-	-	-	-	-	-
6.2 Others		58.057	-	58.057	40.533	-	40.533
VII. INVESTMENT PROPERTY (Net)	(12)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		3.432	-	3.432	3.672	-	3.672
IX. DEFERRED TAX ASSET	(13)	220.904	-	220.904	191.314	-	191.314
X. OTHER ASSETS	(14)	734.809	48.542	783.351	488.305	27.055	515.360
TOTAL ASSETS		31.285.475	43.372.375	74.657.850	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 MARCH 31, 2021
(Thousand of Turkish Lira (TL) unless otherwise stated)

LIABILITIES	Notes (Section Five-II)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		March 31, 2021			December 31, 2020		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED	(1)	16.783.009	39.145.585	55.928.594	15.465.033	36.148.091	51.613.124
II. FUNDS BORROWED	(2)	5.804.997	3.065.898	8.870.895	4.314.758	2.987.107	7.301.865
III. BORROWINGS FROM MONEY MARKETS		425.606	700.005	1.125.611	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)	4.547	14.347	18.894	142.596	-	142.596
6.1 Derivative Financial Liabilities at Fair Value through Profit or Loss		4.547	14.347	18.894	142.596	-	142.596
6.2 Derivative Financial Liabilities at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
VII. LEASE PAYABLES	(4)	320.972	15.217	336.189	314.684	13.711	328.395
VIII. PROVISIONS	(5)	192.534	2.172	194.706	198.842	2.401	201.243
8.1 Restructuring Reserves		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		145.336	-	145.336	144.641	-	144.641
8.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
8.4 Other Provisions		47.198	2.172	49.370	54.201	2.401	56.602
IX. CURRENT TAX LIABILITY	(6)	80.652	10.621	91.273	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)	-	1.977.544	1.977.544	-	1.732.562	1.732.562
12.1 Loans		-	1.977.544	1.977.544	-	1.732.562	1.732.562
12.2 Other Debt Instruments		-	-	-	-	-	-
XIII. OTHER LIABILITIES	(9)	1.528.817	493.850	2.022.667	1.404.812	187.554	1.592.366
XIV. SHAREHOLDERS' EQUITY	(10)	4.088.181	3.296	4.091.477	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		1.003.157	-	1.003.157	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		988.302	-	988.302	945.711	-	945.711
14.3 Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss		252.134	-	252.134	254.045	-	254.045
14.4 Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss		114.697	3.296	117.993	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		(375.503)	-	(375.503)	(109.115)	-	(109.115)
14.6.1 Prior Years Profit/(Loss)		(430.857)	-	(430.857)	(363.852)	-	(363.852)
14.6.2 Current Year Profit/(Loss)		55.354	-	55.354	254.737	-	254.737
TOTAL LIABILITIES		29.229.315	45.428.535	74.657.850	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 MARCH 31, 2021
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF OFF-BALANCE SHEET	Notes (Section Five-III)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		March 31, 2021			December 31, 2020		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)		10.788.876	9.719.861	20.508.737	11.377.799	9.281.131	20.658.930
I. GUARANTEES AND SURETIES	(1)	5.910.245	6.425.972	12.336.217	5.710.137	5.411.694	11.121.831
1.1. Letters of Guarantees		5.814.064	3.831.102	9.645.166	5.647.191	3.555.738	9.202.929
1.1.1. Guarantees Subject to State Tender Law		885.125	85.299	970.424	876.326	77.888	954.214
1.1.2. Guarantees Given for Foreign Trade Operations		15	1.109.448	1.109.463	15	1.043.724	1.043.739
1.1.3. Other Letters of Guarantee		4.928.924	2.636.355	7.565.279	4.770.850	2.434.126	7.204.976
1.2. Bank Loans		-	69.526	69.526	-	49.363	49.363
1.2.1. Import Letter of Acceptances		-	69.526	69.526	-	49.363	49.363
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letter of Credits		63.673	2.513.055	2.576.728	39.522	1.731.270	1.770.792
1.3.1. Documentary Letter of Credits		-	-	-	-	-	-
1.3.2. Other Letter of Credits		63.673	2.513.055	2.576.728	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		-	12.289	12.289	-	75.323	75.323
1.7. Other Collaterals		32.508	-	32.508	23.424	-	23.424
II. COMMITMENTS	(1)	2.640.302	485.062	3.125.364	2.395.012	850.025	3.245.037
2.1. Irrevocable Commitments		2.636.302	485.062	3.121.364	2.391.012	850.025	3.241.037
2.1.1. Asset Purchase and Sale Commitments		337.216	485.062	822.278	359.047	850.025	1.209.072
2.1.2. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3. Loan Granting Commitments		509.344	-	509.344	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		816.779	-	816.779	667.621	-	667.621
2.1.7. Tax And Fund Liabilities from Export Commitments		13.303	-	13.303	13.538	-	13.538
2.1.8. Commitments for Credit Card Expenditure Limits		958.671	-	958.671	919.974	-	919.974
2.1.9. Commitments for Promotions Related with Credit Cards and Banking Activities		440	-	440	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		549	-	549	547	-	547
2.2. Revocable Commitments		4.000	-	4.000	4.000	-	4.000
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		4.000	-	4.000	4.000	-	4.000
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	2.238.329	2.808.827	5.047.156	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		2.238.329	2.808.827	5.047.156	3.272.650	3.019.412	6.292.062
3.2.1. Forward Foreign Currency Buy/Sell Transactions		236.997	235.168	472.165	128.188	114.937	243.125
3.2.1.1. Forward Foreign Currency Transactions-Buy		97.295	140.031	237.326	83.763	39.298	123.061
3.2.1.2. Forward Foreign Currency Transactions-Sell		139.702	95.137	234.839	44.425	75.639	120.064
3.2.2. Other Forward Buy/Sell Transactions		2.001.332	2.573.659	4.574.991	3.144.462	2.904.475	6.048.937
3.3. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		92.946.807	26.643.641	119.590.448	87.262.122	24.652.412	111.914.534
IV. ITEMS HELD IN CUSTODY		7.107.602	8.740.147	15.847.749	5.519.997	8.677.435	14.197.432
4.1. Assets Under Management		4.258.571	-	4.258.571	2.911.168	-	2.911.168
4.2. Investment Securities Held in Custody		16.808	412.873	429.681	137.652	344.021	481.673
4.3. Cheques Received for Collection		2.007.002	350.165	2.357.167	1.696.146	275.497	1.971.643
4.4. Commercial Notes Received for Collection		577.071	95.663	672.734	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		214.922	1.335.490	1.550.412	215.254	1.519.560	1.734.814
4.8. Custodians		33.125	6.545.956	6.579.081	33.125	6.455.189	6.488.314
V. PLEDGED ITEMS		85.839.205	17.903.494	103.742.699	81.742.125	15.974.977	97.717.102
5.1. Marketable Securities		11.354.404	5.124.164	16.478.568	11.668.013	4.659.421	16.327.434
5.2. Guarantee Notes		1.680.494	249.613	1.930.107	1.438.998	219.572	1.658.570
5.3. Commodity		7.804.451	2.180.389	9.984.840	6.545.244	1.758.326	8.303.570
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		59.445.387	7.804.682	67.250.069	56.903.781	6.988.385	63.892.166
5.6. Other Pledged Items		5.279.663	2.535.996	7.815.659	4.924.606	2.341.372	7.265.978
5.7. Pledged Items-Depository		274.806	8.650	283.456	261.483	7.901	269.384
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		103.735.683	36.363.502	140.099.185	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 MARCH 31, 2021

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

STATEMENT OF PROFIT OR LOSS		Notes (Section Five-IV)	Reviewed	Reviewed
			CURRENT PERIOD January 1- March 31, 2021	PRIOR PERIOD January 1- March 31, 2020
I. PROFIT SHARE INCOME	(1)		1.039.904	808.586
1.1 Profit Share on Loans			881.687	714.123
1.2 Income Received from Reserve Deposits			20.367	864
1.3 Income Received from Banks			100	350
1.4 Income Received from Money Market Placements			-	-
1.5 Income Received from Marketable Securities Portfolio			130.033	88.660
1.5.1 Financial Assets at Fair Value Through Profit and Loss			38.182	11.092
1.5.2 Financial Assets at Fair Value through Other Comprehensive Income			36.239	36.893
1.5.3 Financial Assets Measured at Amortised Cost			55.612	40.675
1.6 Finance Lease Income			7.144	3.991
1.7 Other Profit Share Income			573	598
II. PROFIT SHARE EXPENSE	(2)		780.804	435.907
2.1 Expense on Profit Sharing Accounts			413.987	288.353
2.2 Profit Share Expense on Funds Borrowed			287.874	122.775
2.3 Profit Share Expense on Money Market Borrowings			42.743	2.395
2.4 Profit Share Expense on Securities Issued			-	-
2.5 Finance Lease Expense			12.742	14.823
2.6 Other Profit Share Expense			23.458	7.561
III. NET PROFIT SHARE INCOME (I – II)			259.100	372.679
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES			77.898	61.292
4.1 Fees and Commissions Received			118.774	98.253
4.1.1 Non-Cash Loans			33.182	31.634
4.1.2 Other	(3)		85.592	66.619
4.2 Fees and Commissions Paid (-)			40.876	36.961
4.2.1 Non-Cash Loans			68	52
4.2.2 Other	(3)		40.808	36.909
V. DIVIDEND INCOME	(4)		-	-
VI. TRADING INCOME/LOSS(net)	(5)		5.332	25.915
6.1 Capital Market Transaction Income/(Loss)			32.711	7.611
6.2 Profit/(Loss) from Derivative Financial Instruments			115.980	8.597
6.3 Foreign Exchange Income/(Loss)			(143.359)	9.707
VII. OTHER OPERATING INCOME	(6)		300.533	106.056
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)			642.863	565.942
IX. EXPECTED CREDIT LOSS (-)	(7)		226.057	239.311
X. OTHER PROVISION EXPENSES (-)			6.815	3.636
XI. PERSONNEL EXPENSES (-)			187.744	179.057
XII. OTHER OPERATING EXPENSES (-)	(8)		149.398	128.900
XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)			72.849	15.038
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)		72.849	15.038
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(10)		17.495	2.988
18.1 Provision for Current Taxes			-	-
18.2 Deferred Tax Expense Effect (+)			126.653	53.063
18.3 Deferred Tax Income Effect (-)			109.158	50.075
XIX. NET INCOME/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)	(11)		55.354	12.050
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)		55.354	12.050
Earnings Per Share			0,041	0,009

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 MARCH 31, 2021

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

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Reviewed	Reviewed
	CURRENT PERIOD January 1- March 31, 2021	PRIOR PERIOD January 1- March 31, 2020
I. CURRENT PERIOD PROFIT/LOSS	55.354	12.050
II. OTHER COMPREHENSIVE INCOME	19.941	(28.235)
2.1 Other Income/Expense Items not to be Recycled to Profit or Loss	(1.911)	(1.701)
2.1.1 Revaluation Surplus on Tangible Assets	(1.911)	(1.701)
2.1.2 Revaluation Surplus on Intangible Assets	-	-
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses	-	-
2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss	-	-
2.1.5 Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	-	-
2.2 Other Income/Expense Items to be Recycled to Profit or Loss	21.852	(26.534)
2.2.1 Translation Differences	29.635	19.348
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Fair Value through Other Comprehensive Income	(2.232)	(58.823)
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	(5.551)	12.941
III. TOTAL COMPREHENSIVE INCOME (I+II)	75.295	(16.185)

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 MARCH 31, 2021
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Reviewed)							Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss						
		Notes (Section Five-V)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves ^(*)	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
CURRENT PERIOD (January 1 – March 31, 2021)																
I. Closing balance			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 (I+II)			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			-	-	-	-	(1.911)	-	-	29.635	(7.783)	-	-	-	55.354	75.295
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			-	-	-	42.591	-	-	-	-	-	-	8.030	(78.666) ^(**)	-	(28.045)
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	-	988.302	298.459	(46.325)	-	121.968	(3.975)	-	1.743.696	(430.857)	55.354	4.091.477

^(*) 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" standart.

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

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

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF MARCH 31, 2020
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Reviewed)						Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss						
	Notes (Section Five-V)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
PRIOR PERIOD (January 1 – March 31, 2020)															
I. Closing balance		900.000	-	-	1.345.134	270.910	(27.506)	-	72.638	40.056	-	1.430.225	(272.957)	63.429	3.821.929
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning of Period (I+II)		900.000	-	-	1.345.134	270.910	(27.506)	-	72.638	40.056	-	1.430.225	(272.957)	63.429	3.821.929
IV. Total Comprehensive Income		-	-	-	-	(1.701)	-	-	19.348	(45.882)	-	-	-	12.050	(16.185)
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		-	-	-	28.963	-	-	-	-	-	-	18	(54.323) ⁽¹⁾	-	(25.342)
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	-	909.242	269.209	(27.506)	-	91.986	(5.826)	-	1.492.590	(326.198)	12.050	3.780.402

(*) 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" standart.

(**) The Bank has paid TL 62.719 in February 2020, the coupon payment amount of unmatured additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 7.150the 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.

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STATEMENT OF CASH FLOWS	Notes (Section Five-VI)	Reviewed	Reviewed
		CURRENT PERIOD January 1- March 31, 2021	PRIOR PERIOD January 1- March 31, 2020
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes In Operating Assets And Liabilities		580.806	385.450
1.1.1 Profit Share Income Received		929.499	770.157
1.1.2 Profit Share Expense Paid		(623.651)	(241.828)
1.1.3 Dividend Received		-	-
1.1.4 Fees and Commissions Received		85.592	66.619
1.1.5 Other Income		172.788	84.012
1.1.6 Collections from Previously Written Off Loans		115.020	120.355
1.1.7 Payments to Personnel and Service Suppliers		(229.643)	(220.288)
1.1.8 Taxes Paid		(41.185)	(14.284)
1.1.9 Others		172.386	(179.293)
1.2 Changes In Operating Assets And Liabilities		(297.405)	(908.260)
Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		(73.285)	(1.595.936)
1.2.1			
1.2.2 Net (Increase) Decrease in Due From Banks and Other Financial Institutions		(1.766.879)	2.663.017
1.2.3 Net (Increase) Decrease in Loans		(1.803.963)	(3.280.384)
1.2.4 Net (Increase) Decrease in Other Assets		174.717	(59.334)
1.2.5 Net Increase (Decrease) in Bank Deposits		70.222	(520.248)
1.2.6 Net Increase (Decrease) in Other Deposits		2.452.981	2.908.842
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		648.802	(1.024.217)
I. Net Cash Flow From Banking Operations		283.401	(522.810)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		147.493	(790.202)
2.1 Cash Paid For Acquisition of Investments, Associates and Subsidiaries		-	-
2.2 Cash Obtained From Disposal of Investments, Associates and Subsidiaries		-	-
2.3 Purchases of Property and Equipment		(56.725)	(38.295)
2.4 Disposals of Property and Equipment		29.422	72.153
Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(987.096)	(60.158)
2.5			
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		1.159.759	94.668
2.7 Purchase of Financial Assets Measured at Amortised Cost		(495.075)	(937.857)
2.8 Sale of Financial Assets Measured at Amortised Cost		497.208	79.287
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Flow From Financing Activities		(81.097)	(78.708)
3.1 Cash Obtained from Funds Borrowed and Securities Issued		12.239.411	5.467.649
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(12.228.637)	(5.463.234)
3.3 Issued Capital Instruments		-	-
3.4 Dividends Paid		-	-
3.5 Leases Paid		(20.606)	(20.404)
3.6 Other		(71.265)	(62.719)
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		450.639	322.410
V. Net (Decrease) Increase in Cash and Cash Equivalents		800.436	(1.069.310)
VI. Cash and Cash Equivalents at the Beginning of the Period		8.055.277	7.182.466
VII. Cash and Cash Equivalents at the End of the Period		8.855.713	6.113.156

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

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.

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.

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, showed up in China, spreaded in various countries 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.

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I. Explanations on basis of presentation (continued):

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

Beside these measurements, economical measurements are being taken to minimise the effects of pandemia for individuals and firms in the world and in our country.

While preparing March 31, 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. The Bank has restated previous period statement of cash flows in order to comply with the presentation of the 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.

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.

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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.

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.

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VI. Explanations on financial assets (continued):

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.

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, 2020 prepared by appraisers have been taken into consideration in measuring the fair values of the profit and loss sharing investments. These projects have not been revalued on the assumption that their cash flows do not change significantly as of March 31, 2021 and this assumption will be reassessed considering covid pandemia in the coming periods.

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

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VI. Explanations on financial assets (continued):

Financial assets at fair value through other comprehensive income

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

After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value.

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

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.

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VII. Explanations on expected credit losses (continued):

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.

Because of the malfunction in economical and commercial operations, BRSA has taken decisions dated March 17, 2020 numbered 8948 and March 27,2020 numbered 8970 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" which will be valid as of March 17,2020. As a result of those decisions, it has been determined that 30 days overdue will be 90 days to classify first group loans as second group loans and 90 days overdue will be 180 days to classify first and second group loans as non performing loans. All changes will be applied until June 30, 2021. In this context;

- Temporarily it is possible that loans which are not collected up to 90 days to be classified under first group, up to 180 days classified under second group.
- The Customers who have rescheduled loans have been enabled to postpone the installments without breaking existing rescheduled contracts within the mentioned period.
- In finalizing the Pro rata banks protocols, the operations which will take time will be extended with common accord.

As a result, the provisions to be allocated for such receivables will continue as per the risk models under TFRS 9 the banks use in calculating expected credit losses.

As of March 31, 2021, under these flexibilities mentioned above, the Bank has cash receivables amount to TL 360.553 over 30 days due and TL 128.615 over 90 days due, these receivables are classified under first and second group and TL 5.076 and TL 16.897 expected credit losses have been allocated respectively. In addition, the loan amounting to TL 491.276 which was classified as Stage 3 loan before March 31, 2021, has continued to be classified as Stage 2 loan and provision allocations continued according to Stage 3 ECL methodology for those loans.

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 March 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, gross domestic product and consumer price index have been found meaningful.

Under this context, this approach used for the first quarter of 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.

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:

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VII. Explanations on expected credit losses (continued):

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.

As per the decision by BRSA dated March 27, 2020 numbered 8970, which is valid from March 17, 2020 until June 30, 2021, the loans which are between 30 and 90 days overdue are continued to be classified under first group loans.

Significant Increase in Credit Risk (Stage 2)

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

The 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.

As per the decision by BRSA dated March 27, 2020 numbered 8970, which is valid from March 17, 2020 until June 30, 2021, the loans that are between 90 and 180 days overdue are classified under second group loans.

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:

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VII. Explanations on expected credit losses (continued):

Parameters used when calculating expected credit losses (continued):

Default (Stage 3/Specific Provision) (continued):

- Loans past 90 days from the last installment date (In this case, default status starts on the 91st day. In addition, as per the decision by BRSA dated March 17,2020 numbered 8948, which is valid from March 17,2020 until June 30, 2021, the definition of "default" is that the receivable is 180 days overdue instead of 90 days).
- 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.

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 and are amortized. 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.

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XI. Explanations on goodwill and other intangible assets (continued):

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.

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, 2020, the Bank has revalued its immovables and reflected the results of appraisal reports prepared by an independent real estate appraiser firm 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.

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.

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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.

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 lease liabilities (continued):

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:

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XIII. Explanations on leasing transactions (continued):

- 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.

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 March 31, 2021, there is an actuarial loss amounts to TL 57.906 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.

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XVI. Explanations on taxation:

Current tax:

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

While the corporate tax rate was at the rate of 20% since January 1, 2006, such rate has been set as 22% for the tax bases of the years 2018, 2019, and 2020 based on the legislation of the Amendment on Certain Tax Laws and Other Laws no. 7061.

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 15%. 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.

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. The tax rate of 22% valid for 3 years beginning from 1 January 2018, will be applied as 20% beginning from 1 January 2021. However, considering "law regarding changes on tax laws and some other laws" numbered 7061 and that effective rate 22% for corporate income tax has been terminated as of 2020, 20% tax rate has been used for temporary differences expected to be realized or liquidated in/after 2021 in preparing March 31, 2021 financial statements.

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XVI. Explanations on taxation (continued) :

Deferred tax (continued) :

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.

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.

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.

XXI. 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 X.

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 is no other matter.

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SECTION FOUR

INFORMATION ON 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 March 31, 2021, the Bank's total capital has been calculated as TL 5.652.926 and capital adequacy standard ratio is 13,70%. 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	1.312.839	1.128.738
Gains recognized in equity as per TAS	633.625	566.502
Profit	55.354	254.737
Current Period Profit	55.354	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	3.366.673	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	46.325	46.325
Improvement costs for operating leasing	20.815	20.340
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	55.650	37.958
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
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	35.901	-
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	270.142	216.074
Total Common Equity Tier 1 Capital	3.096.531	3.098.758

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

a. Information on capital (continued):

	Current Period	Prior Period
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	775.720	775.720
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
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)	3.872.251	3.874.478
TIER II CAPITAL	-	-
Debt instruments and share issue premiums deemed suitable by the BRSA	1.533.957	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)	252.602	321.443
Tier II Capital Before Deductions	1.786.559	1.695.555
Deductions From Tier II Capital	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
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	-	-
Total Tier II Capital	1.786.559	1.695.555
Total Capital (The sum of Tier I Capital and Tier II Capital)	5.658.810	5.570.033
The sum of Tier I Capital and Tier II Capital (Total Capital)	-	-
Deductions from Capital Loans granted contrary to the 50 th and 51 th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	5.884	6.892

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

a. Information on capital (continued):

	Current Period	Prior Period
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
Total Capital (Total Core Capital and Supplementary Capital)	5.652.926	5.563.141
Total risk weighted amounts	41.269.068	41.181.635
Capital Adequacy Ratios	-	-
Core Capital Adequacy Ratio (%)	7,50	7,52
Tier 1 Capital Adequacy Ratio (%)	9,38	9,41
Capital Adequacy Ratio (%)	13,70	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 (%)	3,00	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	313.244	279.792
Limits related to provisions considered in Tier II calculation	-	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	252.602	321.443
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	252.602	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.

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

a. Information on capital (continued):

In press release by BRSA dated March 23, 2020 it is stated that there are financial market turbulences as a result of Covid 19 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. In addition, if the net revaluation amounts are negative for "Financial Assets Measured at Fair Value through Other Comprehensive Income", these negative amounts may not be considered in calculating equity calculated as per "Regulation on Equity of Banks". However, if the financial Assets Measured at Fair Value through Other Comprehensive Income acquired after March 23, 2020, then the existing clauses of the regulation is applied. As of March 31, 2021, the Bank utilized the facilities mentioned above.

b. Details on subordinated liabilities:

Issuer	Albaraka Sukuk Ltd.	Bereket One Ltd.
Unique Identifier (CUSIP, ISIN etc.)	XS1301525207	XS17 72390628
Governing Law(s) of the Instrument	English Law	English Law
Special Consideration in the Calculation of Equity		
As of January 1, 2015, consideration to be subject to a 10% reduction application status	No	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Sukuk Wakala	Sukuk Mudaraba
Amount recognized in regulatory capital (as of most recent reporting date)	TL 1.533.957	TL 775.720 ^(*)
Par Value of Instrument	TL 1.917.446	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 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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UNCONSOLIDATED FINANCIAL STATEMENTS OF CASH FLOWS
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I. Explanations on capital adequacy standard ratio (continued):

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:

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

III. Explanations on 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 March 31, 2021 - Balance sheet evaluation rate	8,196	9,625
As of March 30, 2021	8,289	9,721
As of March 29, 2021	8,155	9,604
As of March 26, 2021	7,971	9,392
As of March 25, 2021	7,914	9,337
As of March 24, 2021	7,890	9,324

- 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 7,620 for 1 USD (December 2020: TL 7,670), TL 9,061 for 1 EUR (December 2020: TL 9,337). The Bank is mainly exposed to EUR and USD currency risks.

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III. Explanations on currency risk (continued):

Information on currency risk of the Bank:

Current Period	EUR	USD	Other FC^(*)	Total
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	3.722.657	7.434.652	2.645.541	13.802.850
Banks	380.564	637.288	895.239	1.913.091
Financial assets at fair value through profit and loss ^(**)	645.853	458.548	2.994.476	4.098.877
Money market placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	399	329.037	4.178	333.614
Loans and financial lease receivables ^(***)	6.554.903	15.198.260	67	21.753.230
Subsidiaries, associates and joint ventures	18.311	-	-	18.311
Financial Assets Measured at Amortised Cost	645.843	1.844.544	-	2.490.387
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	18.118	18.118
Intangible assets	-	-	-	-
Other assets ^(****)	18.390	11.063	23.578	53.031
Total assets	11.986.920	25.913.392	6.581.197	44.481.509
Liabilities				
Current account and funds collected from banks via participation accounts	141.452	455.342	6.303	603.097
Other current and profit sharing accounts	9.219.215	22.654.559	6.668.714	38.542.488
Money market borrowings	173.096	526.909	-	700.005
Funds provided from other financial institutions and subordinated loans	1.998.708	3.044.734	-	5.043.442
Marketable securities issued	-	-	-	-
Miscellaneous payables	146.086	341.994	5.770	493.850
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	14.582	17.005	10.770	42.357
Total liabilities	11.693.139	27.040.543	6.691.557	45.425.239
Net balance sheet position	293.781	(1.127.151)	(110.360)	(943.730)
Net off balance sheet position	(247.902)	1.414.905	212.112	1.379.115
Derivative financial instruments assets ^(*****)	98.460	1.984.147	253.895	2.336.502
Derivative financial instruments liabilities ^(*****)	346.362	569.242	41.783	957.387
Non-cash loans ^(*****)	2.244.149	4.146.354	35.469	6.425.972
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 2.581.176 (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 352.738 (December 31, 2020: TL 1.308.455) of the balance in Banks in other FC column represent precious metals accounts with banks, TL 6.127.824 (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.

(**) Derivative financial instruments are included.

(***) The balance includes foreign currency indexed loans and financial lease receivables of TL 1.104.437 (December 31, 2020: TL 1.227.719).

(****) Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 4.697 (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 109.179 (December 31, 2020: TL 275.205) and derivative financial instruments liabilities include foreign currency sale commitment in the amount of TL 375.883 (December 31, 2020: TL 574.820).

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

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.

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IV. 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 60.670 100% risk weight is applied to related whole amount (December 31, 2020: TL 59.997)

V. 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.

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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V. Explanations on liquidity risk (continued):

Liquidity Coverage Ratio:

		Rate of "Percentage to be taken into account" not Implemented Total Value ^(*)		Rate of "Percentage to be taken into account" Implemented Total Value ^(*)	
	Current Period	TL+FC	FC	TL+FC	FC
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1	HIGH QUALITY LIQUID ASSETS			17.911.635	15.085.862
	CASH OUTFLOWS				
2	Retail and Small Business Funds Collected	31.424.534	22.497.655	2.942.127	2.249.766
3	Stable Funds Collected	4.006.536	-	200.327	-
4	Less stable Funds Collected	27.417.998	22.497.655	2.741.800	2.249.766
5	Unsecured Funding other than Retail and Small Business Customers Deposits	18.804.917	11.013.923	9.616.903	4.797.811
6	Operational Funds Collected	8.563.308	6.493.038	2.140.827	1.623.260
7	Non-Operational Funds Collected	5.421.734	2.844.808	2.819.700	1.234.785
8	Other Unsecured Funding	4.819.875	1.676.077	4.656.376	1.939.766
9	Secured funding			-	-
10	Other Cash Outflows	2.682.579	1.927.345	2.682.579	1.927.345
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	2.682.579	1.927.345	2.682.579	1.927.345
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	12.209.006	5.302.519	1.143.983	629.375
16	TOTAL CASH OUTFLOWS			16.385.592	9.604.297
	CASH INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	8.842.942	6.029.401	7.244.654	5.354.435
19	Other contractual cash inflows	2.689.459	1.700.306	2.689.459	1.700.306
20	TOTAL CASH INFLOWS	11.532.401	7.729.707	9.934.113	7.054.741
				Upper limit applied amounts	
21	TOTAL HQLA			17.911.635	15.085.862
22	TOTAL NET CASH OUTFLOWS			6.451.479	2.549.556
23	Liquidity Coverage Ratio (%)			277,64	591,71

^(*) 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	180,63	312,88
Date	March 31, 2021	March 29, 2021
Highest	368,84	736,43
Date	March 12, 2021	March 11, 2021
Average	277,64	591,71

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V. Explanations on liquidity risk (continued):

Liquidity Coverage Ratio (continued):

		Rate of "Percentage to be taken into account" not Implemented Total Value ^(*)		Rate of "Percentage to be taken into account" Implemented Total Value ^(*)	
	Prior period	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			-	-
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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V. Explanations on liquidity risk (continued):

Liquidity Coverage Ratio (continued):

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 7,72% cash, 56,81% deposits in central banks and 35,47% 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 82,37% funds collected, 17,63% 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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V. Explanations on liquidity risk (continued):

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	7.181.730	8.629.377	-	-	-	-	-	15.811.107
Banks	1.785.720	971.996	111.735	-	-	-	-	2.869.451
Financial Assets at Fair Value Through Profit and Loss ^(*)	142.155	305.509	1.039.615	1.523.407	2.149.350	371.263	-	5.531.299
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	13.721	82.277	143.791	472.061	309.065	-	-	1.020.915
Loans ^(**)	283.640	4.569.176	6.397.652	12.895.914	16.417.656	1.872.007	881.101	43.317.146
Financial Assets Measured at Amortised Cost	-	55.447	752.618	1.475.398	1.173.633	-	-	3.457.096
Other Assets	-	-	6.062	14.104	144.991	233.095	2.252.584	2.650.836
Total Assets	9.406.966	14.613.782	8.451.473	16.380.884	20.194.695	2.476.365	3.133.685	74.657.850
Liabilities								
Current account and funds collected from banks via participation accounts	436.747	82.030	81.964	12.384	-	-	-	613.125
Other current and profit sharing accounts	23.437.126	24.618.635	4.688.134	2.415.883	155.691	-	-	55.315.469
Funds provided from other financial institutions and subordinated loans	-	5.087.081	2.268.331	1.568.137	1.924.890	-	-	10.848.439
Money Market Borrowings	-	1.125.611	-	-	-	-	-	1.125.611
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	362.761	101.771	45.230	72	-	1.512.833	2.022.667
Other liabilities	775.720	-	386	4.785	103.779	212.024	3.635.845	4.732.539
Total Liabilities	24.649.593	31.276.118	7.140.586	4.046.419	2.184.432	212.024	5.148.678	74.657.850
Net Liquidity Gap	(15.242.627)	(16.662.336)	1.310.887	12.334.465	18.010.263	2.264.341	(2.014.993)	-
Net Off-balance sheet								
Position	-	(13.923)	(197.275)	19.186	-	-	-	(192.012)
Financial Derivative Assets	-	605.640	1.308.123	513.809	-	-	-	2.427.572
Financial Derivative Liabilities	-	619.563	1.505.398	494.623	-	-	-	2.619.584
Non-cash Loans	8.562.607	193.801	451.271	2.221.724	890.755	16.059	-	12.336.217
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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VI. Explanations on leverage ratio:

As of March 31, 2021, leverage ratio of the Bank calculated from the arithmetic average of the last three months is 4,35% (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 the high rate of increase in average risk amount. 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)	72.626.017	71.506.589
2 (Assets deducted from Core capital)	(83.507)	(71.840)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	72.542.510	71.434.749
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	83.432	70.179
5 Potential credit risk amount of derivative financial assets and credit derivatives	36.842	35.331
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	120.274	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)	878.446	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)	878.446	303.792
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	14.451.046	13.863.342
11 (Correction amount due to multiplication with credit conversion rates)	3.600	3.600
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	14.454.646	13.866.942
Capital and total risk		
13 Core Capital	3.822.135	3.874.890
14 Total risk amount(sum of lines 3, 6, 9 and 12)	87.995.876	85.710.993
Leverage ratio		
15 Leverage ratio (%)	4,35	4,52

^(*) The average amounts for the last three months.

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

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

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

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

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IX. Explanations on 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. The following tables which have to be presented on a quarterly basis have not been presented dated March 31, 2021 since the Bank's use the standard approach for the calculation of capital adequacy:

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

a. Risk management strategy and weighted amounts:

a.1. Risk management strategy:

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

a.2. Risk weighted amounts:

		Risk Weighted Amount		Minimum capital requirement
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	33.413.667	33.336.760	2.673.093
2	Standardised approach (SA)	33.413.667	33.336.760	2.673.093
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	22.729	12.162	1.818
5	Standardised approach for counterparty credit risk (SA-CCR)	22.729	12.162	1.818
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	4.503.682	5.042.837	360.295
17	Standardised approach (SA)	4.503.682	5.042.837	360.295
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	3.328.990	2.789.876	266.319
20	Basic Indicator Approach	3.328.990	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)	41.269.068	41.181.635	3.301.525

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X. 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)	(38.865)	473.585	422.227	91.481	948.428
Operating Expenses	(269.861)	(298.504)	(308.190)	976	(875.579)
Operating Income/Expenses	(308.726)	175.081	114.037	92.457	72.849
Profit/(Loss) Before Tax	(308.726)	175.081	114.037	92.457	72.849
Tax Expense	-	-	-	(17.495)	(17.495)
Current Year Profit/(Loss)	(308.726)	175.081	114.037	74.962	55.354
Total Assets	4.056.324	40.805.133	25.304.822	4.491.571	74.657.850
Total Liabilities	36.974.936	21.117.127	11.934.250	4.631.537	74.657.850

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Operating Income (Net)	(106.631)	517.703	194.509	37.857	643.438
Operating Expenses	(205.064)	(348.495)	(93.087)	18.246	(628.400)
Operating Income/Expenses	(311.695)	169.208	101.422	56.103	15.038
Profit/(Loss) Before Tax	(311.695)	169.208	101.422	56.103	15.038
Tax Expense	-	-	-	(2.988)	(2.988)
Current Year Profit/(Loss)	(311.695)	169.208	101.422	53.115	12.050
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

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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	
	TP	YP	TP	YP
Cash/Foreign currency	133.221	1.554.191	153.161	1.304.238
CBRT	1.788.987	10.353.822	1.100.016	9.074.885
Other ^(*)	86.049	1.894.837	117.876	1.484.832
Total	2.008.257	13.802.850	1.371.053	11.863.955

^(*) Includes precious metals amounting to TL 252.466 (December 31, 2020: TL 758.583) and cash in transit amounting to TL 1.728.420 (December 31, 2020: TL 844.125) as of March 31, 2021.

b. Information related to CBRT:

	Current Period		Prior Period	
	TP	YP	TP	YP
Unrestricted demand deposit	1.768.620	1.744.812	1.092.052	2.012.553
Unrestricted time deposit	-	-	-	-
Restricted time deposit ^(*)	20.367	8.609.010	7.964	7.062.332
Total	1.788.987	10.353.822	1.100.016	9.074.885

^(*) As of March 31, 2021, the reserve requirement held in standard gold is TL 2.328.710 (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 March 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% to 9% depending on maturity of deposits and the compulsory rates for the foreign currency liabilities are within an interval from 6% to 23% depending on maturity of deposits.

In accordance with the "Communiqué Regarding the Reserve Requirements", the income ratio is 13,50% for TL reserves

c.1. Information on bank

	Current Period		Prior Period	
	TP	YP	TP	YP
Banks				
Domestic ^(*)	985.354	485.527	779.426	1.427.623
Abroad	-	1.427.564	-	1.206.297
Foreign head offices and branches	-	-	-	-
Total	985.354	1.913.091	779.426	2.633.920

^(*) Includes blockaged amount TL 971.996 (December 31, 2020: 764.198) booked under TL accounts arising from POS transactions.

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

c.2. Information on foreign bank accounts:

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

2. 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 March 31, 2021, nominal amounts subject to repurchase agreements is TL 573.586 (December 31, 2020: TL 1.451.613).

As of March 31, 2021, the collateralized /blocked nominal amount is TL 26.689 (December 31, 2020: TL 5.655).

b. Financial assets measured at fair value through profit/loss

	Current Period		Prior Period	
	TL	FC	TL	FC
Investment fund participation certificates (Net) ^(*)	667.378	-	1.606.875	-
Sukuk	578.203	4.075.450	542.627	3.232.684
Equity Securities	-	11.627	-	10.774
Other	4.282	11.800	86	10.946
Total	1.249.863	4.098.877	2.149.588	3.254.404

^(*) Includes participation certificates 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. Batışehir Gayrimenkul Yatırım Fonu”, “Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu” and Venture Capital Investment Funds “Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu”, “Albaraka Portföy Yönetimi A.Ş. İnovasyon 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 March 31, 2021, nominal amounts subject to repurchase agreements is TL 57.655 (December 31, 2020: TL 163.856).

As of March 31, 2021, the collateralized /blocked nominal amount is TL 99.016 (December 31, 2020: TL none).

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

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

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

	Current Period	Prior Period
Debt Securities	1.014.816	1.142.096
Quoted on a stock exchange	1.014.816	1.142.096
Unquoted	-	-
Investment Funds	-	7.299
Quoted on a stock exchange	-	-
Unquoted	-	7.299
Share Certificates	17.899	16.864
Quoted on a stock exchange	-	-
Unquoted	17.899	16.864
Impairment Provision (-)	11.800	2.811
Total	1.020.915	1.163.448

4. Information on financial assets measured at amortised cost:

a) Information on subject to repurchase transactions, given as collateral or blocked:

As of March 31, 2021, nominal amounts subject to repurchase agreements is TL 411.532 (December 31, 2020: none)

As of March 31, 2021, the collateralized/blocked nominal amount is TL 322.831 (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 ^(*)	3.405.170	3.224.800
Total	3.405.170	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	3.457.096	3.224.800
Quoted on a stock exchange	3.457.096	3.224.800
Unquoted	-	-
Impairment provision (-)	-	-
Total	3.457.096	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	216.262	424.544
Purchases during period ^(*)	495.075	1.740.999
Disposals through sales and redemptions ^(*)	(497.208)	(957.473)
Impairment provision (-)	-	-
Reclassifications	-	-
Income accruals	18.167	22.411
Closing balance	3.457.096	3.224.800

^(*) Represented on nominal values

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

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	6.134	-	5.725	-
Swap Transactions	176.425	-	7.959	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Others	-	-	-	-
Total	182.559	-	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	28.882	7.982	119.171	12.696
Corporate shareholders	24.701	7.632	114.657	12.346
Real person shareholders	4.181	350	4.514	350
Indirect loans granted to shareholders	936.016	50.517	818.807	34.537
Loans granted to employees	26.748	39.800	16.439	2.000
Total	991.646	98.299	954.417	49.233

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- I. Explanations and notes related to assets (continued):
6. Information on loans (continued):
- 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		
		Not Under the Scope of	Restructured	
Cash Loans	Standard Loans	Restructuring or Rescheduling	Amendments to the Terms of Contracts	Refinancing
Loans	38.996.718	1.511.813	1.285.543	703.785
Export loans	2.672.438	21.040	-	-
Import loans	2.884.759	28.254	-	-
Business loans	17.403.224	1.367.881	978.259	703.785
Consumer loans	3.824.600	60.828	4.145	-
Credit cards	492.269	2.792	-	-
Loans given to financial sector	1.693.902	-	-	-
Other ^(*)	10.025.526	31.018	303.139	-
Other receivables	-	-	-	-
Total	38.996.718	1.511.813	1.285.543	703.785

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

Commercial loans with installments	2.517.767
Other investment credits	1.525.711
Loans given to abroad	2.552.013
Profit and loss sharing investments ^(**)	3.394.874
Loans for purchase of marketable securities for customer	311.240
Other	58.078
Total	10.359.683

^(**) As of March 31, 2021, 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 March 31, 2021, the profit and loss sharing investments are evaluated as financial assets measured at fair value through profit or loss. Total cumulative valuation profit is TL 271.089 and valuation loss is TL 61.985 for profit and loss sharing investments.

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- I. Explanations and notes related to assets (continued):
- b. Information on standard loans and loans under close monitoring including restructured or rescheduled Loans (continued):
- b1. Detailed table for standard loans and loans under close monitoring including restructured or rescheduled loans (continued):

Prior Period		Loans Under Close Monitoring		
		Not Under the Scope of	Restructured	
			Restructuring or Rescheduling	Amendments to the Terms of Contracts
Cash Loans	Standard Loans			
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 61.985 for profit and loss sharing investments.

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

Current Period	Standard Loans	Loans under close monitoring
12 Month Expected Credit Losses	121.908	-
Significant Increase in Credit Risk	-	373.796
Prior Period	Standard Loans	Loans under close monitoring
12 Month Expected Credit Losses	159.543	-
Significant Increase in Credit Risk	-	425.114

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

c. Maturity analysis of cash loans:

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

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

Current Period	Short-term	Medium and long-term	Total
Consumer loans-TL	29.477	3.838.044	3.867.521
Housing loans	10.911	3.300.544	3.311.455
Vehicle loans	10.255	388.798	399.053
Consumer loans	8.311	148.702	157.013
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	1.046	1.046
Housing loans	-	1.046	1.046
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	128.333	142	128.475
With installment	42.544	134	42.678
Without installment	85.789	8	85.797
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	18.901	2.105	21.006
Housing loans	-	488	488
Vehicle loans	47	1.491	1.538
Consumer loans	18.854	126	18.980
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	5.732	10	5.742
With installment	2.526	10	2.536
Without installment	3.206	-	3.206
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL (Real Person)	-	-	-
Overdraft account-FC (Real Person)	-	-	-
Total	182.443	3.841.347	4.023.790

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

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

Prior Period	Short-term	Medium and long-term	Total
Consumer loans-TL	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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I. Explanations and notes related to assets (continued):

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

Current Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	199.669	1.927.596	2.127.265
Business loans	6.018	453.568	459.586
Vehicle loans	155.664	1.144.719	1.300.383
Consumer loans	37.987	329.309	367.296
Other	-	-	-
Commercial installment loans-FC indexed	-	99.540	99.540
Business loans	-	75.209	75.209
Vehicle loans	-	7.983	7.983
Consumer loans	-	16.348	16.348
Other	-	-	-
Commercial installment Loans-FC	1.695	289.267	290.962
Business loans	-	81.473	81.473
Vehicle loans	1.695	150.412	152.107
Consumer loans	-	57.382	57.382
Other	-	-	-
Corporate credit cards-TL	360.015	829	360.844
With installment	121.679	792	122.471
Without installment	238.336	37	238.373
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	-	-	-
Overdraft account-FC (Legal Entity)	-	-	-
Total	561.379	2.317.232	2.878.611

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

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

e. Allocation of loans by customers:

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

f. Breakdown of domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	39.945.846	37.612.791
Foreign loans	2.552.013	2.397.739
Total	42.497.859	40.010.530

g. Loans granted to subsidiaries and associates:

	Current Period		Prior Period	
	TP	YP	TP	YP
Direct Loans Granted to Subsidiaries and Associates	49	-	3	-
Indirect Loans Granted to Subsidiaries and Associates	-	-	-	-
Total	49	-	3	-

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

	Current Period	Prior Period
Loans with limited collectability	132.607	133.510
Loans with doubtful collectability	46.323	92.404
Uncollectible loans	1.158.150	1.022.036
Total	1.337.080	1.247.950

Specific provisions in the amount of TL 1.337.080 (December 31, 2020: TL 1.247.950) comprise TL 480.220 (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	-	314	86.564
Restructured loans	-	314	86.564
Prior Period			
Gross amount before specific provisions	-	2.074	80.452
Restructured loans	-	2.074	80.452

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

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

	Group III	Group IV	Group V
	Loans with	Loans with	Uncollectable
Current Period	limited	doubtful	loans
	collectability	collectability	
Closing balance of prior period	193.865	240.360	1.611.051
Additions in the current period (+)	17.635	48.399	282.163
Transfers from other categories of non-performing loans (+)	-	44.198	203.733
Transfers to other categories of non-performing loans (-)	44.198	203.733	-
Collections in the current period (-)	1.167	11.054	102.799
Transfers to standard loans and write off(-)(*)	3.248	1.617	55.407
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	162.887	116.553	1.938.741
Provisions (-)	132.607	46.323	1.158.150
Net balance at the balance sheet	30.280	70.230	780.591

(*) 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 3.474 and the written off amount is TL 56.798. These transactions' impact to NPL ratio is 13 basis point. As stated in Note VII "Expected Credit Losses", The Bank has reclassified TL 1.092.914 as performing loans classified as non performing loans before July 31,2020 by approximation. As of March 31,2021, the Bank has continued to classify TL 491.276 of these loans in performing loans accounts and allocate provisions amounting to TL 299.439 for them.

Non-performing loans in the amount of TL 2.218.181 comprise TL 980.331 of participation account share of loans provided from participation accounts.

	Group III	Group IV	Group V
	Loans and	Loans and	Uncollectable
Prior Period	receivables	receivables	loans and
	with limited	with doubtful	receivables
	collectability	collectability	
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. As stated in Note VII "Expected Credit Losses" The Bank has reclassified TL 603.718 as performing loans classified as non performing loans before July 31,2020 by approximation. The Bank has continued to allocate NPL provisions to related credits.

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

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current period:			
Period end balance	155.553	29.079	548.656
Provision (-)	130.706	10.112	467.915
Net balance	24.847	18.967	80.741
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	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current period (net)	30.280	70.230	780.591
Loans to individuals and corporates (gross)	162.887	116.553	1.938.741
Provision (-)	132.607	46.323	1.158.150
Loans to individuals and corporates (net)	30.280	70.230	780.591
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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I. Explanations and notes related to assets (continued):

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
Current Period (Net)	414	16.643	213.464
Profit Share Accruals and Valuation Differences	414	28.157	362.166
Provision (-)	-	11.514	148.702
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:

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

i. Information on write-off policies:

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

7. Information on lease receivables (net):

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	90.538	80.641	84.351	75.566
1 to 4 years	365.437	337.237	281.824	261.742
More than 4 years	18.219	16.012	27.587	22.841
Total	474.194	433.890	393.762	360.149

b. Information on net investments through finance lease:

	Current Period	Prior Period
Financial lease receivables (Gross)	474.194	393.762
Unearned financial lease receivable (-)	40.304	33.613
Net receivable from financial leases	433.890	360.149

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

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:

	Standard Loans	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring or Rescheduling	Restructured	
			Loans with Revised Contract Terms	Refinancing
Current Period				
Financial lease receivables (Net)	416.057	3.263	14.570	-
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	42.684	248.530
Disposals	(9.002)	(142.005)
Transfers ^(*)	(36.631)	(98.357)
Impairment Provision(-)/Reversal of Impairment Provision ^(*)	-	(1.598)
Net closing balance	128.101	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 March 31, 2021, TL 127.803 (December 31, 2020: TL 131.042) of the assets held for sale is comprised of real estates, TL 298 (December 31, 2020: TL 8) is comprised of other tangible assets. The Bank has not any discontinued operations and assets of discontinued operations.

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

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.

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 March 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 unreviewed financial statements as of March 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
5.737.414	158	-	-	-	(14)	112	-

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

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II. Explanations and notes related to assets (continued):

b2. Information on consolidated subsidiaries (continued):

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
72	50	-	-	-	-	-	-

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, 2020, the capital of the company is TL 29.000. The balances of Albaraka Portföy Yönetimi A.Ş. presented in the table below have been obtained from unreviewed financial statements as of March 31, 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
57.835	54.929	1.209	2.065	-	7.239	17.235	-

iv. As of March 31, 2021 unreviewed 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
€ 891.064	€ 547.440	-	-	-	€ (90.102)	€ (2.298.239)	-

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

iv. 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

	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 unreviewed financial statements as of March 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	321.366	4.033.271	4.057.031	67.861	(55.507)

Investment in joint venture in the unconsolidated financial statements is carried at cost.

10. Information on tangible assets:

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

11. Information on intangible assets:

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

12. Information on investment property:

None (December 31, 2020: None).

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

13. Information related to deferred tax asset:

As of March 31, 2021, the Bank calculated net deferred tax asset of TL 220.904 (December 31, 2020: TL 191.314) by netting off deferred tax asset of TL 346.737 (December 31, 2020: TL 277.217) and deferred tax liability of TL 125.833 (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	55.954	46.315
Provisions for retirement premium and vacation pay liabilities	29.067	28.928
Difference between carrying value and tax base of tangible assets (amortisation differences)	37.668	33.517
Depreciation of tangible assets	42.077	42.304
Provisions for cases on trial	4.306	4.037
Provisions	49.512	63.397
Leasing profit share expenses	25.613	23.098
Other ^(*)	102.540	35.621
Deferred tax asset	346.737	277.217
Revaluation difference of property	24.325	24.803
Rediscount on profit share	18.229	9.333
Right of use assets	45.366	40.006
Derivative financial liabilities	36.512	2.737
Other	1.401	9.024
Deferred tax liability	125.833	85.903
Deferred tax asset (net)	220.904	191.314

(*) Includes tax asset amounts to TL 89.003 calculated from net financial losses (December 31, 2020: TL 6.402). 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 89.003 as deferred tax asset.

14. Information on other assets:

As of the balance sheet date, the Bank's other assets balance is TL 783.351 (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	2.704.664	-	-	-	-	-	-	-	2.704.664
II. Real Persons Participation									
Accounts Non-Trade TL		2.540.252	4.150.228	136.812	-	26.488	484.077	12.953	7.350.810
III. Current Account other-TL	3.187.234	-	-	-	-	-	-	-	3.187.234
Public Sector	77.235	-	-	-	-	-	-	-	77.235
Commercial Institutions	2.956.581	-	-	-	-	-	-	-	2.956.581
Other Institutions	126.906	-	-	-	-	-	-	-	126.906
Commercial and Other Institutions	16.513	-	-	-	-	-	-	-	16.513
Banks and Participation Banks	9.999	-	-	-	-	-	-	-	9.999
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	9.989	-	-	-	-	-	-	-	9.989
Participation Banks	8	-	-	-	-	-	-	-	8
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	610.665	2.469.252	210.105	-	116.952	133.090	237	3.540.301
Public Sector	-	31	1	-	-	-	-	-	32
Commercial Institutions	-	542.727	2.214.783	208.520	-	116.424	130.931	237	3.213.622
Other Institutions	-	67.551	239.437	1.585	-	528	2.159	-	311.260
Commercial and Other Institutions	-	356	15.002	-	-	-	-	-	15.358
Banks and Participation Banks	-	-	29	-	-	-	-	-	29
V. Real Persons Current Accounts									
Non- Trade FC	7.532.044	-	-	-	-	-	-	-	7.532.044
VI. Real Persons Participation									
Accounts Non-Trade FC	-	4.330.954	6.955.200	596.201	-	46.739	1.779.822	4.259	13.713.175
VII. Other Current Accounts FC	7.048.074	-	-	-	-	-	-	-	7.048.074
Residents in Turkey-Corporate	5.166.370	-	-	-	-	-	-	-	5.166.370
Residents Abroad-Corporate	1.454.956	-	-	-	-	-	-	-	1.454.956
Banks and Participation Banks	426.748	-	-	-	-	-	-	-	426.748
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	342.459	-	-	-	-	-	-	-	342.459
Participation Banks	84.289	-	-	-	-	-	-	-	84.289
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	976.409	3.547.965	75.494	-	99.989	23.513	1.098	4.724.468
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	652.357	3.292.439	69.036	-	91.324	19.715	1.098	4.125.969
Other institutions	-	6.846	44.081	8	-	-	-	-	50.935
Commercial and Other Institutions	-	235.205	129.481	6.450	-	-	79	-	371.215
Banks and Participation Banks	-	82.001	81.964	-	-	8.665	3.719	-	176.349
IX. Precious Metals Deposits	3.401.857	739.319	1.822.830	76.689	-	14.667	70.886	1.576	6.127.824
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)	23.873.873	9.197.599	18.945.475	1.095.301	-	304.835	2.491.388	20.123	55.928.594

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

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	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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II. Explanations and notes related to liabilities (continued):

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

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

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

	Under the guarantee of Insurance	Under the guarantee of Insurance	Exceeding the guarantee of Insurance	Exceeding the guarantee of Insurance
	Current Period	Prior Period	Current Period	Prior Period
Real persons' current and participation accounts not subject to trading transactions				
Turkish Lira accounts	5.338.892	4.996.232	4.716.580	4.241.399
Foreign currency accounts	6.690.849	6.815.438	20.332.895	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	113.053	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	18.258	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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II. Explanations and notes related to liabilities (continued):

2. Information on borrowings:

a.1. Information on types of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Syndication Loans	-	-	-	-
Wakala Loans	-	2.375.359	-	2.211.237
Loans Obtained from Issued Lease Certificates (Sukuk)	5.737.193	-	4.242.982	-
Other	67.804	690.539	71.776	775.870
Total	5.804.997	3.065.898	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	5.804.997	291.301	4.314.758	392.353
Loans from foreign banks, institutions and funds	-	2.774.597	-	2.594.754
Total	5.804.997	3.065.898	4.314.758	2.987.107

a.3. Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	5.804.997	2.999.271	4.284.444	2.754.315
Medium and Long-Term	-	66.627	30.314	232.792
Total	5.804.997	3.065.898	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	4.547	-	3.850	-
Swap transactions	-	14.347	138.746	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	4.547	14.347	142.596	-

The Bank has not any derivative financial liabilities for hedging purposes (December 31, 2020: None).

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

4. Lease payables (Net):

	Current Period		Prior Period	
	TL	FC	TL	FC
Less than a year	5.171	-	4.449	-
1 to 5 years	103.779	555	103.519	714
Over 5 years	212.022	14.662	206.716	12.997
Total	320.972	15.217	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 127.832 (December 31, 2020: TL 120.932), vacation pay liability amounting to TL 17.504 (December 31, 2020: TL 13.709) totaling to TL 145.336 (December 31, 2020: TL 144.641). 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 (%)	12,40	12,40
Estimated increase rate of salary ceiling (%)	10,70	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
Change in the period	9.416	23.365
Actuarial (gain)/loss	-	22.642
Paid during the period	(2.516)	(11.036)
Balance at the end of the period	127.832	120.932

b. Other provisions:

	Current Period	Prior Period
Non-cash loans first and second stage expected loss provisions	18.359	26.446
Provisions allocated from profit shares to be distributed to profit sharing accounts	-	-
Third stage expected loss provisions for unindemnified letter of guarantees	3.989	4.578
Third stage expected loss provisions for cheques commitments	3.981	3.717
Provisions for promotions related with credit cards and promotion of banking services	227	217
Provisions for cases on trial(*)	21.529	20.183
Accrual for purchase and sale commitments	533	725
Other	752	736
Total	49.370	56.602

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

5. Information on provisions (continued):

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

As of March 31, 2021, the Bank does not have provision for foreign exchange losses on foreign currency indexed loans and 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 March 31, 2021, remaining tax liability after offsetting prepaid corporate tax is TL 10.485. (December 31, 2020: TL 10.912).

a.2. Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	10.485	10.912
Banking insurance transaction tax	31.693	28.030
Taxation on securities income	17.866	14.122
Value added tax payable	1.534	1.673
Taxation on real estate income	588	548
Foreign exchange transaction tax	2.161	3.153
Income tax deducted from wages	9.451	10.482
Other	1.392	1.128
Total	75.170	70.048

a.3. Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	6.970	5.568
Social security premiums-employer	7.644	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	496	396
Unemployment insurance-employer	993	792
Other	-	-
Total	16.103	12.920

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

None (December 31, 2020: None).

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

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	-	1.977.544	-	1.732.562
Subordinated loans	-	1.977.544	-	1.732.562
Subordinated debt instruments	-	-	-	-
Total	-	1.977.544	-	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 unmaturing 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	900.000
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

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

There is no capital increase in the current period.

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

10. Information on shareholders' equity (continued):

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

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

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

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

e. Estimated effects on the shareholders equity of the 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 ^(*)	(7.271)	3.296	(1.500)	5.308
Foreign exchange difference	-	-	-	-
Total	(7.271)	3.296	(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 381.841 (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	958.671	919.974
Payment commitments for cheques	816.779	667.621
Asset purchase and sale commitments	822.278	1.209.072
Loan granting commitments	509.344	429.887
Tax and funds liabilities arising from export commitments	13.303	13.538
Commitments for promotions related with credit cards and banking activities	440	398
Other irrevocable commitments	549	547
Other revocable commitments	4.000	4.000
Total	3.125.364	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	9.645.166	9.202.929
Bank loans	69.526	49.363
Letters of credit	2.576.728	1.770.792
Other guaranties and sureties	44.797	98.747
Total	12.336.217	11.121.831

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

	Current Period	Prior Period
Letters of guarantees	9.645.166	9.202.929
Long standing letters of guarantees	6.130.891	5.865.414
Temporary letters of guarantees	402.141	445.644
Advance letters of guarantees	634.158	551.308
Letters of guarantees given to customs	556.953	564.615
Letters of guarantees given for obtaining cash loans	1.921.023	1.775.948
Sureties and similar transactions	44.797	98.747
Total	9.689.963	9.301.676

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	1.921.023	1.775.948
With original maturity of 1 year or less	1.343.807	445.879
With original maturity of more than 1 year	577.216	1.330.069
Other non-cash loans	10.415.194	9.345.883
Total	12.336.217	11.121.831

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

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

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

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

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

2. Explanations on derivative transactions:

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

3. Explanations on contingent assets and liabilities:

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

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

The 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	182.267	36.123	114.018	32.185
Medium and Long Term Loans	446.439	190.757	347.523	188.485
Profit Share on Non-Performing Loans	25.126	975	30.853	1.059
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	653.832	227.855	492.394	221.729

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

b. Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	20.367	-	864	-
Domestic Banks	100	-	76	274
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	20.467	-	940	274

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	22.834	15.348	6.661	4.431
Financial assets measured at fair value through other comprehensive income	31.612	4.627	21.003	15.890
Financial assets measured at amortised cost	33.018	22.594	24.545	16.130
Total	87.464	42.569	52.209	36.451

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	2.671	-	818	-
Total	2.671	-	818	-

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

2. Explanations on profit share expenses:

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

Current Period		Profit sharing accounts						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	-	1	-	-	-	-	-	1	
Real persons' non-trading profit sharing accounts	68.286	111.035	4.154	-	790	14.149	350	198.764	
Public sector profit sharing accounts	1	1	-	-	-	-	-	2	
Commercial sector profit sharing accounts	11.388	118.695	5.092	-	3.604	1.301	3	140.083	
Other institutions profit sharing accounts	1.940	10.447	214	-	15	89	-	12.705	
Total	81.615	240.179	9.460	-	4.409	15.539	353	351.555	
FC									
Banks	42	261	-	-	41	18	-	362	
Real persons' non-trading profit sharing accounts	12.879	21.110	2.123	-	126	6.341	9	42.588	
Public sector profit sharing accounts	-	-	-	-	-	-	-	-	
Commercial sector profit sharing accounts	2.496	13.457	295	-	376	69	4	16.697	
Other institutions profit sharing accounts	415	808	25	-	-	-	-	1.248	
Precious metals deposits	329	1.070	55	-	17	65	1	1.537	
Total	16.161	36.706	2.498	-	560	6.493	14	62.432	
Grand total	97.776	276.885	11.958	-	4.969	22.032	367	413.987	
Prior 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	-	2	-	-	-	-	-	2	
Real persons' non-trading profit sharing accounts	62.261	117.793	5.200	-	909	11.585	337	198.085	
Public sector profit sharing accounts	1	2	-	-	-	-	-	3	
Commercial sector profit sharing accounts	7.958	33.505	1.915	-	1.135	1.435	6	45.954	
Other institutions profit sharing accounts	696	3.542	66	-	12	75	-	4.391	
Total	70.916	154.844	7.181	-	2.056	13.095	343	248.435	
FC									
Banks	420	1.538	1.161	-	3	-	-	3.122	
Real persons' non-trading profit sharing accounts	8.901	14.077	1.487	-	116	4.792	3	29.376	
Public sector profit sharing accounts	-	-	-	-	-	-	-	-	
Commercial sector profit sharing accounts	1.151	4.149	175	-	20	73	1	5.569	
Other institutions profit sharing accounts	203	686	51	-	-	-	-	940	
Precious metals deposits	191	653	17	-	9	41	-	911	
Total	10.866	21.103	2.891	-	148	4.906	4	39.918	
Grand total	81.782	175.947	10.072	-	2.204	18.001	347	288.353	

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

2. Explanations on profit share expenses (continued):

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	-	13.835	-	13.631
CBRT	-	-	-	-
Domestic banks	-	412	-	1.677
Foreign banks	-	13.423	-	11.954
Head offices and branches abroad	-	-	-	-
Other institutions	228.863	45.176	68.425	40.719
Total	228.863	59.011	68.425	54.350

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	226.990	-	65.836	-
Total	226.990	-	65.836	-

ç. Profit share expenses paid to marketable securities issued:

None (March 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	14.608	14.420
Clearing room fees and commissions	13.381	9.246
Commissions on money orders	10.675	6.834
Appraisal fees	3.419	4.970
Insurance and brokerage commissions	6.330	6.012
Checks and bills commissions	1.096	919
Safe deposit box commissions	762	595
Service pack commissions	2.569	2.445
Enquiry fees received	721	598
Fees and commissions from correspondent banks	1.068	746
Export credit commissions	1.729	1.677
Prepaid import commissions	10.628	3.845
Pledge Put and Mortgage Release Fees	570	1.235
Loan Limit Allocation Fees	5.996	-
Other	12.040	13.077
Total	85.592	66.619

Other Fees and Commissions Paid	Current Period	Prior Period
Funds borrowed fees and commissions	2.739	1.796
Credit cards fees and commissions	7.322	5.334
Member firm-POS fees and commissions	7.627	7.505
Fees and commissions for Swift, EFT and money orders	17.974	4.988
Required Reserves Commissions for CBRT in Foreign currency	498	14.564
Other	4.648	2.722
Total	40.808	36.909

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

4. Information on dividend income:

None (March 31, 2020: None)

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

	Current Period	Prior Period
Income	9.156.316	3.519.556
Income from capital market transactions	53.083	18.458
Income from derivative financial instruments	215.071	72.851
Foreign exchange income	8.888.162	3.428.247
Loss (-)	9.150.984	3.493.641
Loss on capital market transactions	20.372	10.847
Loss on derivative financial instruments	99.091	64.254
Foreign exchange losses	9.031.521	3.418.540
Trading Income/Loss (net)	5.332	25.915

6. Explanations related to other operating income:

	Current Period	Prior Period
Reversal of prior year provisions	278.344	90.202
Income from sale of assets	12.495	9.299
Communication revenue	4.427	3.757
Cheque book charges	697	557
Operating Lease Income	661	154
Other income	3.909	2.087
Total	300.533	106.056

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

7. Informations on Expected Credit Losses:

	Current Period	Prior Period
Expected Credit Loss	225.165	221.812
12 month expected credit loss (stage 1)	3.655	24.879
Significant increase in credit risk (stage 2)	4.073	7.809
Non-performing loans (stage 3)	217.437	189.124
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 (*)	892	17.499
Total	226.057	239.311

Expected credit losses amount to TL 226.057 (March 31, 2020: TL 239.311) includes TL 105.823 (March 31, 2020: TL 86.854) 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	9	1.306
Third stage expected loss provision for unindemnified non cash loans	-	616
Expected credit losses (stage 1) for banks	-	15.516
Profit and loss sharing investments' fair value provision.	-	-
Expected credit losses (stage 1) for other financial assets.	338	61
Expected credit losses for financial assets measured at amortized cost	545	-
Total	892	17.499

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

8. Information on other operating expenses:

	Current Period	Prior Period
Provision for retirement pay liability	6.900	5.100
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	28.088	25.980
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	6.720	4.612
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and assets of discontinued operations	-	-
Other business expenses	41.899	41.231
<i>Leasing Expenses on TFRS 16 Exceptions</i>	412	769
<i>Maintenance and repair expenses</i>	8.090	7.075
<i>Advertisement expenses</i>	860	1.562
<i>Other expenses^(*)</i>	32.537	31.825
Loss on sale of assets	8	1.114
Other ^(**)	65.783	50.863
Total	149.398	128.900

() The details of the "Other Expenses" balance under Other Operating Expenses are as follows:*

	Current Period	Prior Period
Communication Expenses	8.388	7.494
Donations	3.324	3.496
Cleaning expenses	5.517	5.587
Heating, lighting and water expenses	3.616	4.593
Representation and Hosting expenses	1.626	1.754
Vehicle expenses	1.318	1.560
Lawsuit and court expenses	777	709
Movables Insurance Expenses	1.609	1.196
Stationery Expenses	616	908
Expense Share for Common Expenses	579	713
Group transportation costs	2.021	2.027
Other	3.146	1.788
Total	32.537	31.825

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

	Current Period	Prior Period
Saving Deposit Insurance Fund	27.668	24.900
Taxes, Duties, Charges and Funds	23.690	14.284
Expertise and Information Expenses	4.868	6.074
Audit and Consultancy Fees	3.131	1.965
Institution and Union participation share	3.147	2.670
Other	3.279	970
Total	65.783	50.863

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

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

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

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

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

As of March 31, 2021, the Bank has deferred tax income amounts to TL 109.158 (March 31, 2020: TL 50.075) and deferred tax expense amounts to TL 126.653 (March 31, 2020: TL 53.063). There is not any current tax provision (March 31, 2020: none).

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

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

12. Explanations on net income/loss:

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

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

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

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

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VII. Explanations related to the risk group of the 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	79	65	936.016	50.517	18	-
Profit share and commission income received	-	-	357	16	3	-

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	-	-	9.471	66	-	-

^(*) 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	6.549	35.342	166.359	271.125	15.204	12.518
Profit share expense	16	161	1	2.275	232	96

^(*) As of March 31, 2021, wakala borrowings obtained from risk group of the Bank through investment purpose wakala contracts amount to USD 43.713.432 and EUR 150.998.498 (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 – March 31, 2021 is TL 6.551 (March 31, 2020: TL 1.675).

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.

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

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 (continued):

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 March 31, 2021, the Bank has paid TL 3.802 (March 31, 2020: TL 4.531) to top management.

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

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

IX. Explanations related to subsequent events:

According to law on the procedure for the collection of public receivables and law on the changes in certain law dated April 22, 2021 numbered 31462 , it has been decided to apply 25% corporate income tax rate for taxation period of 2021 and 23% for taxation period of 2022 arising from corporate income.

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

None.

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SECTION SIX

Limited review report

I. Explanations on limited review report:

The Bank's unconsolidated financial statements as of and for the period ended March 31, 2021 have been reviewed by "Gney Baėımsız Denetim ve Serbest Muhasebeci Mali Mavirlik A.." (the member of the Ernst & Young Global Ltd.) and the reviewed report dated May 5, 2021 is presented at the beginning of the financial statements and related notes.

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

None.

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SECTION SEVEN

Information on Interim Report

a. General Information

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

Albaraka Türk Participation Bank, the first and the leading financial institution in interest free banking field in Turkey, has completed its establishment in 1984 and entered into service as of the beginning of the year of 1985. Albaraka Türk is continuing its activities subject to the Banking Law No. 5411. In the partnership structure of Albaraka Banking Group (ABG), one of the leading groups of Middle East, Islamic Development Bank (IDB) and Albaraka Türk, established under the leadership of a domestic industrial group serving to Turkish economy for more than a half century, share of the foreign partners is 62,12%, share of the domestic partners is 1,02% and publicly held share is 36,86%. Partnership structure of Albaraka Türk is the guarantee of the respect and trust we bear.

Albaraka Türk, collecting funds through current accounts and participation accounts and gaining the funds it contributes to the economy of the country by products as individual financing, corporate finance, financial leasing and profit-loss partnership on the basis of a project, is entitled to offer a variety of finance and banking services by interest free banking application.

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

Albaraka Türk, started with the vision of being the best regional bank in offering financial products and services in Gulf, Middle East and North Africa geographies where its main partner ABG is carrying out business, is rendering fast, qualified and safe foreign trade (import, export and foreign exchange) services to its customers in 80 countries from Singapore to England, South Africa to Morocco, Australia to Kazakhstan, by the wide correspondent net it has established with 1000 banks. Albaraka Türk, is an international Participation Bank adopted the mission of adding value to its customers, partners, employees and Turkey.

2. Capital and Shareholders' Structure:

Albaraka Türk's paid-up capital is TL 1.350.000 as of March 31, 2021.

Shareholders' Structure of Albaraka Türk as of March 31, 2021		
	Share amount (TL)	Ratio (%)
Foreign Shareholders	838.604	62,12
Albaraka Banking Group	489.961	36,29
Islamic Development Bank	207.585	15,38
Alharthy Family	105.861	7,84
Others	35.197	2,61
Local Shareholders	13.916	1,02
Publicly Listed	497.480	36,86
Total	1.350.000	100,00

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Information on Interim Report (continued):

3. The amendments in the articles of association during period of January 1, 2021 - March 31, 2021

Due to the expiration of the registered capital ceiling permit granted by the Board, the Amendment Text of the Articles of Association was approved by the Capital Markets Board and submitted to the General Assembly of our Bank dated March 31, 2021. The old and new text of the related Articles of Association are presented below.

OLD TEXT	NEX TEXT
<p>Bank's Capital Article 7:</p> <p>(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.</p> <p>(2) The upper limit of the registered capital of the Bank is TL 2.500.000.000 TL (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.</p> <p>(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.</p> <p>(4) The Bank's issued share capital is 1.350.000.000 TL, and this amount has been fully paid in cash being free of collusion.</p> <p>(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.</p>	<p>Bank's Capital Article 7:</p> <p>(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.</p> <p>(2) The upper limit of the registered capital of the Bank is TL 2.500.000.000 TL (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.</p> <p>(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 2021-2025. Even if the upper limit of the registered capital is not reached until the end of 2025, in order to make a decision by the Board of Directors to increase the share capital after 2025, 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.</p> <p>(4) The Bank's issued share capital is 1.350.000.000 TL, and this amount has been fully paid in cash being free of collusion.</p> <p>(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</p>

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Information on Interim Report (continued):

4. Branch and Personnel Information:

As of March 31, 2021, total number of branches of the Bank is 230 and the total number of personnel is 3.347. Albaraka Türk carries out its activities with 228 domestic branches extended throughout the country and 2 branches abroad in Erbil and Baghdad.

5. Board of Directors Chairman and Members^(*):

Name and surname	Administrative Function	Educational Degree	Start Date	Banking Experience
Mazin Khairy Shaker MANNA	Chairman of BOD	Bachelor	2021	30
Süleyman KALKAN	Independent Member of BOD	Bachelor	2018	38
İbrahim Fayez Humaid ALSHAMSI	Member of BOD	Bachelor	2005	50
Ghassan AMODI	Independent Member of BOD	Bachelor	2020	27
Mustafa BÜYÜKABACI	Member of BOD	Master	2017	29
Dr. Mohamed Ali CHATTI	Independent Member of BOD	Doctorate	2020	11
Prof.Dr.Kemal Varol	Member of BOD	Doctorate	2013	12
Mehmet Ali GÖKCE	Independent Member of BOD	Master	2020	35
Housseem BEN HAJ AMOR	Member of BOD	Bachelor	2020	22
Tawfig Shaker M. MUFTI	Member of BOD	Bachelor	2020	28

(*) Mr. Adnan Ahmed Yusuf Abdulmalek, who has been serving as a Board Member and Chairman of the Board of Directors of our Bank since 2005, resigned from his duties in our Bank as of 30.03.2021. Mazin Khairy Shaker MANNA was appointed as Chairman of the Board of Directors on 05.04.2021.

6. Top Management:

Name and Surname	Administrative Function	Educational Degree	Start Date	Banking Experience
Melikşah UTKU	Member of BOD and CEO	Master	2016	17
Turgut SİMİTÇİOĞLU	Senior Assistant General Manager	Master	2017	31
Süleyman ÇELİK	Assistant General Manager	Bachelor	2017	32
Fatih BOZ	Assistant General Manager	Master	2017	23
Hasan ALTUNDAĞ	Assistant General Manager	Bachelor	2017	34
Malek Khodr TEMSAH	Assistant General Manager	Master	2017	18
Mustafa ÇETİN	Assistant General Manager	Bachelor	2018	24
Volkan EVCİL	Assistant General Manager	Bachelor	2017	31
Mehmet Fatih YORULMAZ	Assistant General Manager	Master	2017	4
Yasemin AYDIN	Director	Master	2020	19
Mehmet ULUDAĞ	Director	Master	2020	17

7. Managers of Departments within Internal Systems

Name and Surname	Professional Experience (Years)	Duration of Services at Albaraka Türk (Years)	Length of Services in His Area (Years)	Education	Field of Responsibility
Ahmet UYSAL	17	16	14	Master	Inspection
Umut ÇAKMAK	17	16	17	Bachelor	Risk Management
Ahmet Faruk DEĞİRMENÇİ	14	14	14	Bachelor	Internal Control Regulation and Compliance
Ahmet KOÇ	25	25	11	Bachelor	

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Information on Interim Report (continued):

8. Committee Information After Distribution of Roles Among BOD:

AUDIT COMMITTEE	
Chairman:	Mustafa BÜYÜKABACI
Member:	Mehmet Ali GÖKCE
Member:	Dr. Mohamed Ali CHATTI
CREDIT COMMITTEE:	
Member:	Süleyman KALKAN
Member:	Prof. Dr. Kemal VAROL
Member:	Melikşah UTKU
Reserve Member:	Mohamed Ali CHATTI
CORPORATE GOVERNANCE COMMITTEE:	
Chairman:	Süleyman KALKAN
Member:	Ibrahim Fayez Humaid ALSHAMSI
Member:	Mansur ÇELEPKOLU
REMUNERATION COMMITTEE:	
Member:	Mustafa BÜYÜKABACI
Member:	Melikşah UTKU
SUSTAINABILITY AND SOCIAL RESPONSIBILITY COMMITTEE:	
Chairman:	Mehmet Ali GÖKCE
Member:	Ibrahim Fayez Humaid ALSHAMSI
EXECUTIVE COMMITTEE:	
Vice Chairman:	Süleyman KALKAN
Member:	Mustafa BÜYÜKABACI
Member:	Mehmet Ali GÖKCE
Member:	Prof. Dr. Kemal VAROL
Member:	Melikşah UTKU
INFORMATION TECHNOLOGIES GOVERNANCE COMMITTEE	
Chairman:	Melikşah UTKU
Member:	Hood Hashem Ahmed HASHEM

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Information on Interim Report (continued):

II. Banks Financial Information and Evaluations:

1. Main Financial Figures:

ASSETS	Current Period	Prior Period
Cash and Balances with The Central Bank	15.811.107	13.235.008
Banks	2.898.445	3.413.346
Financial Assets- Available For Sale (Net)	8.963.021	8.044.738
Loans and Receivables	44.716.040	42.055.806
Financial Leasing Receivables	433.890	360.149
Others	1.835.347	2.206.752
TOTAL ASSETS	74.657.850	69.315.799
LIABILITIES	Current Period	Prior Period
Funds Collected	55.928.594	51.613.124
Funds Borrowed	8.870.895	7.301.865
Subordinated Loans	1.977.544	1.732.562
Shareholders' Equity	4.091.477	4.044.227
Others	3.789.340	4.624.021
TOTAL LIABILITIES	74.657.850	69.315.799
INCOME AND EXPENSE ITEMS	Current Period	Prior Period
Profit Share Income	1.039.904	808.586
Profit Share Expense	780.804	435.907
Net Profit Share Income/Expenses	259.100	372.679
Net Fees and Commissions Income/Expenses	77.898	61.292
Trading Income/Loss (Net)	5.332	25.915
Other Operating Income	300.533	106.056
Net Operating Income/ (Losses)	72.849	15.038
Tax Provision For Discontinued Operations (-+)	17.495	2.988
NET PROFIT/LOSSES	55.354	12.050
Earnings Per Share (Full TL)	0,041	0,009

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Information on Interim Report (continued):

2. Message from the Chairman of the Board of Directors^(*):

Dear Precious Stakeholders,

Since the beginning of 2020, countries across the globe have been facing many challenges, including the uncertainty surrounding the economic prospects and recovery plans, in addition to fighting against the biggest health crisis after the Spanish flu. With more than 140 million cases and the death toll hitting 3 million people worldwide. As vaccinations gain momentum, it is hoped that economic activities will recover globally.

Global prospects remain highly uncertain one year into the pandemic. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Economic recoveries are diverging across countries and sectors, reflecting the extent of policy support. The outlook depends not just on the outcome of the battle between the virus and vaccines—it also hinges on how effectively economic policies deployed under high uncertainty can limit lasting damage from this unprecedented crisis.

After contracting by 3.3% in 2020, global growth is projected at 6% in 2021, moderating to 4.4% in 2022. This reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. High uncertainty surrounds this outlook, related to the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.

As in the global economy, the economy of Turkey also suffered from the impact on the manufacturing industry and retail sales in 2020. However, Turkey was one of the two countries (with China) that showed a positive growth with 1.8% in the G-20. Financial and quantitative easing steps taken by the government, particularly the liquidity support and additional interest rate cut decisions executed by the Central Bank of the Republic of Turkey, which helped keep the consumer demand promising, but triggering a remarkable credit expansion in the banking sector. Increase in inflation dynamics and exchange rate that increases quickly led to a policy change, with wide local currency fluctuation against major foreign currency. Monetary tightening and increase in loans slowed down with the end of the third quarter. Inflation rate that stands high with effect of global commodity prices shows us that the monetary tightening in the monetary policy will be kept in the first quarter of the year.

Even though the use of capacity rate was 76% whereas the real sector confidence index was 107 in April creates a positive look in the manufacturing industry, we could not yet reach higher levels in the confidence index and volume index in the services sector. Despite the monetary tightening policy, if the services and tourism sectors can heal and the global demand can increase, it is predicted that we can reach an economic growth even higher than expected in 2021.

As Albaraka Türk, we stood together with the deeply impacted real estate sector and added value to the real economy during these tough times. Always supporting SMEs in particular, our Bank will continue its activities to assist production, and contribute to the country. As in the past, Albaraka Türk will continue to focus on the services and sectors that aim the prosperity of humanity, investing in human beings, education, healthcare, and decreasing poverty, and creating employment.

Once again, we realized the importance of digital channels in which our bank invested for several years. Our bank is a pioneer as the first participation bank of Turkey, and will be getting ready for the world in the future, continuing to invest in digitalization that is the time spirit. We will continue to create innovative solutions that facilitate our clients' lives as we always did. As Albaraka Türk, with our staff who professionalize day-by-day and a young and dynamic human resource and with the energy required for us to grow, we will continue to address our clients' financial requirements in any field. As always, within the scope of our vision to "Becoming the Best Participation Bank across the Globe", our bank will continue to take strong steps in the present and in the future with our "There Is More" sign.

With its personnel and partners, our bank will continue to hold its position as a pioneer in the sector, ensuring sustainable growth and development in the next periods as well. That being said, I would like to thank my colleagues, clients, shareholders, and all of our other stakeholders for their contribution to our success.

Sincerely,

Mazin Khairy Shaker MANNA
Chairman of the Board of Directors

^(*) Mazin Khairy Shaker MANNA was appointed as Chairman of the Board of Directors on 05.04.2021.

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Information on Interim Report (continued):

3. Message from the CEO

Dear Precious Stakeholders,

The coronavirus pandemic continues to affect the whole world in the first quarter of 2021. While vaccination activities continue, the number of cases of the pandemic continues to increase in the world. This situation increases uncertainty and makes predictions difficult. The US and UK economies, which have been fast in vaccination activities, are expected to become pioneers in 2021 growth figures as they return to normal earlier. While the manufacturing industry across the world is entering a recovery process, the recovery in the service sector is progressing more slowly. On the monetary policy side, the ECB continues to purchase assets, while the Fed continues to prepare infrastructure packages in terms of fiscal policies. While other countries and central banks also support this process, it is aimed to accelerate the economic activity.

In our country, as of the last quarter of 2020, important restriction decisions have started to be implemented again with the increase in case and intensive care occupancy rates. By the end of the first quarter of 2021, measures were tightened to prevent the increase in the number of cases. On the other hand, in the vaccination process, which is the most important stage in the fight against the pandemic, Turkey is among the top 10 countries that make the fastest vaccination. In the light of these developments, the growth rates of Turkey, which entered 2021 with strong growth especially on the manufacturing industry side, may be adversely affected until the restrictions are lifted. In addition, the increase in global commodity prices and exchange rate volatility increased recent inflation expectations and inflation. On the other hand, the CBRT increased the policy rate to 19% in the first quarter. While this tight stance in monetary policy slowed down loan growth, it contributed to the formation of financial stability. This tight stance in monetary policies is expected to be preserved for most of 2021. Although the pandemic period had a negative impact on the banking sector as in many other sectors, we maintained our growth rate with the steps we took. During this period, the total financing amount increased by 28% compared to the same period of the previous year and reached 44.7 billion TL. Again, in the same period, the amount of funds collected increased by 29% to TL 55.9 billion. Despite the extraordinary conditions we went through, we were able to support our customers while at the same time increasing our bank's revenues. During this period, our bank's total profit share income increased by 29% annually to over TL 1 billion. As a result of these developments, the amount of profit in the first quarter of the year increased by 4.5 times last year and reached 55 million TL.

We, as Albaraka Turk, continue our contribution to the normalization process by responding quickly to the needs of the real sector, with the awareness of our responsibility. In the last quarter, we increased the limits of our commercial customers and stood by our SMEs. On the retail side, we improved our banking activities by offering our customers new packages in the of financing and collecting funds. In addition, thanks to our technological infrastructure, while remote working activities continued, the services we offered to our customers continued uninterrupted in this process. The importance of digital products and services in the pandemic process has once again been proven. We continue our efforts with the aim of offering all physical branch services in end-to-end digital environments by catching up with the developments in the financial world and investing in the digital banking of the future. We are trying to prepare our bank for the banking world of the future by offering to customer our applications such as Nakit Basit which greatly eliminates the trouble of searching for ATMs, and Alba FX, which quickly mediates foreign exchange transactions with simple and very reasonable margins. Again in 2020, our Dealer Financing project, which significantly shortened our customers' access to funds, won the third prize in the Business Enablement category at the IDC CIO Awards 2021. As Albaraka Türk, we continue to support the entrepreneurship ecosystem and new generation banking projects with our incubation center and Venture Capital Investment Funds.

We continue to shape our vision in 2021 in line with sustainable growth targets as well as profitability. As Albaraka Türk, we base our strategies in this field on the VUCA parameter. The concept of VUCA (Volatility, Uncertainty, Compelxity, Ambiguity), which emerged gradually in the business world after the global financial crisis, aims to have a flexible strategy against rapid change, act ready for alternative scenarios against uncertainties, and a flexible and agile organizational structure. We focus on sustainable growth using these strategies. On the other hand, as Albaraka Türk, we became one of the banks that received A- grade within the scope of CDP Carbon Disclosure Climate Change Program and achieved high scores two years in a row.

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Information on Interim Report (continued):

3. Message from the CEO (continued):

As Albaraka Türk, we care about environmental problems, especially climate change, and we strive to fulfill our responsibility to leave a livable world to future generations.

Our Bank, which is the first participation bank in Turkey and continues its goal of being the best participation bank in the world, with an understanding that values people, prioritizes the health of its employees during the epidemic process and tries to minimize the degree of exposure of our colleagues with whom we walk together from the pandemic. Being the first bank to receive the TSE "Covid-19 Safe Service Certificate" for its head office building, our Bank serves its employees and customers with an understanding that puts health first.

With the projects and progresses we have performed in accordance with the goal of "Being the Best Participation Bank of the World" we are continuing to show efforts to offer the best banking experience to our customers. I would like to express my warmest thanks to all our stakeholders who have not begrudged their contribution and supports in our efforts awarded with trust and support of our Customers.

Respectfully Yours,

Melikşah UTKU
Board Member and CEO

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Information on Interim Report (continued):

4. Activities in the First Quarter of 2021:

- In the first three month of 2021, our total assets have actualized as TL 74.657.850.
- In the first quarter of 2021, the total funds our Bank has collected through “Special Current Accounts” and “Participation to Profit and Loss Accounts” has been TL 55.928.594.
- Participation accounts in the first quarter of 2021 has been TL 32.054.721. Our Bank’s Fund Collecting Activities are carried out through our branches, our bank’s branches throughout the country and correspondent banks abroad.

TL and USD Equivalent	Current Period		Prior Period		Change (%)	
	TL Equivalent	USD Equivalent	TL Equivalent	USD Equivalent	TL	USD
TL Funds	16.783.009	2.047.707	15.465.033	2.103.514	8,52	(2,65)
Current Accounts	5.891.898	718.875	4.634.568	630.382	27,13	14,04
Participation Accounts	10.891.111	1.328.832	10.830.465	1.473.132	0,56	(9,80)
FC Funds	39.145.585	4.776.182	36.148.091	4.916.769	8,29	(2,86)
Current Accounts	17.981.975	2.193.994	18.524.807	2.519.696	(2,93)	(12,93)
Participation Accounts	21.163.610	2.582.188	17.623.284	2.397.073	20,09	7,72
TOTAL	55.928.594	6.823.889	51.613.124	7.020.283	8,36	(2,80)

TL and USD Equivalent	Current Period		Prior Period		Change (%)	
	TL Equivalent	USD Equivalent	TL Equivalent	USD Equivalent	TL	USD
Credits (*)	42.931.749	5.238.134	40.370.679	5.491.115	6,34	(4,61)
Non-performing Loans	2.218.181	270.642	2.045.276	278.193	8,45	(2,71)
Provisions	(1.337.080)	(163.138)	(1.247.950)	(169.743)	7,14	(3,89)
TOTAL	43.812.850	5.345.638	41.168.005	5.599.565	6,42	(4,53)

(*) Financial Leasing Receivables included.

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

Balance Sheet Period	USD/TL
As of March 31, 2021	8,196
As of December 31, 2020	7,352

5. Evaluation on Financial Status, Profitability and Solvency:

- Our operating income increased by 13,59% compared to the same period of the previous year and reached 642.863 TL.
- Our net profit share incomes were realized as TL 259.100, our net fees commission income increased to TL 77.898.
- Our net profit has been TL 55.354 for the first 3 months of the year.
- As of March 31, 2021, our capital adequacy ratio is actualized as 13,70%, over the minimum ratio.

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Information on Interim Report (continued):

6. Announcements regarding important developments during January 1, 2021 - March 31, 2021 period:

- The applications to BRSA and CMB regarding the amendment of the articles of association have been announced with our material event disclosure dated January 26, 2021,
- It has been announced that the BRSA Approval has been obtained for the amendment to the articles of association with our material event disclosure dated January 28, 2021
- It has been announced that the CMB Approval has been obtained for the amendment to the articles of association with our material event disclosure dated January 28, 2021
- The disclosure was announced regarding the organization change of our Bank with the material event disclosure dated February 16, 2021.
- Standard & Poor's, the international credit rating agency, has affirmed our Bank's long term credit rating at "B", short term credit rating at "B" and the outlook as negative.
- A rating agreement for compliance with corporate governance principles was signed with DRC Rating.
- On March 30, 2021, Mr. Adnan Ahmed Yusuf Abdulmalek resigned from our Bank's board of directors' membership and chairmanship.

The issues that took place during the period **January 1, 2021 - March 31, 2021** were announced to the public and uploaded to the Public Disclosure Platform as notifications. All of these announcements are shared in the Investor Relations section of the Albaraka Trk website.

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

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Information on Interim Report (continued):

6. Announcements regarding important developments during January 1, 2021 - March 31, 2021 period (continued):

- As announced in public disclosure platform on February 16, 2020, our Bank's ordinary general meeting of shareholders was held on March 31, 2021 with the following agenda:

AGENDA:

1. Inauguration; formation of Presiding Council.
2. Authorizing the Presiding Council to sign the general assembly minutes of meeting.
3. Reading and discussing the Annual Report of the BoD about the fiscal year 2020.
4. Reading and discussing Auditor reports.
5. Reading, discussing and approving the Financial Statements.
6. Acquitting the Members of the BoD.
7. Discussing the BoD proposal about the utilization and distribution of the annual profit and dividends (ratios of sharing).
8. Discussing the fiscal rights and benefits of the Board members such as salary & wages, per diems, bonus & premiums and alike.
9. Electing the Auditor.
10. Discussing and resolving the Board of Directors' proposal to amend Article-7 entitled "Bank's Capital" of our Bank's Articles of Incorporation.
11. Approving the buyback program prepared by the BoD regarding authorization of the BoD on our Bank's accepting its own shares as acquisition and/or pledge.
12. In accordance with the Communiqué on Compliance with Principles and Standards of Participation Banking, submitting the Participation Banking Consultancy Committee members appointed by the Board of Directors for the approval of the General Assembly.
13. Board member election by the General Assembly for the seats those, which have been vacated within the operational year, to complete remaining period of their predecessors.
14. Authorizing the the Board of Directors within the framework of the paragraph 10 of the article 6 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.
15. Approving within the scope of the article 19/2 of Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside.
16. Permitting members of the BoD with respect to articles 395 and 396 of Turkish Commercial Code
17. Presenting information to shareholders on the subjects held in Capital Markets Board (CMB) Corporate Governance Communique principle no. 1.3.6
18. Presenting information to General Assembly about operations effected in scope of the Buy-back Program for bank's own shares in 2020,

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Information on Interim Report (continued):

6. Announcements regarding important developments during January 1, 2021 - March 31, 2021 period (continued):

19. Presenting information to General Assembly about donations made by bank in 2020,
20. Remarks and requests.

You may find Information Document, Profit Distribution Table, Minutes and Resolutions regarding Ordinary General Meeting of Shareholders held on March 31, 2021 from Albaraka Trk website Investor Relations section from following link:

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