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[Annual General Meeting Agenda](#)

# Annual General Meeting Agenda

## BOARD OF DIRECTORS RESOLUTION

SESSION NO. : 1408  
DATE : February 25, 2015  
PARTICIPATING MEMBERS : MEMBERS WHO HAVE SIGNATURES BELOW  
NON PARTICIPATING MEMBERS : Fahad Abdullah A. ALRAJHI, Member (For special dispensations)

Albaraka Türk Participation Bank Corporation The Board of Directors reached the following decisions:

## DECISIONS:

The decision was taken that the Albaraka Türk Participation Bank Corporation Regular General Assembly would be called for a regular meeting at its Head Office, addressed at Saray Mahallesi, Dr. Adnan Büyükdeniz Caddesi No:6, 34768 Ümraniye, İstanbul on Wednesday, 25<sup>th</sup> March 2015 at 10:00 a.m. to discuss the agenda mentioned below.

## AGENDA:

1. Opening and establishing the Meeting by the Chairman.
2. Authorization of the Chairman to sign the AGM report.
3. Readings and discussions of the 2014 annual report prepared by the Board of Directors.
4. Reading/negotiating of the auditors' report.
5. The Reading, discussion and confirmation of financial statements.
6. The acquittal of the members of the Board of Directors.
7. The acquittal of the auditor from their duty.
8. Negotiating the offer of the Board of Directors concerning the use and payment of profits, and determining gain margin ratios.
9. Determining wages and rights such as attendance fees, premiums and bonuses of the members of the Board of Directors.
10. The selection of the auditor.
11. Appointment of the members of the Board of Directors within the framework of Articles 395 and 396 of the Turkish Commercial Law.
12. Negotiations and confirmation of the buy-back program prepared by the Board of Directors regarding authorization of the Board of Directors on our bank's acceptance of its own shares as acquisition and/or collateral.
13. Informing the General Assembly of our Bank's Donation and Aid Policy and the Charge Policy in accordance with the Corporate Governance Principles of the Capital Markets Board of Turkey.
14. Informing the General Assembly of donations made by the Bank in 2014.
15. Wishes and requests.

The above decisions are presented to foreign members in their own languages who have their signatures below. No dissent was raised and they were in agreement.

SESSION NO : 1408  
DATE : February 25, 2015

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## **Albaraka Türk: Saving, growth, the future...**

Representing radical knowledge in participation banking, Albaraka Türk also illustrates the future of participation banking with its vast vision, innovative presence and sense of responsibility.

Albaraka Türk sets itself apart with a combination of advanced technology and competent human resources, reflecting its operational perfection and thorough approach to its products and the details of its services, and carries forward its objective of growing with its customers and supporting economic growth.

## Our Vision-Our Mission-Our Quality Policy-Core Values

### Our Vision

To be the world's best participation bank.

### Our Mission

Committed to the principles of interest-free banking and in accordance with our corporate values and the ethical principles of banking; to meet the financial needs of society by sharing our common benefits with customers, employees and shareholders who participate in our success.

### Our Quality Policy

With the employees who are well-trained, regard quality as a way of life and continuously renew themselves:

- Offer products and services so as to meet the existing and possible expectations of our customers;
- Increase our customers' satisfaction through "personalized customer attention" and "cheerful service" approach;
- Continuously improve all our processes and our product and service quality;
- Keep a close eye on technology and business developments and rapidly transform them to added values.

### Core Values

#### Partnership

- Sharing produced values with shareholders, employees, customers and society,
- establishing strong, long-lasting relationships with stakeholders,
- ensuring continuous development of knowledge and skills of employees and
- contributing to the growth of the participation banking and banking sector.

#### Focus

- Utilizing our sources in productive projects and converting our energy to social values and having the necessary energy and
- perseverance to make a positive impact on the lives of our customers for the greater good of society.

#### Sincerity

- We value our customers offering them friendly and accommodating services
- providing utmost customer satisfaction through our products and services with respect to our customer-oriented approach.

#### Solidity

- Adhering to Participation Banking principles and Banking Ethics while allocating resources into the economy and
- managing our customers' financial interests with the highest ethical standards.

#### Social Responsibility

- Supporting economic development with the purpose of improving society's life standards while progressing to increasing our bank's value; implementing legitimate and environmentally-friendly policies while also contributing to numerous social and cultural projects.

## Corporate Profile

### Albaraka Türk: Pioneering, powerful and a visionary since 1985...

Our country's first participation bank, Albaraka Türk, is the pioneer and the most powerful representative of the participation banking sector in Turkey with its experience dating back than a quarter century, its vision, its competent human resources and its technological proficiency.

Albaraka Türk reflects its mission of financing production and trade according to participation banking principles in a most efficient way to its operations. The bank, in any condition, accepts its support to SME's improvement and economic development as a priority.

Albaraka Türk, which is ever building its customer base on the back of its identity as a prestigious and reliable brand, directs funds gathered through special current accounts and participation accounts to the real sector with services such as personal financing, corporate finance, leasing and project based profit/loss participation investments.

### A vision of being a force of regional financial and group synergy

Albaraka Türk continues to build on its expansion and group synergy, which started with the vision of being a regional financial powerhouse in the Gulf, the Middle East and North Africa where the Albaraka Banking Group (ABG)-the main partner of Albaraka Türk-operates.

### A Powerful Partnership Structure

Founded by a local industry group which has been serving the Albaraka Banking Group, the Islamic Development Bank (IDB) and the Turkish economy for more than half a century, Albaraka Türk has a powerful capital base. As of December 31, 2014, foreign partners had a 66.10% share in the in Bank's partnership structure, native partners had a 9.84% share, with 24.06% of the shares being open to the public.



Albaraka Türk was selected as the best participation bank in Turkey in 2013 and 2014 by The Banker, which is affiliated with the Financial Times Group.

### An approach to service which does not sacrifice quality

Albaraka Türk, which is constantly improving its range of products and services in order to proactively meet the ever changing needs and expectations of its customers, tops off its high service standards with sincerity and a mentality of providing service with a smile. Albaraka Türk maintains its operations under the ISO 9001:2008 Quality Certificate.

### A formula for success-experience, performance and trust

Albaraka Türk, which applies its formula for success which can be summarized as 'experience, performance and trust' to its customer relations management, reinforces its business model on the grounds of trust based business partnership, understanding the customers and working to the privilege of finding a solution on a one-to-one basis. The bank is constantly expanding and reinforcing its customer base with the longstanding and productive cooperation with its customers.

### Extensive services provided from 202 branches

Albaraka Türk is focused on adding value to Turkey and its shareholders, with an extensive service offering composed of 201 branches and alternative distribution channels. The Bank also has a branch in Erbil, Iraq.

### Albaraka Banking Group (ABG)

One of the World's pioneers in interest-free banking, the Albaraka Banking Group (ABG) offers individual, corporate and investment banking services within the principles of participation banking. ABG, which has subsidiaries and representatives over a vast geographical area, operates 11 banks, two representatives, one branch office and one investment company in 15 countries over 3 continents.

ABG, along with Turkey, has group banks in Bahrain, Algeria, South Africa, Lebanon, Egypt, Pakistan, Sudan, Syria, Tunisia and Jordan, an investment company in Saudi Arabia, a branch office in Iraq and representative offices in Indonesia and Libya.


As of the end of 2014, Albaraka Banking Group's total assets amounted to USD 23.46 billion, with USD 19.86 billion in collected funds and USD 2.08 billion in shareholder's equity. The Group recorded a total net profit of USD 275 million in 2014. As of the end of the year, the Group had 549 branches 10,853 personnel.

ABG shares are publicly traded on the Bahrain and NASDAQ Dubai stock exchanges. ABG has a long term BB+ credit rating and short term B credit rating from Standard&Poor's. ABG's main strategic mission is to serve under 'one mission, one vision, one identity' by creating a mutual corporate values system.

# Saving







Albaraka Türk makes the best use of its customers' savings and strives to turn effort into prosperity by financing SME's development and investments through collected funds.

**And that's because Albaraka Türk means saving...**

## Financial Indicators

Albaraka Türk continues to maintain its strong contribution to the economy by placing 97% of collected funds as loans in 2014.

### Key Financial Indicators (TL million)

	2013	2014	Change (%)
Total Assets	17,217	23,046	33.9
Funded Credits*	12,060	16,184	34.2
Collected Funds	12,526	16,643	32.9
Shareholders' Equity	1,497	1,791	19.6
Net Profit	241	253	4.6
Number of Branches	167	202	21.0
Number of Personnel	3,057	3,510	14.8

\*Including financial leasing.

### Key Ratios (%)

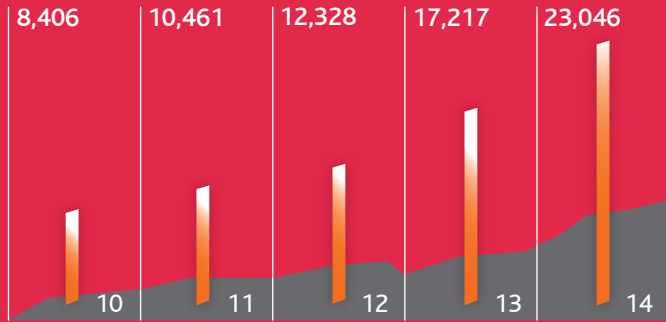
	2013	2014
Funded Credits*/Total Assets	70.0	70.2
Funded Credits*/Collected Funds	96.3	97.2
Collected Funds/Total Assets	72.8	72.2
Return on Equity	17.7	15.8
Return on Assets	1.6	1.2
NPL Ratio	2.3	2.0
Net NPL Ratio	0.2	0.2
NPL Provisions Ratio	90.6	87.9
CAR	14.9	14.2

\*Including financial leasing.

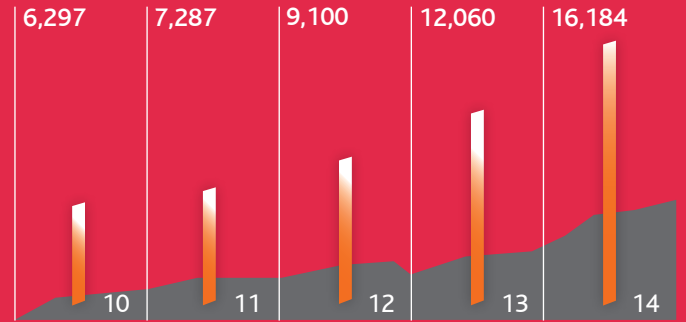
### Shareholding Structure

	TL	%
Foreign Shareholders	594,902,934	66.10
Albaraka Banking Group	486,523,266	54.06
Islamic Development Bank (IDB)	70,573,779	7.84
Alharthy Family	31,106,364	3.46
Other	6,699,525	0.74
Local Shareholders	88,594,135	9.84
Publicly Traded	216,502,931	24.06
<b>Total</b>	<b>900,000,000</b>	<b>100.00</b>

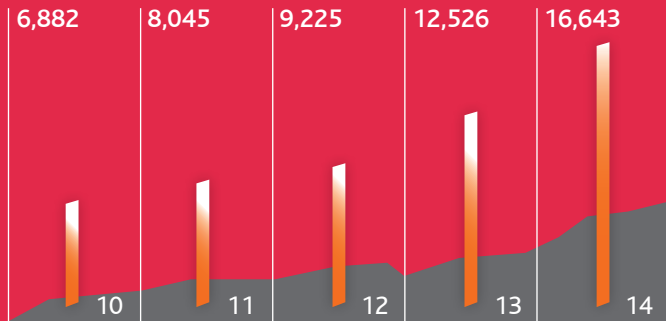
Total Assets (TL million)

**23,046** TL million

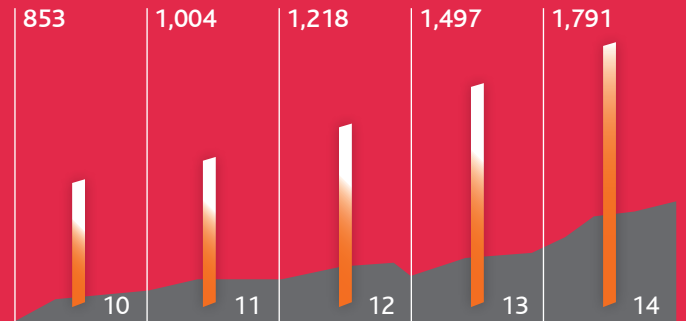
Funded Credits (TL million)

**16,184** TL million

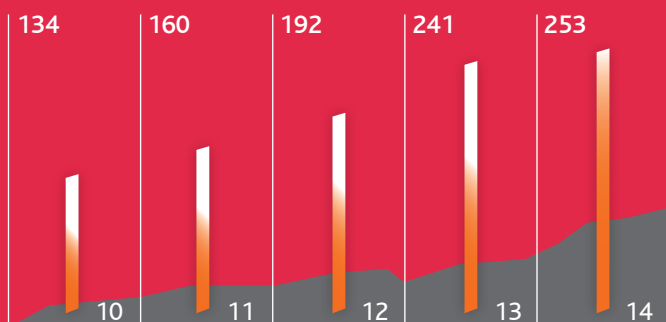
Collected Funds (TL million)

**16,643** TL million

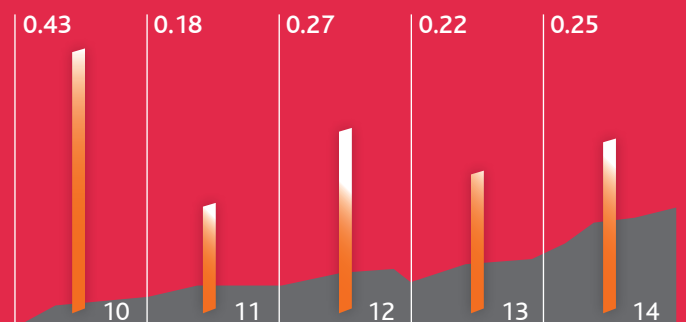
Shareholders' Equity (TL million)

**1,791** TL million

Net Profit (TL million)

**253** TL million

Net NPL Ratio (%)

**0.25%**

## Albaraka Türk's Position in the Sector

Albaraka Türk grew at a rate which was in excess of the participation banking and banking sector averages in terms of collected funds in 2014.

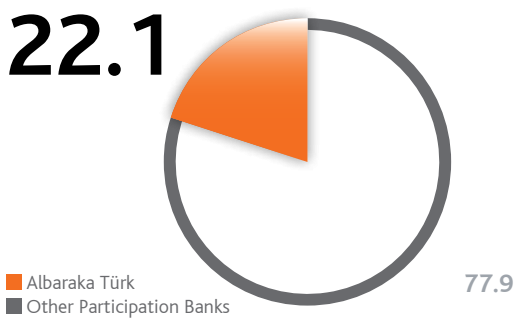
### Change (%)

	2013			2014		
	Albaraka Türk	Participation Banks	Banking Industry	Albaraka Türk	Participation Banks	Banking Industry
Total Assets	39.7	35.7	26.4	33.9	8.5	15.1
Loans (Funded Credits)	32.2	35.0	32.1	34.2	3.3	18.5
Deposits (Collected Funds)	35.5	27.9	22.5	32.9	27.9	22.5

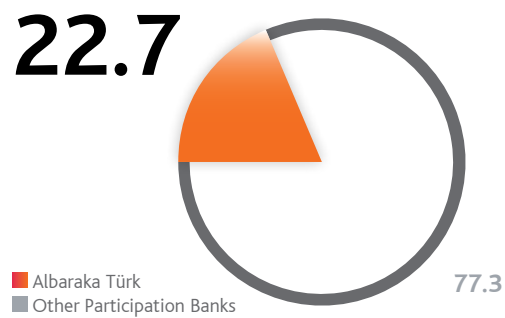
### Market Shares (%)

	2013			2014		
	Albaraka Türk/ Participation Banks	Albaraka Türk/Banking Industry	Participation Banks/ Banking Industry	Albaraka Türk/ Participation Banks	Albaraka Türk/Banking Industry	Participation Banks/Banking Industry
Total Assets	17.9	1.0	5.6	22.1	1.2	5.2
Loans (Funded Credits)	17.7	1.1	6.3	22.7	1.3	5.6
Deposits (Collected Funds)	20.3	1.3	6.5	24.9	1.5	6.2

### Total Assets (%)



### Loans-Funded Credits (%)



### Deposits-Collected Funds (%)



## Decisions of the Board of Directors

SESSION NO.	: 1410
DATE	: February 25, 2015
PARTICIPATING MEMBERS	: Members who have their signatures below.
ABSENT MEMBERS	: Fahad Abdullah A. ALRAJHI, Member (For special dispensations)

Albaraka Türk Participation Bank Corporation The Board of Directors has reached the following decisions:

### RESOLUTION:

The resolution to allocate the profit for the 2014 financial year as set out below, and distribute the dividends to shareholders from 1 April 2015, is presented to shareholders in the AGM.

Period Profit	: TL 252,631,184.85
Previous Year Profit	: TL 7,962,915.03
Profit	: TL 260,594,099.88
1 <sup>st</sup> Legal Reserves (-)	: TL 13,029,704.99
Net Distributable Profit of the Period	: TL 247,564,394.89
1 <sup>st</sup> Dividend (Gross) to Shareholders	: TL 34,200,000.00
Transferred to Extraordinary Retained Earnings	: TL 213,364,394.89

The resolutions shown above were read out to the undersigned foreign-national members in their own language. There were no dissenting opinions; all were in agreement.

SESSION NO.	: 1410
DATE	: 25 February, 2015

Adnan Ahmed Yusuf ABDULMALEK  
**The Chairman of the Board**

Hamad Abdulla A. EQAB  
**Board Member**

Hood Hashem Ahmed HASHEM  
**Board Member**

Ibrahim Fayez Humaid ALSHAMSI  
**Board Member**

Khalifa Taha Hamood AL-HASHIMI  
**Board Member**

Dr. Fahrettin YAHŞİ  
**Board Member and General Manager**

Yalçın ÖNER  
**Vice president of the board of directors**

Osman AKYÜZ  
**Board Member**

Ekrem PAKDEMİRLİ  
**Board Member**

Prof. Dr. Kemal VAROL  
**Board Member**

Mitat AKTAŞ  
**Board Member**

## Changes in the Articles of Incorporation

There were no changes in the Articles of Incorporation in 2014.

# GELECEK BENİM ELİMDE...

Önce KENDİMe bakıyorum...

Çünkü dönüşümün BENimle başlayacağını biliyorum... Gücümü ekibimden alıyorum, ekibime geleceğe olan inancımla güç ve heyecan katıyorum...

'En İyi Katılım Bankası Olma' yolunda ekibimi harekete geçiriyorum...

**Gelecek BENim elimde...  
BİZim elimizde!**



\*The future is in my hands

First I look myself over...

Because I know that change must begin with myself... I get my strength from my teammates and with my faith in the future I give strength and excitement back to them.

I motivate my team to be The Best Participation Bank...

The future is in my hands...

In our hands.

SİMURG





alBaraka 

## SİMURG Transition Program

# to be 'the Best Participation Bank in the World'

SİMURG represents a transition period involving long term changes that are open to constant change and which build upon each other.

A total of 49 projects that are the cornerstones of the program had been successfully carried out and implemented as of the end of 2014.

THE FOCAL POINT OF THE SİMURG PROGRAM:

**TO IMPROVE THE VALUE PROPOSITION OFFERED TO CUSTOMERS**



**49 projects were realized under the coordination of Albaraka Türk's Strategy and Corporate Performance Management Directorate**

**Major projects**  
 Customer Segmentation  
 Structuring Sales Organization  
 SME Service Model  
 Individual Service Model  
 Sales Performance Project

### The Goals of SİMURG

To increase the number and volume of customers with the support of increased product diversity

To ensure a recovery in the customer experience

To provide customer loyalty as well as the acquisition of potential customers, along with sales and after sales services under a segment based approach

Delivering products to customers correctly, to develop efficient sales and distribution channels,

To create appropriate pricing policies





**SIMURG-A VISIONARY, REALISTIC PROJECT INSPIRED BY A LEGEND**

The SIMURG Transition Program, which began in 2012, moves forward at full steam ahead to realize the vision of being 'the Best Participation Bank in the World'.

Gaining the ability to develop and adapt in the delivery of organization-infrastructure-service lies at the heart of the SIMURG project, in the context of adopting a cultural transition by using Albaraka Türk's own dynamics.

In this period, which is expected to be completed at the end of 2015, efforts are continuously ongoing with the stages which are built upon each other in coordination with in order to reach Albaraka Türk's powerful vision.

**The Legend that inspires the project: SİMURG**

In the legend of Simurg, birds set off to Mount Qaf to find a leader. After a flight fraught with difficulties and obstacles, the 30 surviving birds found that the leader they were seeking was indeed themselves. The legend is named the legend of the thirty (Si) birds (Murg), after that day.


In accordance with its vision, Albaraka Türk is determined to become;

- a bank which works with interest-free principles,
- the most recognized and reputable,
- the one which offers the best service most rapidly,
- the one which has the most distinguished staff,
- the one who offers the most innovative products.



# growth





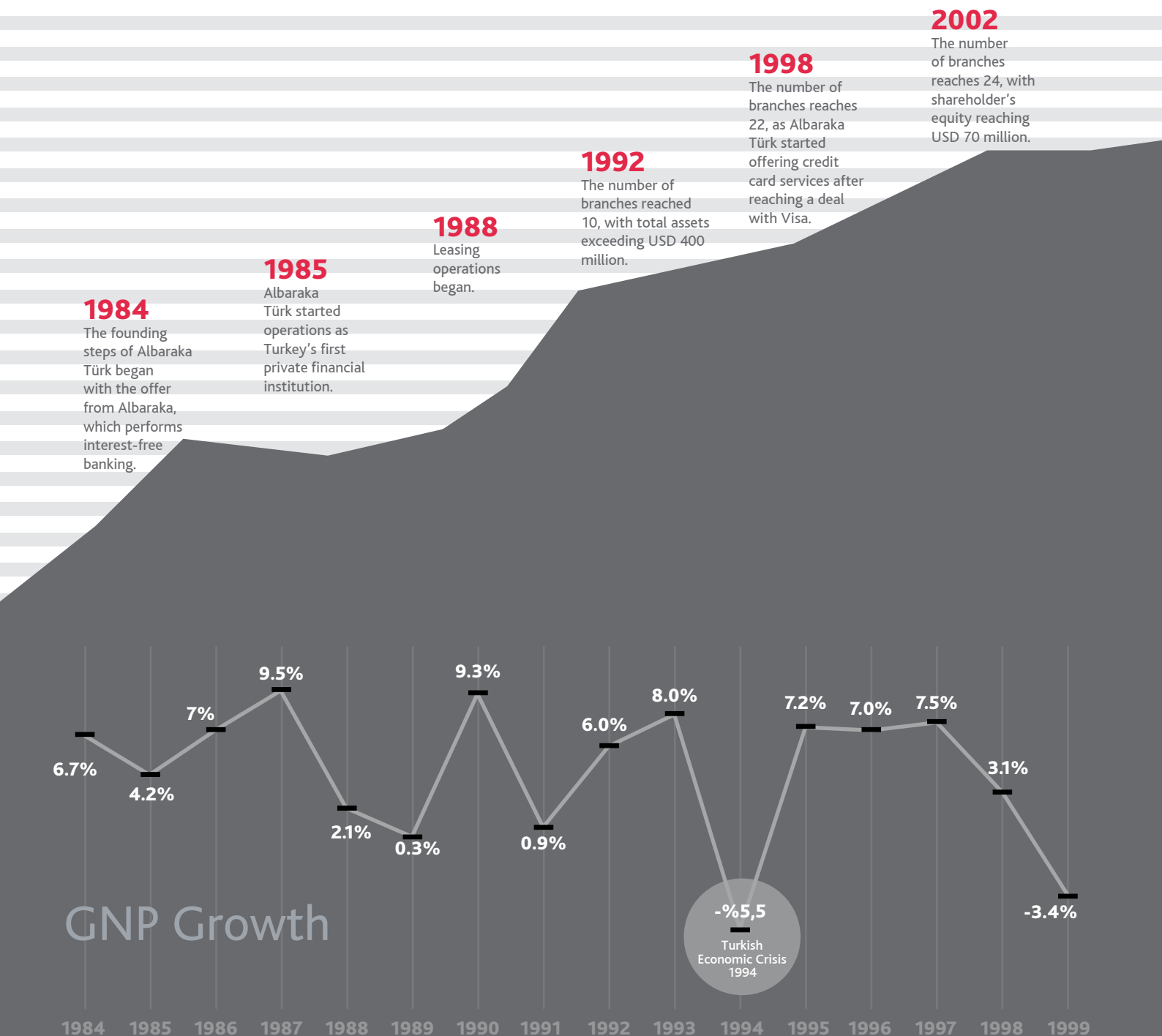
Albaraka Türk strives to strengthen the Turkish economy through its continuous support for the real sector.

**And that's because Albaraka Türk means growth...**

Milestones

# In Albaraka

Preparing to celebrate its 30<sup>th</sup> year, Albaraka Türk has achieved healthy growth and become the pioneer in participation banking by foreseeing the great change Turkish economy has undergone during this period, and applying the right strategies accordingly.



# 2014

## 2013

The number of domestic branches reaches 166.

The bank provided subordinated loans with the murabaha sukuk method for the first time in Turkey.

With 35 new branches, the Bank broke a record, taking the number of branches to 202. Significant gains are started to be gained through the SIMURG program.

## 2012

2012, the bank embarked on the SIMURG transition program in accordance with its vision of being 'the best participation bank in the world'

## 2011

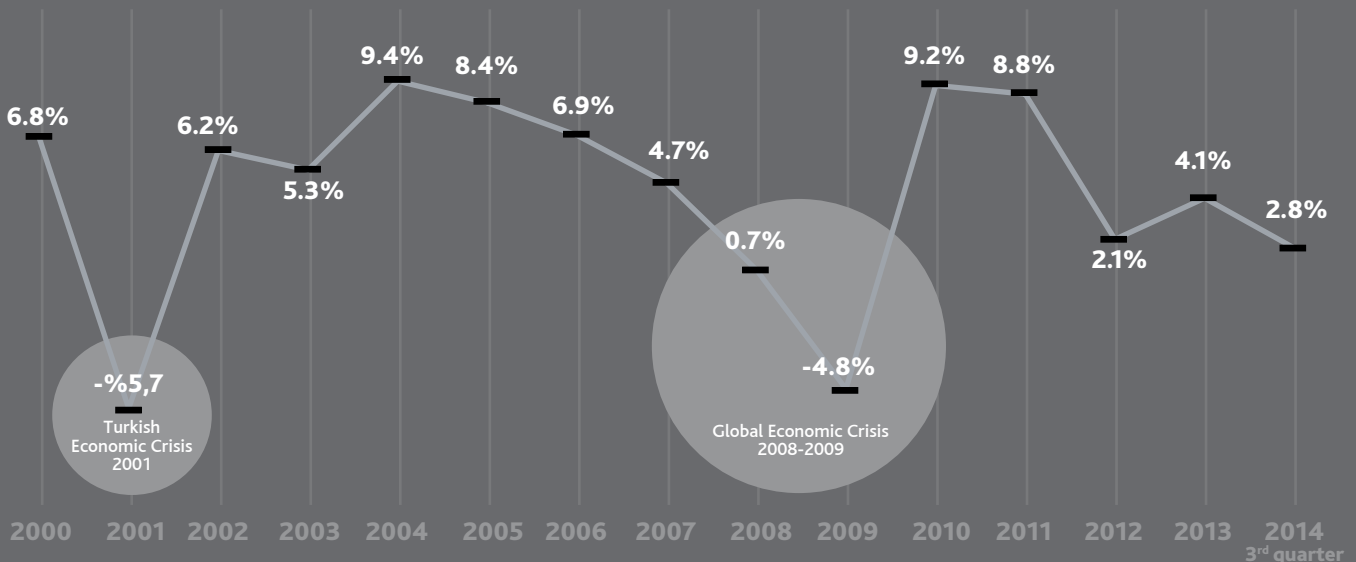
First foreign branch opened in Erbil, Iraq. Albaraka Türk achieves the sector's highest volume syndication loan with a USD 350 million murabaha syndication.

## 2007

A total of 24,000 investors submit more than USD 7 billion of demands in Albaraka Türk's IPO, valued at USD 170 million.

## In Turkey

The Turkish Economy, which broke out of its cycle of chronically high inflation, has successfully emerged as one of the forerunners in developing markets with its powerful growth performance.



## Chairman's Statement



Dear shareholders, customers and employees,

**The divergence in the global economy reached new levels in 2014. Growth lost some of its momentum in developing economies, and the sharp plunge in oil prices paved the way for new dynamics in the world economy's balances.**

The monetary policy decisions taken by the Federal Reserve Bank in the US and the sharp plunge in oil prices were the key events affecting the world economy in 2014.

Right after the 2008 global crisis, the Fed had announced a quantitative easing program in order to bring the US economy out of crisis; during the period it provided approximately USD 3 trillion in liquidity to the markets. In 2014 Fed announced that it had halted its asset purchase program and that it could raise interest rates going forward, depending on the US economy's growth performance. This decision by the Fed signals that in 2015 and beyond, the liquidity which was provided to markets will be gradually retracted. Such an event closely concerns the economies which need foreign resources to finance their sustainable economic growth, including Turkey.

Another important development in 2014 was the plunge in oil prices. The glut of supply arising from globally high oil production along with production of shale gas in the US precipitated a drop in Brent oil prices from USD 115/bbl in June 2014 to USD60/bbl by the end of December. While this halving in oil prices was clearly a boon for net energy importing countries such as Turkey, it gave rise to pressures for oil producing economies. The decline in oil prices led to a shrinkage in Turkey's energy bill, significantly alleviating the risks associated with the current account deficit and primary deficit financing. We think this outlook will continue for the most part of 2015 and offer the some valuable leverage for the growth performance of the Turkish economy.

Other issues closely concerning Turkey in 2014 centered around the political turmoil in Turkey's surrounding region. While the Middle East continues to be beset by internal turmoil in Iraq and Syria, to Turkey's north the tensions between Russia and Ukraine have turned into armed clashes. One of Turkey's major trading partners, Russia has been hit hard by the slump in oil prices-as well as the Ukraine crisis-and has entered recession. While the economic contraction in Russia has affected its bilateral trading relations with Turkey, as well as Turkey's tourism sector, events in Iraq and Syria have also put pressure on Turkey through the foreign trade channel.

Against a backdrop of these global events, the Turkish economy recorded a rate of growth less than the 4% target set out in the Medium Term Program, as a result of the policies pursued by the Turkish Republic Central Bank (CBRT) and the regulations introduced by the Banking Regulation and Supervision Agency (BRSA) aimed at curbing domestic demand. In light of figures for the first 9 months of the year, the Turkish economy is estimated to have closed the year with around 3% growth.

The volatility that may be seen in global markets in 2015 and events in the Eurozone will have an important bearing on the Turkish economy. On the other hand, falls in oil prices-and thus the reduction in the current deficit-and the expansionary monetary policy that the European Central Bank announced in January will be major factors positively affecting the Turkish economy in 2015.

## Many infrastructure and superstructure projects were conducted in 2014, which will turn Albaraka Türk into a completely customer oriented platform.

### Unwaveringly maintaining its support for the Turkish economy

A respected and leading member of the Turkish participation banking sector, Albaraka Türk maintains its support for the Turkish economy in accordance with its mission.

In the year 2014, in which we have supported our customers' activities in the production and trade cycle in different sectors by extending an increasing volume of funds, we have reaped important gains towards our vision of being the most successful example in participation banking in the world.

While our physical service network is growing through our new branch expansion in Turkey, there has been a healthy increase in both our number of customers and the volume of transactions in parallel with our activities in alternative distribution channels. On the other hand, our funds from other countries are being diversified and increasing in volume, while our funding operations, particularly our international sukuk issuance in full accordance with the principles of participation banking, proved our power and reputation again.

2014 has been a year in which many infrastructure and superstructure projects, especially the Simurg transition program, were conducted in order to turn our Bank into a complete customer oriented platform. I am delighted to report that we have seen the leading results of our investments in these areas in the customer satisfaction and our operational performance.

Our bank, whose shares are traded on the Borsa İstanbul, pays great importance to accountability and transparency and closely follows the rules that govern capital markets in our country. For Albaraka Türk, which is listed on the Borsa İstanbul Corporate Governance Index, another important event in 2014 has been the advances in corporate governance and their reflection to our corporate governance rating. Our Bank's corporate governance rating was raised to 8.44 in July 2014, with both our corporate structuring and increased activities in risk management playing important roles in this upward revision. The main purpose of all the efforts I have tried to summarize above is to meet the needs of our customers at the right time, with the right product, with the right channel, in the fastest way and with the finest quality, and to create value for our shareholders. Our Bank will continue to work in cooperation with its customers on the grounds of mutual trust and respect, and to serve by successfully managing the most difficult economic conjuncture.

### Our dear shareholders, customers and employees,

Before I finish my message, I would like to share in brief my observations about our Bank's efforts to differentiate itself, and create value in human resources.

We carry obligations to all our participants as responsible corporate citizens and try to behave in accordance with these. In this context we pay special importance to our human resources and see them as the assurance of the future.

The development of our human resources is important and we support all our employees with programs which will help them reach their individual career goals. On the other hand, thanks to the agreements we have entered with some distinguished universities in our country, we are setting ourselves apart by helping the young generation understand the philosophy of participation banking, to acknowledge it and to join us.

Competition will be much tougher tomorrow, and the contest is one that will take place globally. With its focus on growth and as a powerful member of the Albaraka Banking Group, one of the regional leaders in the Middle East region, Albaraka Türk will remain at the forefront and move towards its vision in this contest. Our highly competent employees have embraced the corporate culture and are committed to the principle of participation banking, and will remain to our most valuable asset and source of energy.

On behalf of the Albaraka Türk the Board of Directors and myself, I would hereby like to extend my respect and gratitude to our shareholders, our team, our customers and business partners who have always been on our side and have placed their trust in us.

Adnan Ahmed Yusuf ABDULMALEK  
The Chairman of the Board

## Message from the CEO



Dear participants,

**Albaraka Türk, which increased its total assets by 34%, collected funds by 33% and funds provided by 34%, completed the year 2014 year with a net profit of TL 252.6 million. Albaraka Türk's success in this respect is the result of our customer oriented strategy.**

**Our multidimensional transitional efforts within the vision of being the best participation bank in the world have achieved significant progress in 2014, rendering Albaraka Türk more powerful in the competitive playing field and more assertive in its service delivery.**

**As we enter 2015, Albaraka Türk looks to the future with determination. Our Bank has more than enough tangible and intellectual capital, along with the necessary shareholder support to ensure its sustainable growth.**

2014 has been a year in which Albaraka Türk's transition gained pace and sustainable growth was achieved. The year 2014 was a year marked by improving financial power and operational profitability for us, where we have continued our investments in human resources and continued to increase support that we have extended to the real economy.

Yet another gain in 2014 was the improvement in cooperation with our customers and increasing penetration ratios. Albaraka Türk increased its number of customers and transaction volumes, particularly in all segments that it offers to SME's, and deepened and diversified its relations with customers.

2014 was another successful period in our corporate history, also in the scope of improving the added value we offer our participants, as well as in terms of shareholder value.

### Highlights from our performance...

At the end of 2014, our total assets had reached TL23 billion, an increase of 34% YoY. Collected funds reached TL 16.6 billion, an increase of 33% YoY, while total funds provided reached TL16 billion, a 34% increase YoY.

These increases-which were in excess of sector averages-demonstrated the strength of the trust our customers have placed in our Bank, as well as their increasing orientation towards our products and services.

The funds we provide amount to 70% of our total assets. Our performance in general indicates that we successfully continued our policy of balanced lending and liquidity in 2014. The growth in our provided funds exceeded the sector's credit growth, standing as testament to the right way we conducted our business and our support for the real sector.

Our Bank, which saw a 9% YoY increase in its operating profit to TL978 million, increased its profit share income by 12% YoY to TL 699 million in 2014. Albaraka Türk rounded off 2014 with a net profit of TL252.6 million and remained one of the most profitable banks in the sector.

Our strategy in asset quality protection is built upon minimizing the risks of the sector and customers around the main idea of spreading the risk to the base. Systematic function of credit process from allocation to tracking and our methodology which proves excellence in risk quantification has played a key role in sustaining these results. At the end of 2014, our NPL ratio, at 2.07%, was below the sector average, and the bank maintained this level, which was the best among the participation banks.

Shareholder's Equity increased by 19.6% YoY to reach TL 1.8 billion. The Capital adequacy ratio was measured at 14.15%.

Along with the powerful balance sheet growth we achieved in 2014, the success we achieved in increasing our banking income and the strict control over our expenses enabled us to achieve our successful performance and supported the substantial YoY increase in operating profit.



## We will continue to support our customers with our products and services in 2015, a year in which the Turkish economy will continue to develop.

During 2014, when we followed the results of our efforts in developing and increasing productivity and activity as rapidly as we could in all of our Bank's processes and units in financial and operational indicators, we achieved a return on equity of 15.8% and return on assets of 1.2%.

As well as confirming how right our forecasts, strategies and policies were, our performance in 2014 confirmed that we advance with determination towards our vision of being the best participation bank in the world.

### We continue to diversify our funding resources...

Yet another tremendously important gain in 2014 was our results in the international funding field.

In 2014, in which we renewed our murabaha syndication with an increase of 35% and with high participation, we received USD 750 million in medium term funding from foreign resources.

Our second sukuk transaction, carried out by our subsidiary Bereket Varlık Kiralama, was two times oversubscribed with demands from 63 qualified investors from the Middle East, the Gulf and European markets; and has started to be traded on the secondary market, while being listed on the Irish Stock Exchange.

While we continue to direct most of the funds we receive from foreign resources to support the needs of our SME customers, our services in foreign trade have attracted a great deal of attention from our customers. Albaraka Türk's export transaction volume increased by 104% and import transaction volume by 18%, YoY. Our foreign exchange transactions volume increased by 13% YoY and our foreign trade total volume reached USD 19 billion.

### Moving to the future with SIMURG

The Simurg Transition Program, which we initiated in a bid to support Albaraka Türk's growth process from end to end and to strengthen customer satisfaction in every field, brought significant gains in 2014.

The change we need in our new growth phase comes to life in the scope of systemic and disciplined approach. We reached a total of 49 projects, which are designed to include every operation performed by our Bank, and implemented to reach our strategic goals.

We seek to be the bank that works according to the universal principles of interest-free banking, is the most recognized and reputable bank, the bank that offers best services most rapidly to its customers, and the bank that has the most competent staff and that offers the most innovative products. Reaching these goals requires a transition that involves all of our employees; this transition is realized in stages with the participation of all of our employees.

The Simurg program, in which all our staff are focused on pursuing 'the best', makes it possible to build a more powerful bank, focusing on sustainable growth for Albaraka Türk.

Our bank, which has achieved net segmentation with Simurg, rapidly improves its operations in all fields of modern banking with a sales organization that is focused and which knows its customers closely and very well, and with service models designed on the basis of business lines. The programs focus is on customers, and our main purpose is to meet our customers' needs at the right time, with the right product and with the right channel in the fastest possible way and with the highest quality.

### Increasing our presence in the individual pension field...

Albaraka Türk blazed another trail in participation banking sector in 2014. Katılım Emeklilik ve Hayat Corporation, which we built in collaboration with Kuveyt Türk, begun operations in 2014 and shortly afterwards made a name for itself in the sector. In an economic conjecture in which savings play an important role, we see BES (Individual Pension System) as a very important field for accelerating capital accumulation.

In our country, where BES offers tremendous potential, we are especially focused on increasing our share among the population who prefer interest-free products. When evaluated with our business partner, our subsidiary, Katılım Emeklilik ve Hayat, which reached its target group in more than 450 points domestically, we believe it will shortly exceed the goals we have set out in our business plan and which we are determined to support through all means.

### In 2015...

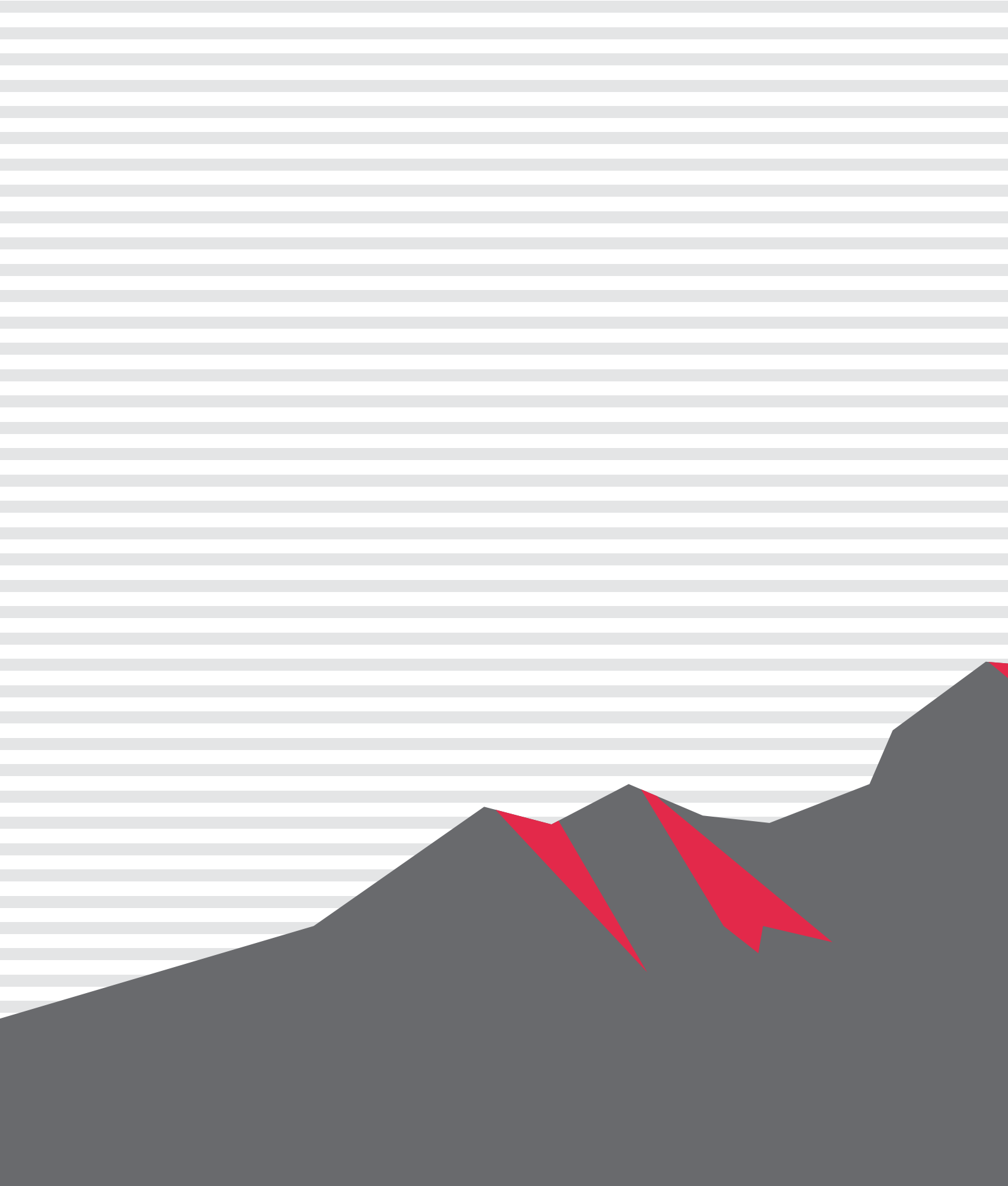
Albaraka Türk is ready to take the step of expansion which it has set out for 2015. In 2015, in which Turkish economy will continue to develop, we will continue to support our customers with products and services by correctly reading the markets and demand conditions. We will firmly stick to our SME and individual banking focused growth plans and present our innovative product and services to a much higher number of customers.

The trust of our shareholder, Albaraka Banking Group, in the Turkish market is very powerful and this approach gives us more than enough leverage and energy that we need to pursue growth.

I would like thank to all of our participants, especially our human resources who sincerely share our goal of positioning Albaraka Türk as the best participation bank in the world.

Sincerely yours,

Dr. Fahrettin YAHŞI  
Board Member and General Manager



# The Future



As it gears up for the future, Albaraka Türk joins forces with its customers in its efforts to make them the leaders of their sectors.

**And that's because Albaraka Türk means the future...**

## Macroeconomic and Sectorial Outlook

One of the strengths of the Turkish economy is its low deficit and powerful financial structure. This is an important anchor in increasing trust in the economy.

### Macroeconomic Outlook

Decisions by the US Federal Reserve Bank (FED) and the sharp plunge in oil prices had a sharp influence on Turkey and the world economy during 2014. In order to get the US economy out of the crisis, the Fed had pumped approximately USD 3 trillion in liquidity to the markets through its Quantitative Easing programs in previous years. We now face a year in which liquidity will be retracted in parallel with the recovery in the US economy. This situation closely concerns developing economies such as ours. Another important development was the plunge in oil prices. The glut of supply in the market as well as the production of shale gas in the US sent Brent oil prices tumbling from USD115/bbl in June 2014 to USD 60/bbl by the end of December, almost cutting in half. This situation reduced Turkey's energy bill, the most important item in our country's current account deficit, thus significantly alleviating the current account deficit and pressure on primary deficit financing.

Despite the recovery in our current account deficit, this situation put pressure on some of our neighboring economies which are oil producers, the most important one being Russia. One of Turkey's most important trading partners, Russia was hit hard by the fall in oil prices; and as the Russian Central Bank explained, if oil prices remain at such levels, the probability of an obvious contraction in the Russian economy will effect negatively affect foreign trade and tourism in Turkey.

In addition, European economies which have been negatively affected because of the political and military tensions between Russia and Ukraine may have indirect effects on Turkey as well. With the FED poised to increase interest rates, this situation may raise the risk premium of developing countries. Despite the powerful recovery in the US in 2014, a feeble growth performance on a global level, particularly in Europe, China and Japan may cause the Fed to follow a more cautious path. This stance taken by the Fed and energy prices will be major factors affecting Turkey in 2015.

The rate of GDP growth in the Turkish economy is estimated to have fallen short of the 4% target set out in the Medium Term Program, as a result of the aggressive interest rate hikes implemented by the Turkish Republic Central Bank (CBRT) and regulations imposed by the Banking Regulation and Supervision Agency (BRSA) aimed at

tightening up consumer credits through limitations placed on credit cards. After a long period of contraction in the Euro Area, especially in Germany-the motor of the EU economy-the growth rate of 1.5% has a significant impact on the Turkish economy. As one of our most important foreign trade partners, Euro Zone economies have started to emerge from economic recession and advances in the US economy will also start to affect our economy in 2015.

Our country's dependence on energy increases our sensitivity to capital flows in financing the current account deficit. However, the slump in oil prices helped reduce Turkey's current account deficit in 2014. Turkey's 12-month rolling current account deficit retracted to a 4 year low to USD45,726 million in October 2014-less than the USD 46 billion targeted in the Medium Term Program (MTP).

On the other hand year 2014 proved to be a tough year for pricing and financial stability. Despite the contradictory monetary policy applied by the CBRT, inflation ended the year at 8.17%. The depreciation of the Turkish Lira and increases in the rate of core inflation, after the negative effect of the disruption in inflation expectations on pricing behaviors, was instrumental in the high rate of inflation. However, because of the negative weather conditions, the sharp increases in prices of tobacco products and food played a role in the high rate of inflation in 2014.

One of the greatest strengths of our economy is low fiscal deficit and powerful financial structure. This stands as an anchor and increases the trust in the economy. While many countries in the European Union cannot meet the Maastricht criteria of a 60% Debt/GDP ratio, Turkey is well within this ratio, while its fiscal deficit of TL 22.7 billion in 2014 was TL 10.6 billion less than the target.

Finally, demand in the world economy is weak, negatively affecting developing countries. For our country, though, the slump in oil prices has helped reduce the current account deficit; and the fact that the European Central Bank will start to implement an expansionary monetary policy while we continue to pursue budget discipline will positively affect our country in 2015.

### Banking Industry-Key Financial Indicators (TL million)

	2013	2014	Change (%)
<b>Total Assets</b>	1,732,412	1,994,238	15.1
<b>Deposits</b>	945,770	1,052,693	11.3
<b>Loans*</b>	1,047,428	1,240,725	18.5
<b>Shareholders' Equity</b>	193,818	232,084	19.7
<b>Non Cash Loans</b>	333,979	383,864	14.9
<b>Net Profit</b>	24,664	24,665	0.0
<b>Number of Branches</b>	11,986	12,210	1.9
<b>Number of Personnel</b>	214,263	216,880	1.2

\*Excluding financial leasing.

## Turkey's loans to GDP ratio has exhibited one of the sharpest increases among emerging markets since 2009.

### Outlook for the Banking Sector

At the end of 2014, there were 49 banks operating in the Turkish banking sector, with 12,210 branches and 216,880 personnel.

The total assets of the banking sector increased by 15.1% YoY to TL 1,994 billion in 2014. Turkish Lira assets grew by 19.6% while foreign Currency Assets grew by 18.5% in dollar terms. There was an increase in the costs of funding, particularly in the interest rates on deposits in the Turkish Banking Sector, starting from the first quarter of 2014. Because of these developments, there was a limited deceleration in growth in the sector, while growth came in at 4.2% in the first quarter, 7% in the second quarter, 7.9% in the third quarter and 5.1% in the fourth quarter, despite the effect of a weaker local currency.

Credits reached TL 1,241 billion by the end of 2014, increasing by 18.5% when compared to the end of 2013. The ratio of credits in total assets rose 1.7 percentage points when compared to the end of 2013, to reach 62.2%. In the second half of the year, the growth rate in credits gained pace when compared to the first two quarters, and the growth in the last quarter was generally driven by corporate loans and commercial loans.

Non-performing loans in the sector reached TL 36.4 billion in 2014, an increase of 22.9% when compared to the end of 2013.

A fall in the value of local currencies and increase in interest rates in emerging markets-including in Turkey-following the FED's statements on the tapering of its QE program, and the measures taken to eliminate longer-term risks arising from the rapid loan growth and the low savings ratio led to a slowdown in the rate of growth for all lending types. The banking sector is expected to maintain its characteristic of being able to manage its pricing dynamically in turbulent times while managing its balance sheet-which is already within the risk parameters as stipulated by international norms-and thus is expected to practice its growth strategy in a safe a manner.

Total deposits-which have the highest share (59.7%) in the sector's external liabilities-totaled TL1052.9 billion at the end of 2014. The total equity of the industry stood at TRL 224 billion at the end of 2013. On the other hand, the industry's aggregate net earnings ended the year broadly unchanged at TL 24,665 million. As of December 2014, the CAR of the industry stood at 16.3%, well above the legal and target ratio.

Turkey's loans to GDP ratio has exhibited one of the sharpest increases among emerging markets since 2009. Reasonable lending growth will contribute to financial stability in the coming era, which is expected to be marked by a continued rise in global volatility. The Turkish banking sector rounded off a difficult year in 2014 in terms of both growth and profitability, as a result of the BRSA's measures, particularly those targeted at retail and consumer lending, and the CBRT's tightening monetary policy. As lending growth has slowed down in the banking sector due to measures taken throughout the year aimed at limiting personal consumption, the growth of lending in the banking sector is expected to gain pace in 2015 as a result of a revival in domestic demand, to stand in a 15-20% band.

From May 2013, Turkish banks were able to renew their external debts at a reasonable cost. The industry's FX based liquid assets amount to approximately half of the short term external borrowing amount, suggesting that the sector bears a financial structure which is resilient against short term external shocks. Despite this, it is clear that there are considerable FED-related and domestic risks for 2015, and the CBRT continues to implement a cautious approach in its monetary policy in a bid to avoid risks. To this end, banks are expected to follow a cautious growth strategy during 2015, wary of weakening their strong liquidity positions.

As in branching and employment investments, a rate of growth similar to that seen in 2014 is expected; on the other hand, a greater focus on banks' efficiency and cost management is expected in 2015.

In 2014, growth was affected by political and economic uncertainties on the back of a contraction in private sector investment and private consumption spending.

### Participation Banks-Key Financial Indicators (TL million)

	2013	2014	Change (%)
Total Assets	96,086	104,242	8.5
Deposits	61,313	65,230	6.4
Loans*	62,042	64,082	3.3
Shareholders' Equity	8,852	9,648	9.0
Non Cash Loans	33,097	33,737	1.9
Net Profit	1,071	89	-91.7
Number of Branches	965	990	2.6
Number of Personnel	16,800	16,249	-3.3

\*Excluding financial leasing.

## Evaluation of Activities in 2014

Albaraka Türk operates with the aim of meeting the financial needs of SME's as well as their managerial and financial consultancy requirements.

### Supporting SME's remains at the heart of our activities.

With its determination to channel a significant proportion of the funds that it collects to SMEs, Albaraka Türk is increasing its support for the real sector. The Bank maintained its strong contribution to the economy by placing 97% of the collected funds in 2014.

Albaraka Türk aims to support the growth and progress of SMEs which stand as the Bank's major customer segment, in line with its participation banking principles. Albaraka Türk aims to be closer to its customers than any other bank by virtue of its widespread service platform, consisting of 201 domestic branches and alternative distribution channels.

Undertaking marketing activities with a focus on capturing a share in all customers' banking transactions and cash flows, Albaraka Türk pays great attention to improving customer loyalty by establishing long lasting, versatile relations as well as on attracting new customers by offering products and services which are innovative and provide one-to one solutions.

Albaraka Türk has stepped up its efforts to transfer counseling and experience to SME's with growth potential in line with their increased needs for management and financial advisory services. The Bank will also continue to enhance its relations and collaboration with support organizations such as KOSGEB and the Credit Guarantee Fund in the coming period.



## In 2014,

**Albaraka Türk successfully kept its non-performing loans under control, recording a 2.07% NPL ratio-lower than both the participation banking and banking sector averages.**

### An emphasis on diversification of risk in our credit portfolio and protecting the balanced structure.

To sustain a high level of asset quality, Albaraka Türk has adopted a balanced and widespread customer portfolio, avoiding concentration in terms of industry, customers or credit type.

A review of Albaraka Türk's loan portfolio in 2014 finds that its risks were balanced and the bank's risk concentration – based on the accounts of its top 100 and 200 customers – were within manageable limits. The regional risk breakdown was also balanced, with the bank's branch network expanding in parallel with the economic level of each region. When it comes to the Bank's exposure to cash credit risk, the 100 biggest firms accounted for 36.85% of the total credit risk, a ratio which Albaraka Türk intends to lower less than 30% in the coming years. The bank has a balanced breakdown of risk between the retail, commercial and corporate segments, and is in line with the Bank's credit portfolio breakdown target.

Albaraka Türk successfully kept its non-performing loans under control, with a 2.07% NPL ratio (defined as the gross value of non-performing assets as a ratio of total credit placements) in 2014-lower than both the participation banking and banking sector averages. On the other hand, the bank maintains a relatively high 88% rate of provisioning for such accounts.

With one of the healthiest loan portfolios in the industry, Albaraka Türk undertakes a number of projects aimed at improving the speed and quality of its monitoring and collection processes, in order to further strengthen the makeup of this portfolio. The Corporate Follow-up Service was initiated in order to follow-up and monitor the Bank's corporate segment customers more effectively. In cooperation with the branch, the unit aims to secure collection from corporate segment customers whose loans are deemed likely to become non-performing, to keep risk-assurance balances under control through updating monitoring and assurance investigation processes, and to take action as a result of these findings where necessary.

The Retail Collection Service was initiated to undertake collection from retail segment customers who have fallen into arrears, communicating with such customers by telephone and providing strategic support to the branches so as to enable them to devote more of their time and resource potential to sales and marketing activities.

Albaraka Türk's total funds collected increased by 32.9% in 2014 to reach TL 16,643 million.

#### Collected Funds

(TL thousand)	2013		2014		Change (%)	
	TL	US\$	TL	US\$	TL	US\$
<b>Turkish Lira Funds</b>	7,518,851	3,513,482	9,782,163	4,189,363	30.1	19.2
Current Accounts	1,442,219	673,934	1,735,837	743,399	20.4	10.3
Participation Accounts	6,076,632	2,839,548	8,046,326	3,445,964	32.4	21.4
<b>Foreign Currency Funds*</b>	<b>5,007,361</b>	<b>2,339,888</b>	<b>6,861,055</b>	<b>2,938,353</b>	<b>37.0</b>	<b>25.6</b>
Current Accounts	1,125,844	526,095	1,640,098	702,397	45.7	33.5
Participation Accounts	3,881,517	1,813,793	5,220,957	2,235,956	34.5	23.3
<b>TOTAL</b>	<b>12,526,212</b>	<b>5,853,370</b>	<b>16,643,218</b>	<b>7,127,716</b>	<b>32.9</b>	<b>21.8</b>

\*Includes the balances of the Bank's precious metals deposit accounts.

Share of TL Accounts	<b>60.02%</b>		<b>58.78%</b>	
Share of FC Accounts	<b>39.98%</b>		<b>41.22%</b>	
Current Accounts	2,568,063	1,200,029	3,375,935	1,445,797
Participation Accounts	9,958,149	4,653,341	13,267,283	5,681,920
<b>TOTAL</b>	<b>12,526,212</b>	<b>5,853,370</b>	<b>16,643,218</b>	<b>7,127,716</b>
Share of Current Accounts	<b>20.50%</b>		<b>20.28%</b>	
Share of Participation Accounts	<b>79.50%</b>		<b>79.72%</b>	

#### Funded Credits

(TL thousand)	2013		2014		Change (%)	
	TL	US\$	TL	US\$	TL	US\$
<b>Funded Credits**</b>	12,033,661	5,623,206	16,143,978	6,913,909	34.2	23.0
Non-performing Loans	279,668	130,686	326,975	140,032	16.9	7.2
Provisions (-)	253,428	118,424	287,261	123,024	13.4	3.9
<b>TOTAL</b>	<b>12,059,901</b>	<b>5,635,468</b>	<b>16,183,692</b>	<b>6,930,917</b>	<b>34.2</b>	<b>23.0</b>

\*\*Includes financial leasing.

USD/TL Exchange Rate	2.140	2.335
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## Evaluation of Activities in 2014

Albaraka Türk's funded credit/total asset ratio of 70% is one of the highest in the sector.

### 33% growth in collected funds

Albaraka Türk brought its healthy growth performance to even higher levels in 2014 by continuing to collect funds in its participation accounts and lending them to the real sector. The volume of total funds collected increased by 33% in 2014 to reach TL16,643 million.

The bank's Turkish-lira and foreign-currency accounts are divided into 59% (Turkish Lira) and 41% (foreign currency). Participation accounts amounted to TL 13,267 million in 2014 while current accounts totaled TL 3,376 million.

20% of total funds were held in current accounts with profit&loss sharing accounts making up the remaining 80% of the funds.

### Higher than targeted growth in lending

In 2014, Albaraka Türk continued to shape its credit placement policy by taking the economic circumstances into account, along with the restrictions and regulations implemented by policymakers in accordance with the relevant legislation.

With its strong funding capacity, Albaraka Türk continues to support customers in the corporate and retail segments in all economic circumstances.

The volume of total funds extended increased by 34% YoY in 2014 to reach TRL 16,184 million, including financial leasing.

Albaraka Türk's funded credit/total asset ratio, at 70%, is one of the highest in the sector.

# TL 16,184 million

Total funds disbursed increased by 34% YoY in 2014 to reaching TL 16,184 million, including financial leasing

The Credit allocation process represents one of Albaraka Türk's important competitive advantages

### A successful year in terms of corporate and commercial credits

The development of products offering different financial solutions for different industries in the SME market-which is the most competitive market in the commercial business-gained momentum in 2014. Packages such as the SME Service Package, Dentist Package and Foreign Commerce package were offered to the market. Improvements have been undertaken in the Direct Debit System and Eximbank sourced utilization of cash funds were transferred to customers in the exporting business through a DBS package for the first time. In addition, with the accounting integration system for SME's, opportunities for new business solutions were presented.

As a result of the successful performance in 2014, cash and non-cash risk amounts exceeded the strategic targets.

By the end of 2014, the number of customers in the commercial segment rose by 30.4% YoY to reach 47,007, with the bank having acquired 10,971 customers during the year.

Cash credit risk reached TL 4,622 million, marking an increase of 56.1% YoY. Accordingly, the cash risk ratio in the commercial segment reached 28.3%. For non-cash credits, TL 1,761 million in letters of guarantee were issued, marking 40.2% growth.

The volume of financial leasing reached TL 254 million in 2014, chalking up a massive 1,301% growth.

## ALBARAKA İLE LEASING YAPIN, İŞ HAYATINDA ZİRVEYE ÇIKIN!

Faaliyet gösterdiğiniz sektör ne olursa olsun, yatırım projelerinize %100'e kadar finansman desteği, uygun taksitlendirme imkanı ve esnek geri ödeme planlarıyla Albaraka, en güvenilir iş ortağınız olacak...



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The Credit allocation process represents one of Albaraka Türk's important competitive advantages.

## 47,007 customers

The number of customers in the commercial segment rose by 30.4% YoY to reach 47,007 by the end of 2014, with the acquisition of 10,971 customers during the year.

**Our credit allocation processes are one of our most important competitive advantages.**

Our bank's credit allocation process is one of its most important competitive advantages. Allocation processes are reviewed in detail and necessary improvements are undertaken, as part of the SIMURG transformation project.

In 2014, a new organizational structure was rolled out in order to maintain and enhance the current pace and quality in the credit allocation process, in order to conduct a more detailed analysis of credit applications for specific sectors and achieve healthier decisions.

In enhancing the qualification of our employees through training programs held both in and out of the office, continuous improvements has been made in the IT infrastructure. Preparations for the transition to the new main banking system were carried out in 2014 with this transition set to be carried out in the first quarter of 2015. With the new system, the Bank will have the opportunity to manage credit processes more efficiently.

The initiation of Credit Offer Follow-up System in 2013 enabled the Bank to monitor information regarding firms in a healthier, more effective and more efficient manner. The new system, whose operations are integrated into the rating system, presents an opportunity for complete monitoring and evaluation of the factors affecting credit requests, credit decisions and credibility.

By establishing statistical models, the Bank aims to improve the applications of the rating system in the coming period, which forms a key part of the risk measurement and risk management operations.

The Risk Adjusted Return on Asset (RAROA) methodology was initiated in calculations for the credit allocation process, allowing the Bank to allocate resources to more productive in 2014, in what was an important achievement for the bank in 2014.

### In 2015...

- All infrastructural work in systems will be finalized to meet customers' demands for personalized service more rapidly and accurately.
- The policy of diversifying the base will be implemented more actively, setting up campaigns for micromarkets with the sectorial and functional products needed by SMEs.
- The Bank's competitive structure will be improved by enhancing service quality through the integration of Albaraka Türk with software and applications for SME's business solutions.

**Araç sahibi olmak isteyenlere  
Albaraka'dan yeşil ışık**

Araç almak veya aracınızı yenilemek istiyorsanız Albaraka'ya gelin; uygun finansman oranlarıyla istediğiniz araca hemen sahip olun.

ramazan'a  
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## Evaluation of Activities in 2014

There was a 39% increase Albaraka Türk's retail financing balance to TL 1,936 million in 2014.

### Strong growth in Personal Financing

The volume of home-ownership financing reached TL 1,699 million, marking an increase of 48%, with the volume of vehicle financing reaching TL 100 million, growing by 28%. Meanwhile, the volume of consumer loans financing reached TL 18 million, marking an increase of 189%.

Albaraka Türk focused on a growth target which was profitable, healthy and spread over a wide retail customer base in 2014. The Bank worked to gain a presence in project-based home ownership financing in every city in order to secure sound and healthy growth in home ownership financing. Albaraka Türk provides its customers with the opportunity to own a home, participating in 214 projects with include both large company's projects in İstanbul as well as local firms' projects in Anatolia.

Throughout the year, a number of campaigns were launched for branches with the target of healthy credit portfolio growth. These included the "Support Campaign", the New Year Vehicle Campaign", "fast-lane vehicle campaign", "month of Ramadan vehicle campaign", "father's day campaign", "Mother's day campaign", "Teacher's day campaign" and, for newly opened branches, the "Welcome Campaign". A total of TL 15 million in financing was provided to parents and students within the scope of support for education, with agreements entered into with educational institutions in İstanbul and Anatolia.

System improvement work continues with the view that establishing procedures and stepping up the pace are crucial in ensuring customer satisfaction in retail financing utilizations. Credit applications were finalized within an average of one day in home ownership and in half a day for vehicle financing, with rapid credit process management. The effective marketing and credit strategies applied by the Bank paved the way for 39% YoY growth in the retail financing balance, which reached TL 1,936 million.

**Albaraka konut finansmanı ile Mutluluğun kapısını aralayın**

Konut finansmanının en konforlu Albaraka'da.  
Evinizde rahat rahat oturmanız için, uygun ödeme seçenekleri Albaraka Konut Finansmanı'nda.

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### Retail Financing (TL thousand)

Types of Financing	2013	2014	Change (%)
Home Ownership	1,151,899	1,699,127	48
Vehicle	77,954	100,167	28
Consumer	6,120	17,663	189
Other	161,828	119,424	(26)
<b>TOTAL</b>	<b>1,397,801</b>	<b>1,936,381</b>	<b>39</b>

Katılım Pension and Life increased the volume of life insurance policies to 3,884 in 2014, and the insurance premiums have been increased by 162% YoY.

## Katılım Emeklilik

### A new breath of fresh air in Pension Funds

Katılım Emeklilik ve Hayat A.Ş., which brought a new breath of fresh air to the sector with its solutions to the targeted interest-sensitive market, wrote its first PPS contract in September 2014. After the company started business and mounted a surge in the last quarter of 2014, there was an increase of 126% YoY and 16,925 active participants and TL 16 million fund size has been reached within a short period time like 4 months.

In the last quarter of 2014 in PPS campaigns were performed in all Albaraka branches, and 11,000 PPS contracts were executed within a short space of time. Katılım Pension and Life increased the volume of life insurance policies to 3,884 in 2014, and the insurance premiums have been increased by 162% YoY.

### Targets for 2015...

- An increase in the share total funds invested in retail financing from 12% to 16%,
- Active sales in the PPS, life and personal accident insurance and other branches and,
- 55,000 new PPS participants, raising the total from 16,925 to 71,925.

### Important developments in individual products and services

- The "Bill Paying Account" and "You are the maturity" products were introduced.
- Customers were offered the opportunity to purchase and sell gold in US Dollar (USD) and euro (EUR) terms.
- Displaying gold purity on the double entry system (purity of 995/1000 and 1000/1000) was introduced to eliminate problems in pricing and weight in gold banking.
- Proxy practices in financial transactions were organized and brought into use as "Proxy Form".
- All documents, primarily contracts and information forms, which are in contact with customers were revised in terms of their language and content, to be in compliance with the Consumer Protection Law 6502 that was enacted during the year, as well as with the regulations and draft regulations issued by the BRSA within scope of the law.
- Compliance with the changes in the Capital Market Law was carried out.
- An agency agreement with Coface was entered into.
- Integration with the Turkish Electronic Fund Distribution Platform (TEFAS) was achieved.

## Evaluation of Activities in 2014

Albaraka Türk's number of bank cards demonstrated a significant 121% increase YoY to reach 421,310.

### In 2015...

- The completion of the transition to the new main banking system will accelerate the product development process.
- The variety of products offered to foreign or non-residential customers will be increased.
- The number of promotional agreements and campaigns between insurance companies and the Bank will be increased.

### Card transactions and continuing development in the transaction volume of POS merchants

#### Development in Albaraka Türk's Number of Cards

	2013	2014	Change (%)
Credit Cards	113,890	108,986	-4.3
Business Cards	41,297	46,495	12.6
Bank Cards	190,702	421,310	121
<b>TOTAL</b>	<b>345,889</b>	<b>576,791</b>	<b>67</b>

Cardholders are offered a number of advantages with the Albaraka Türk credit cards offering the World Card feature.

The total number of credit cards with the Dual Interface Contactless feature maintained its level last year. The number of retail credit cards reached 108,986. Despite a relative decline in the number of retail credit cards in circulation, the number of business cards increased by 12.6% to reach 46,495. The number of Albaraka Türk bank cards in circulation chalked up a significant 121% increase to reach 421,310.

#### Developments in card payment systems in 2014;

- Social Security payments may be completed online through the SSI Payment Pass,
- Three installments were provided to credit card holders on the Tax Office website,
- A payment system for public transportation in Konya was realized,
- With the BKM Express, payment services were developed,
- Payment of invoices by credit card was initiated,
- Through the Free Fast Passing System campaign, customer satisfaction and loyalty were increased.

The number of merchant partners working with Albaraka Türk, which continues to improve its POS networks, reached 18,413, marking an increase of 15.5%.

As part of the work carried out for merchant partners in 2014;

- A new virtual POS product was offered to customers.
- POS cash registers have been commissioned in three different brands.
- The <http://www.albarakapos.com/anasayfa> website is available to customers and announces activities for gaining and developing merchant partners.

## 18,413 merchant partners

Albaraka Türk continued to develop its POS network. The number of merchant banks in 2014 reached 18,413 with an increase of 15.5%.

### In 2015...

- Albaraka Türk credit card and POS software is currently being renewed, and will be launched in conjunction with the new main banking system following the transition.
- Thanks to the customer limit application, customers will be able to request their credit card products under a common limit for the Bank.
- It will be possible to print bank cards and renew credit cards instantly at branches.
- Work continues on the credit card project in Northern Iraq. Credit card productions, along with POS machines and ATMs, will be brought into service in this region starting with the Erbil branch in 2015.
- Thanks to Business Card product, which is a card form of usury and for which preparations are ongoing, commercial goods and services required by customers may be purchased at profitable rates and according to a number of installments to be decided between the bank and customer at the time of the application, and within the limits of the Business card.
- New cards to be issued in the market will have the Mchip Advance feature and VCPA 2.1.1, the latest chip technology offered by MasterCard and VISA.

#### A wide reaching and efficient service through multi-channels

With the opening of new branches, there was an emphasis placed work on infrastructure aimed at promoting growth in alternative distribution channels during 2014. With developments continuing in all channels with the purpose of providing customers with service excellence in more channels, more detailed work is in progress- especially for the Online Banking, ATM and Call Center channels.

Intensive work on the ADC project, which was initiated with the aim of increasing efficiency of alternative distribution channels within the scope of the main banking system and to provide management of both in integration, was successfully completed.

In this context,

- The online banking channel was enhanced with an English version, while options such as bill payment by credit card and total receipts were added.
- AlbarakaSanat.com website created, with the AlbarakaHat.com site renewed
- The project of user experience was carried out in order to improve the quality of service provided to customers on the internet.

With its strengthened infrastructure, Albaraka Türk carries out efficient ADC management.

Through restructuring and effective management of its branches, the demands of customers and correspondent banks were met in 2014.

#### **In 2015...**

2015 will be a year of transformation in terms of alternative distribution channels. Most of the systems will be renewed and a completely different experience will be offered to customers. Numerous new products will be added to the existing services and functions. In this context;

- The design and renewal operations for online banking will be completed.
- The mobile Branch project will be implemented.
- Design and renewal operations for the www.albarakaturk.com.tr corporate web site will be completed.
- Various micro sites like Albaraka Finance will be opened or renewed.
- A wide array of new transactions such as payments of credit card debt, payment of bills and transactions without cards at ATM's may be performed, and both functionality and ease of use will be provided.
- The number of offsite ATMs will be increased, with the long-term goal that 30% of all new ATMs to be opened will be off-site ATMs.
- The latest technological systems such as call center voice signature, automatic routing and web chat will be activated.
- The range of transactions that customers may perform over the voice response system and in telephone banking will be expanded

#### **A highly respected bank in the international arena with high credibility**

Albaraka Türk is focused on meeting its customers' international banking needs in a qualified and effective manner. In this context, the Bank works intensively with a number of domestic and international correspondent banks on a reciprocal and efficiency basis.

In 2014, Albaraka Türk continued to strengthen and develop new correspondent relationships and spread its correspondent network, especially in Africa and the Middle East, within the scope of its medium and long term growth strategies.

Periodic visits to correspondent banks are organized and high level participation was realized in international organizations such as those held by SIBOS and the IMF. The Financial Institutions Department represented the Bank in SIBOS which was held in Boston, USA in 2014, and held one to one meetings with more than 40 banks.

With 1,000 correspondent banks in 111 countries, and with the capacity to perform transactions in 15 different currencies, Albaraka Türk continues to fulfill its customers' demands in the most effective way.

#### **More effective relationship management with regional structuring**

Regional structuring was carried out under the Financial Institutions Department in 2013 with three regional desks; Africa-America, the Middle East and Eurasia. This new structuring is provided to manage the requirements of the branches, customers and correspondent banks more effectively. New restructuring has created concentration zones within the unit and brought specialization on a geographical basis in 2014.

#### **Sensitivity to international legislation and practices**

In order to comply with the OFAC regulations, UN Security Council and MASAK rules and carry out KYC (Know Your Customer) process with all the correspondent banks, the cooperation is enhanced in multiple ways with the Legislation and Compliance Department. Regular training was provided to raise awareness in this respect, and all the branches and the related departments were briefed regularly.

#### **The essential priority of SMEs**

Albaraka Türk continues its support mainly to SMEs long term funding needs by issuing sukuk, providing murabaha syndication facilities, SEP, ITFC, ICD and bilateral murabaha facilities through its advanced correspondent network. In 2014, ongoing negotiations were completed and disbursement process was started with TSKB for a bilateral funding to be utilized by the SMEs and export-oriented companies regarding the agreement between TSKB and the World Bank program of USD 250 million.

Albaraka Türk invites representatives of current and potential correspondent banks to Turkey as part of the Albaraka Türk orientation program to promote its products and enhance correspondent relationships. The program offers important advantages both in the active promotion of the bank and its products and services to bank representatives who are seeking to expand Islamic banking in their countries.

## Evaluation of Activities in 2014



ABG, Treasury and Financial Institutions Conference, 26 September 2014, İstanbul

### Synergy with ABG is important in creating regional power.

Albaraka Türk's success lies on the strong communication in international banking activities from both its major shareholder, the Albaraka Banking Group, and its large network of subsidiaries. In 2014, the "Intra-Group Treasury&Financial Institutions Conference" was held with the participation of all ABG banks in order to achieve further developments between inter group banks' synergy. Common problems were discussed and solutions were presented.

### A rising share in foreign trade

Albaraka Türk unstintingly maintained its foreign trade transaction volume in 2014 despite the decline in the trading volume with the North Africa region, particularly with Libya. Albaraka Türk's volume of foreign trade transactions increased by 7% when compared to the previous year, to reach USD 19 billion.

### To new horizons: Africa

Within the scope of Turkey's Africa policy initiation, the "Development Strategy of Commercial and Economic Relations with Africa" program, which was implemented in 2003, has been a successful step in developing economic relations with countries on the African continent. Factors supporting the strategy principally include new embassies, an under secretariat of trade and TİKA offices as well as direct flights started by Turkish Airlines.

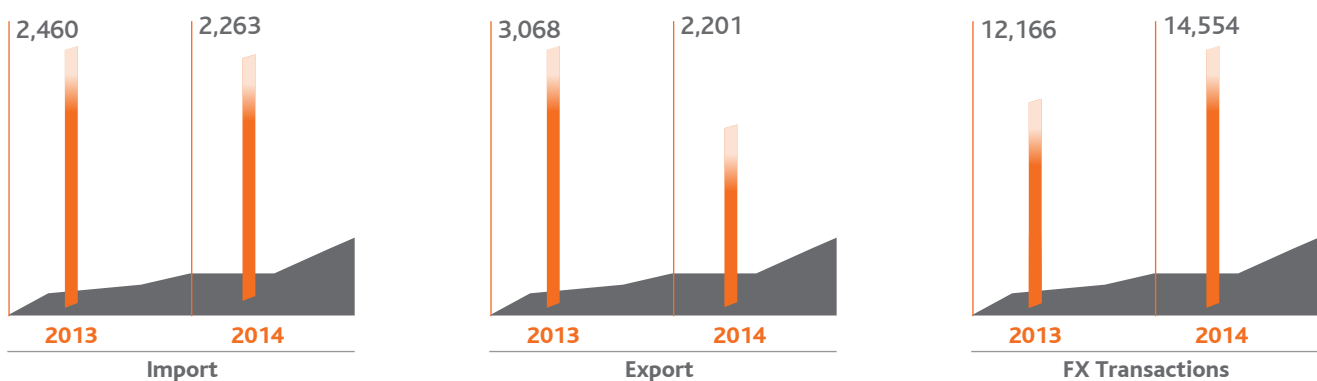
Albaraka Türk has initiated the necessary activities to increase cooperation with primary banks in the region in order to increase its market share in Africa. By the end of 2014, it was working most intensively with Libya, Algeria and Sudan which are the shining stars of the sub-Saharan region. Nigeria, Kenya, Tanzania, Cameroon and Ethiopia will also provide an important contribution to future foreign trade volume in the coming periods.

### Funds obtained from Middle East

Efforts to obtain funds from Middle Eastern countries continued successfully in 2014. New fresh funds have been provided from Middle Eastern countries under wakala agreements and the instruments such as sukuk and murabaha syndication deals. Wakala agreements were signed with the Abu Dhabi Islamic Bank, UAE, Alizz Islamic Bank, Oman, Bank Nizwa, Oman, BMB Investment Bank, Bahrain and the Jordan Dubai Islamic Bank, Jordan. In 2014, the volume of wakala funds from Middle East have been increased by 12% YoY to USD 3.1 billion.

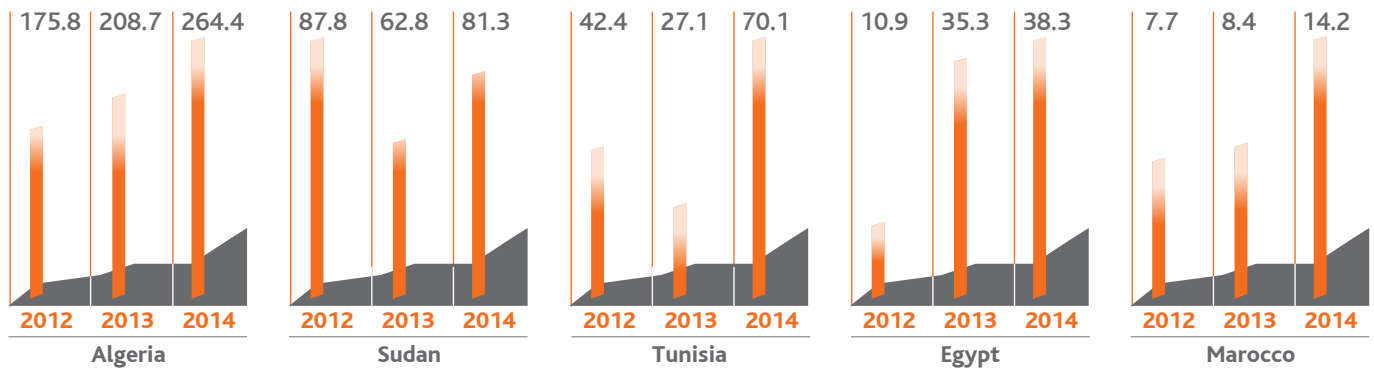
Financial Institutions Department have paid visits to a number of countries in the Middle East during 2014, with promotional and marketing activities carried out for the development of existing and potential correspondent relations. During these visits, participation in international banking events such as the World Islamic Banking Conference was carried out, with support for efforts to attract new correspondents.

### Foreign Trade Volume (US\$ million)



Albaraka Türk renewed the 1-year tranche of the 2013 murabaha syndication facility with a 35% increase in amount to US\$220 million.

#### Foreign Trade Volume-Africa (US\$ million)



Correspondent relations were accomplished with a number of banks in 2014, including the Cairo Oman Bank, Jordan, the Arab Jordanian Investment Bank in Jordan, MEAB Sal in Lebanon, the Alizz Islamic Bank in Oman, Masraf Al Rayan in Qatar and the China Construction Bank (Dubai) Ltd. in the UAE.

#### A total of USD750 million provided by Albaraka Türk through sukuk and murabaha syndication facilities

In accordance with its strategic plan, Albaraka Türk continued to diversify and improve to obtain international funds during 2014. New murabaha syndication deal, sukuk issuance, Saudi Export Program (SEP) and the World Bank operations were among the significant areas of progress in this area.

#### Albaraka Türk issues 5-years maturity sukuk

Albaraka Türk completed its second sukuk issuance in 2014 after the subordinated sukuk in 2013. On June 30, 2014, Bereket Asset Leasing Company issued a sukuk for an amount of USD 350 million with a maturity of 5 years through the sukuk wakala and murabaha structure.

The deal was oversubscribed two times and the Joint Lead Managers were Emirates NBD Capital, Nomura International, QInvest LLC and Standard Chartered Bank. Bereket Asset Leasing's sukuk transaction received offers from 63 qualified investors from countries in the Far East, the Gulf and Europe. The geographical distribution of the issue was as follows: 61% to the Gulf countries, 31% in Europe and 8% in Asia. Banks and financial institutions subscribed to 80% of the issuance, the remaining 8% to investment funds, 6% to private equity funds and 6% to other investors. The Sukuk is listed in Irish Stock Exchange and started to be traded in the secondary market.

#### Albaraka Türk's murabaha syndication was renewed with a 35% increase

Albaraka Türk renewed its murabaha syndication facility's 1-year maturity tranche which it had obtained in 2013 with an increase of 35% for an amount of USD 220 million with the participation of 17 banks from 12 countries. Along with this deal and the 2-years maturity in 2013, Albaraka Türk's total murabaha syndication volume reached to USD 286 million and EUR 152.4 million.

In line with its strategic planning objectives, the bank started preparatory talks for USD 150-200 million, 2 years maturity murabaha syndication facility in the first quarter of 2015, and activities for new transactions will continue during the year.

#### Islamic Corporation for the Development of the Private Sector (ICD)

Albaraka Türk provided long-term business loans at reasonable rates obtained from the ICD, a member institution of the Islamic Development Bank.

#### Access to TSKB Innovative Finance Loan

Negotiations has taken place with TSKB for the utilization of USD 42 million and EUR 5 million under the wakala agreement. The funds will be utilized in favor of SMEs and exporters. The loan agreement is planned to be signed in the first quarter of 2015.

#### BRD SME III Project Loan

A portion of the loan obtained from the IBRD by Ziraat Bank will be allocated to Albaraka Türk with the purpose of financing SMEs through leasing in the structure of commodity murabaha. The deal has a 5 years maturity including a one year grace period. The first tranche of the USD 10 million is planned to be used in the first quarter of 2015.

## Evaluation of Activities in 2014

### Bereket Asset Leasing issued a \$350 million worth of sukuk under wakala-murabaha structure with a maturity of 5 years.

#### Cooperation with correspondents in obtaining funds

Albaraka Türk meets the financial needs of commercial and corporate customers in working capital by obtaining financing at a low cost from correspondent banks abroad.

#### In 2015...

Albaraka Türk will diversify its operation of obtaining funds from non-domestic markets and will offer services to customers at the most reasonable combination of cost and maturity.

Albaraka Türk's technological infrastructure further strengthened by renewed automation system.

IT, which lies at the heart of the Simurg Transformation Project, will be reinforced with new projects which will ensure that IT is one of Albaraka Türk's competitive advantages. Among the operations of the main banking software program that was started in June 2013, the preparation rate for the transfer of existing data to the new system reached 90% while the end-user tests on ready modules, launched in October 2014, are ongoing.

Meanwhile, the business continuity project is approaching completion. Impact analysis studies were conducted in consultation with all business units.

- Recovery plans for critical processes were prepared and IT back-up operations related with critical processes were started.
- Documents related to the business continuity management policy were approved by the Board of Directors.
- The test of processes that were designed to provide continuity of critical business processes were realized in a sample branch within a scenario.

Improvements including the consolidation of servers in the Disaster Recovery Center, minimization of costs and creation of a more flexible infrastructure were carried out to ensure a smooth flow of transactions carried out within the Bank and protecting the interests of customers in all circumstances, while at the same times efforts were taken to ensure that the system room consumed less energy.

To respond rapidly to the ever-changing business needs of the organization, the effectiveness of related operational activities was enhanced. A new server was set up by using Hyper-V technology, and time needed to configure and bring the server ready for use was reduced to less than 30 minutes.

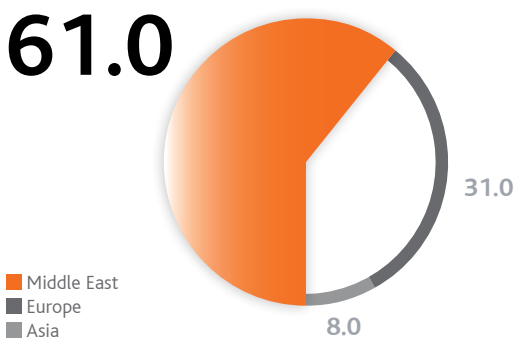
The change in the Integrated Banking Automation System (EBOS), which represents an important milestone for the future of Albaraka Türk, will be completed in 2015.

#### Human Resources at Albaraka Türk

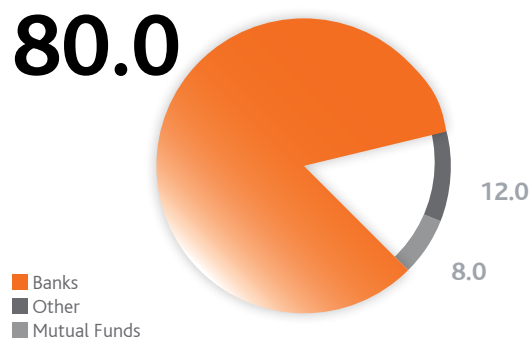
Albaraka Türk shapes its human resources policy on setting out and sustaining a big and happy family picture composed of employees that meet on common ground, are open to change and reform and who adopt the Bank's corporate culture. As a result of this, Albaraka Türk is careful to place the right person for the right job and to choose the individuals with the high potential that will generate value added with the right methods.

The factor that creates difference in competition is people. Acting with this awareness, Albaraka Türk establishes its corporate culture on a sound foundation and views its employees as a source of value which will carry the culture to the future. Thanks to this concept, Albaraka Türk bestows the greatest respect in both current employees and applicants.

#### Geographical Breakdown of Sukuk Issue (%)



#### Investment Instruments Breakdown of Sukuk Issue (%)





Albaraka Türk sustains its development trend with the vision of becoming the world's best Participation Bank with its prestigious team of staff in accordance with the vision and values of the Albaraka brand.



**Albaraka;**  
**kariyeriniz için en iyi yatırım.**

Çünkü Albaraka; Türkiye'de Katılım Bankacılığı'nın okulu olarak görülen, dünyanın 14 ülkesinde faaliyet gösteren bir uluslararası bankacılık grubunun üyesi.

Emeğe değer veren, değerleri olan bir kuruluş olarak ön plana çıkan Albaraka Türk Katılım Bankası; Bölge müdürlükleri, kurumsal şubeler ve şubelerde görevlendirilmek üzere **Kurumsal/Ticari Pazarlama Yönetmenleri ve Uzmanları** aramaktadır.

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Albaraka Türk;

- Views all employees as part of a big and happy family which has hope for the future,
- While striving to create synergy and team spirit, the bank fosters a sense of togetherness in times of sorrow and happiness alike, and on celebration and sharing,
- Strives to inspire, inform and listen while reaching set targets,
- Views appreciation, improvement and paying attention as the basic criteria in providing high motivation.

Albaraka Türk maintains its trend of development with its vision of being the World's best participation bank with its elite team and in accordance with the Albaraka brand value.

With a team which has adapted to team spirit and quality, Albaraka Türk is self-governing and is open to change and innovation, as one of the most popular banks in the sector.

In parallel with the strategy of growth and intensive expansion in its branch network in 2014, Albaraka Türk placed emphasis on recruiting experienced and qualified staff that will provide value added to the Bank.

Mass hiring programs for assistant inspectors, assistant auditors and assistant specialists for corporate/commercial marketing positions were organized in 2014. After careful consideration of more than 10,000 applications, eligible candidates were invited to sit exams. The examinations were also open to the Bank's own personnel and eligible employees were invited to sit the exams. Applicants were hired based on the result of interviews conducted with the applicants who had performed successfully in the exams.



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## Evaluation of Activities in 2014

Albaraka Türk's total number of employees had reached 3,510 by the year-end. 89% of the bank's employees have a college or higher education diploma.

### HR Practices in 2014;

- The increased human resource needs of the service network, with the increase in the number of branches from 167 to 202 (35 new branches) were met.
- Successful "Young Albaraka Academy" interns who are students at top schools, and who were working part time in the Bank, started to work full time.
- Announcements of HR works and activities at www.gencalbaraka.com website were started.
- Open positions in executive positions are filled primarily by making assignment of successful staff donated with appropriate competencies from internal resources.
- A job training program with the Ümraniye İşkur for employment was launched.
- Cooperation with universities continued in 2014. There was cooperation with İstanbul University (KAGEM), Boğaziçi University (BYV,BURA), Bahçeşehir University (CO-OP) and the İstanbul Trade University.
- Internship opportunities were provided to successful students from these universities.
- As a result of the central operation work and more efficient utilization of permanent staff, the number of personnel per branch as a ratio of the total personnel decreased from 18.3 to 17.3; while the number of personnel per branch decreased from 11.9 to 11.6, the ratio of marketing personnel in the branches increased from 57.9% to 60.2%.
- In order to respond rapidly to the health needs of the bank's staff, the service of a dietician was also provided to cover the head office and the İstanbul branches, while a full-time nurse was also employed in the Bank.
- Within the Directorate of Human Assets, the HR Communication Services department was established with the aim of increasing the bank's internal communication quality, its HR practices, awareness in the eyes of university students and employee satisfaction of the Bank.
- 40 branches, 14 departments and 2 regional offices were visited and within "HR is listening to you" project; 15 separate meetings were held with department directors, regional directors and head office managers.
- The HR Contact Portal was created for free exchange of ideas on Personal Development and Learning Platform in Albaraka Academy.
- The participation of low and middle level staff in management is targeted by making recommendations in the creation of policies and strategies with the Bank Employee Committee related with working life in the bank.
- The bank replaced its HR Applications software "Genom", which was in use since October 2008, with a new HR Applications Software, "Humanist" as part of the SİMURG project. The project in question will shortly be integrated with the new main banking system, thereby establishing a healthier, one-stop management of database for personnel information.

### HR Activities of the Bank was awarded the Prize for Human Respect of Kariyer.net in 2014.

Albaraka Türk received the "Respect for People" award, which is organized by the Kariyer.net human resources platform to highlight successful work carried out in human resources area and to share with public, for the seventh year in a row.

The total number of employees at Albaraka Türk reached 3,510 at the end of 2014, with 89% of the Bank's employees qualified with at least a university diploma.

### In 2014;

Branches opened	35
Net increase in personnel	453
Total personnel (31/12/2014)	3.510
Total branches	202
Total regional departments	7

### In 2015...

As part of its growth strategy, Albaraka Türk will continue its work and projects to ensure that the Bank is the most preferred bank and maintain this position with its precious employees who are open to change and innovation and who will carry the Bank to the future. Among these projects;

- Meeting the human resource needs of branches planned to be opened in accordance with bank's growth strategy, with qualified and prestigious staff from internal and external resources,
- Continuing to meet young people in top universities by increasing number of "Career Days" events for attracting prestigious human resources to the Bank,
- Increasing the number of young Albaraka interns,
- Continuing the on-the-job training employment program initiated with Ümraniye İşkur, and
- Using the Humanist (Bilin) program more efficiently and effectively,
- Further enhancing the internal and external activities and events of the HR Communication Service.



## Albaraka Türk implements intensive training programs to support and improve the personal and professional development of its employees.

### Training in Human Values

Albaraka Türk implements intensive training programs in order to support and improve the knowledge and skills necessary to support the personal and vocational development of its employees. Basic level training is organized for assistant authorized officers, assistant specialists and assistant inspectors who have recently joined the bank, in order to help them gain the competence required for their duty. In such training programs, participants receive training on customer relationships and personal development along with technical training.

### Highlights of educational projects carried out in 2014...

#### Retail Marketing Group Training Project

A total of 450 employees attended the program, given in 15 categories, which was presented to the Retail Marketing Department personnel, lasting for 165 training days.

#### Commercial Marketing Group Training Project

A total of 450 employees attended the program, given in 15 categories, which was presented to the Retail Marketing Department personnel, lasting for 75 training days.

### Creditor Simulation Training Project

Training programs composed of three groups at which 670 people attended were organized to improve the competence of analysis of credibility and credit culture of employee working in Corporate, Commercial and Retail Marketing Departments.

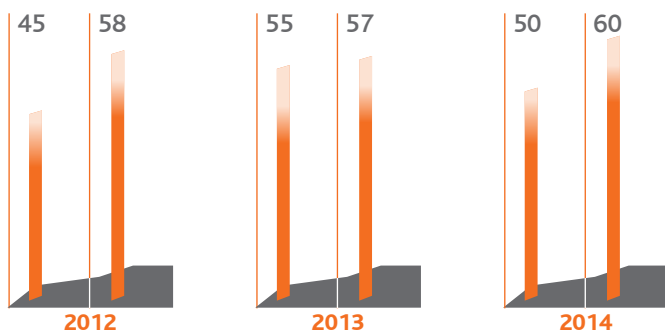
### Change of Integrated Banking Automation System Project

Within the Change of Integrated Banking Automation System Project, training designed for personnel working in Toll Operations and Retail Marketing Departments was organized for 843 people in 37 groups lasting 95 days.

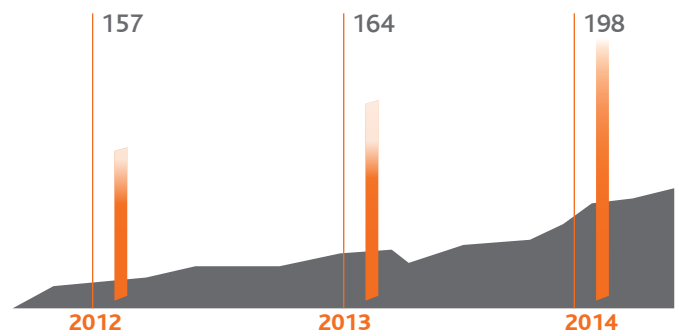
### Management Trainee Programs

The Executive Training Program, which was organized for the eighth time, aims to ensure management candidates have the necessary vision and think strategically, to make them gain the changing and developing management techniques and to prepare them for the global competitive environment in the banking sector. A total of 225 new employees were trained as part of the program, with 49% of them being promoted one level.

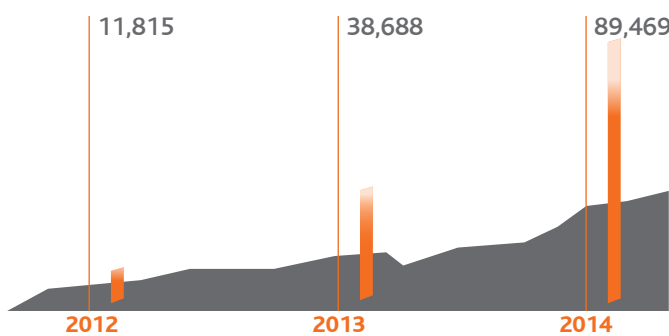
Training per Employee (Hour)



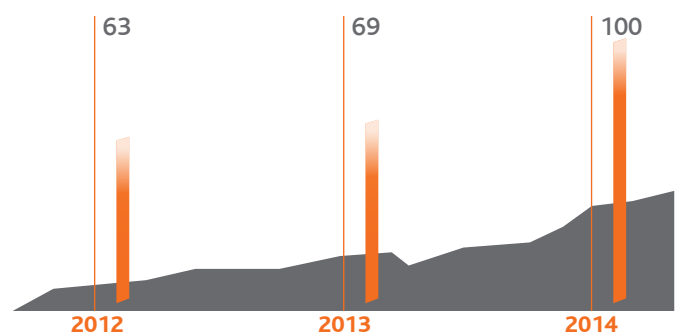
Total Training (Hour)



Number of Employees Trained



Number of Employees Receiving Master Degree Support



## Evaluation of Activities in 2014

In 2014, 197,864 hours of training were provided at Albaraka Türk, with 89,469 people participating in the training sessions. An average of 60 hours of training was provided per employee.

### Certified Basic Occupational Health and Safety Training Programs Project

288 employees working in the head office attended the training given within the scope of Occupational Health and Safety Law – no. 6331 published by the Ministry of Labour and Social Security.

### Competence Based Career Training Programs Project

The project was organized to create more effective and efficient training programs considering functional and managerial competencies determined for the employees.

### English and Arabic Foreign Language Training Project

The lessons, provided by internal teachers, mainly consisted of conversational and supportive grammar lessons in order to meet the foreign language needs of the staff of the Bank. A total of 60 personnel joined the 12 week long programs in 2014.

### Vocational Competency Certification Project

Albaraka Türk started the Vocational Competency Certification Project in 2014 meeting national and international vocational standards in the banking sector in order to form a just, crystal clear and reliable system where the vocational competence of the workforce is documented by accredited and authorized institutions with theoretical and practical tests applied in testing and evaluation centers, which enable comparability on a national and international level, where life-long education is supported, where people who are able to do the job but lack the formal education to document their knowledge and skills may prove their competency, and a guarantee of quality is assured. In this context,

- The Individual Pension System License (PPS)
  - The Insurance Technical Personnel License (Segen) and
  - The Capital Market Licence (SPL)
- degree programs started to be followed.

### Projects to visit departments in the Head Office and training volunteers

The project was initiated in a bid to develop communication between the Training and Development Service and employees of the Head Office Departments, to share ideas and proposals reciprocally and to achieve more dynamic and healthy communication. In this context, opinions were exchanged in bilateral talks with 180 supervisors in 36 departments and 36 training volunteers were identified.

Albaraka Türk provided 197,864 hours of training in 2014. A total of 60 hours of training was provided per employee, with a total of 89,469 attendances in the training.

## 40,878 hours

Albaraka Academy's activities continued at full pace in 2014 with a total of 40,878 hours of e-learning provided in 2014 and 12.31 hours e-learning provided per person.

### Master's and Doctoral Training Support Project

To support the intellectual development of the Bank's staff and in line with the target of "creating an elite team of staff", the program, which started in 2011, continued in 2014. As a total of 235 personnel were supported, with the doctorate option added to the master's practice in 2014, and the support limit was increased by 15%.

### Master's and Doctoral Training Project

In 2014-2015 academic year, the Master's program of "International Finance and Participation Banking" and doctorate program of "Islamic Economics and International Finance" was started as a result of the cooperation between Albaraka Türk and İstanbul Sabahattin Zaim University. Meanwhile, as a result of work carried out with the İstanbul University, the Institute of Social Sciences "Islamic Economics and Finance" master's program was initiated.

### Protocol agreements with universities

In order to financially and socially support the professional development of employees, agreements were entered into between Albaraka Türk and the Universities of Nişantaşı, İstanbul Fatih, İstanbul Sabahattin Zaim, İstanbul Trade, İstanbul Bilgi and Okan University on the subject of master programs and certification programs in 2014-2015 academic period. Agreements also cover spouses and children of the staff; offer discounts of between 30% to 50%.

### Albaraka Academy

The Albaraka Academy continued its unstinting work in 2014 with the aim of providing all employees with the best training opportunities in the sector with the newest training technology and therefore meet needs of the employees as well as the Bank's. A total of 40,878 hours of e-learning training was provided in 2014, with 12.31 hours of e-learning per employee.

As 26% of Albaraka Academy training programs were conducted through the distance learning method, 25 trees were saved on the basis of saved resources.

### e-mobile application

The Albaraka Academy implemented an e-mobile application that enables learning anywhere with a new interface developed specifically for mobile devices. The application has enabled participants to access the Albaraka Academy from any location and receive training on a 24/7 basis. E-mobile is a training application which detects the mobile device and offers an interface compatible with the device.

## Albaraka Türk received the ISO 10002: 2004 Customer Satisfaction Management System Document following an audit conducted by SGS in 2014.

### Online survey and exam module

More than 17,703 questionnaire items were filled online through the Albaraka Academy during 2015, with 11,735 online exams undertaken in the exam module. Time and paper was saved through the surveys and test modules.

### Albaraka Academy Publications

In 2014, a total of eight Albaraka Academy publications-on Corporate Banking, Credits, Foreign Operations, Main Banking, Retail Banking, Banking Services, Toll Operations and Accounting-were updated and uploaded to the Albaraka Academy and were available for the use of all staff.

### Personal Development and Learning Platform

The Albaraka Academy continued its innovative practices in the field of e-learning by introducing the personal learning and sharing features. The personal development of staff was achieved through training groups located in personal learning and sharing feature which was added to the e-learning software. This raised the profile of the Albaraka Academy and the number of e-learning courses increased.

### Agent 4141: Information Security Awareness Project Clean Desk Policy

All employees are responsible for ensuring information security and to adopt a pre-emptive approach against threats on information security.

In order to raise awareness in this scope, the Agent 4141-Information Security Awareness clean desk policy e-learning educational game was presented in the Albaraka Academy. This educational game raised awareness of the recognition of the role employees have to play in protecting information in the work environment.. Those who became successful in the end of training were awarded through a lottery.

### A functioning organization, with efficient and high quality-driven processes

Albaraka Türk's organization was customer-oriented structured with necessary flexibility to renew itself to meet demands and expectations of customers and provide qualified goods/services that can keep up with the competition required in the era. The Bank initially accomplished the ISO 9001:2000 Quality Management System in 2004. As a result of the work carried out in 2010, work on the ISO9001:2008 Quality Management System got underway. The renewal audit, carried out by SGS, was successfully completed in 2014.

Albaraka Türk received the ISO 10002: 2004 Customer Satisfaction Management System Certificate as a result of the audit conducted by SGS in 2014.

### In 2014;

- Within the "Albaraka Forum" program, six new forum topics were opened by users and 70 opinions were stated.
- Workload analysis of the Corporate Loans Department was carried out and the results were shared with the Human Resources Department.



- Organizational Charts for all departments were updated.
- Through the Authorization Request Program, 12,430 screen authorization requests were responded to.
- 928 of 1603 documents existing in the Quality Documentation System were revised, 336 of which were newly created and published in the system.
- All work flow charts were examined, with 41 new work flow charts created for necessary processes. A total of 51 work flow charts were updated in the Quality Documentation System.
- In the scope of the Annual Internal Audit, departments and 26 branches were investigated by sampling method.
- 618 proposals which were communicated by employees through the Offer System in 2014 were evaluated. 218 Wishes and Suggestions forms were opened in an effort to improve the Process.
- Six 22 hour long programs of training on Improving Quality Awareness and Ethics were organized for those joining the bank. The Program was transferred to the Albaraka Academy in November 2014, where 46.6 hours of training on Quality Awareness and Ethics were provided to employees. Awareness and Ethics were provided to employees.

## Evaluation of Activities in 2014

Albaraka Türk became the top ranking bank among participation banks in all of the quarters of 2014 according to sikayetvar.com\*

Bağışlamıyoruz! Kan bağışı konusunda gelişmiş ülkelerin çok ama çok gerisindeyiz. Bu yüzden insanlar ölüyor. Haydi! Bağışlayalım insanları kurtaralım.

**KORKMA!  
KAN VERMEKLE  
BİTMEZ.**

KIZILAY'A KAN,  
BİR İNSANA CAN VERİN!

22-23 Ekim 2014  
Açık Otopark - Genel Müdürlük

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alBaraka

**DEĞERLİ MÜŞTERİMİZ**

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Şikâyetinizi yetkili personelimize ilettik ve sorunun en kısa zamanda çözülmesi için çalışmalarına başladık.

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alBaraka

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In the Alfa Awards 2014, Albaraka Türk was selected as the top ranking bank among participation banks in handling customer complaints in the most effective, qualified and solution oriented way.

## Alfa Awards

In the 2014 Alfa Awards, Albaraka Türk was selected as the top ranking bank among participation banks in handling customer complaints in the most effective, qualified and solution oriented way.

Albaraka Türk was again the leader in the sector in 2014 with its management practices of customer complaints summarized under the heading of "We do not respond to complaints, we solve them".

The Bank succeeded in ranking as the top bank in the participation banking sector in providing fast and effective solutions in dealing with customer complaints, in all of the quarterly evaluations undertaken by the independent customer complaint platform, sikayetvar.com (I have a complaint).

\*The website where people can register and share complaints.

### ISO 10002 Customer Satisfaction Management System Document (Certificate of Customer Satisfaction Management)

Within the scope of the work carried out to obtain the ISO 10002 Customer Satisfaction Management System Certificate (Customer Complaints Management Certificate), Albaraka Türk reorganized its Customer Satisfaction Policy and established the Senior Management Commitment according to the prescribed standards.

After the external audit carried out by SGS on August 25, 2014, the Bank was granted the ISO 10002 Customer Satisfaction Management System Certificate (Customer Complaints Management Certificate).

Albaraka Türk reduced the average length of time it took to respond to customer complaints in 2014 to below its average for 2013. Despite the differentiated (replicated) solution channels, the lower average time taken to resolve complaints compared to last year confirmed the Bank's effective and qualified complaint management processes.

## Precious works of art that are held in Albaraka Türk's Calligraphy Collection were presented to art lovers in different programs.

### In 2015 Albaraka Türk...

- Changed the title of the Customer Complaint Management Service to the Directorate of Customer Satisfaction,
- Ranked as the number 1 among financial consumer-friendly banks, as announced after the audit carried out into the level of Customer Orientation,
- Ranked as the number 1 in the Turkish banking sector in the Complaint Management Achievement List as determined by sikayetvar.com (I have a complaint),
- Implemented the new complaint management module,
- Reduced the average time it takes to respond to complaints to less than in 2014,
- Provided training to all Bank staff in complaint management.

### Sustainability applications at Albaraka Türk

Albaraka Türk, which respected a sustainable future with its vision and corporate culture, has continued to contribute to its stakeholders with activities in social and cultural areas.

### The environment and waste management

Albaraka Türk's Head Office is a 'smart building', and the Bank has adopted a number of measures which reduce CO<sub>2</sub> emissions.

In this context;

- Less electricity is consumed through the reduced use of air conditioning as a result of covering sun facing windows with sun films to reduce sunlight. This helps reduce greenhouse gas emissions, thereby contributing to the efforts to tackle global warming.
- Changes in armatures and the composition of other materials used in the branches brought 65 % savings in electricity.
- The Bank's electricity supplier applied a 33% discount on wholesale electricity purchases for the Head Office and the branches. This discount brought monthly savings of TL 92,000 (equating to TL 1,150,000 annually), corresponding to the use of 1,000,000 kWh of electricity per month.
- With water-saving valves mounted to taps, the annual rate of water consumption per employee has been cut by approximately 20%.
- 33 professional photocopying machines are located in common areas, instead of the 100 photocopiers and printers which had included 89 different types of machinery. These new machines offer superior features. This investment has helped reduce the incidence of unnecessary printing and forgotten print outs, effectively cutting photocopying expenses in half. As a result of this investment, that has 9,000 kg of paper, 153 trees have been saved.
- The 6,000 kg of paper that was wasted and destroyed in the headquarters was given to the municipality's recycling facilities, saving 102 trees.
- The recycling of paper and waste which is harmful to the environment has been supported with recycling and waste battery bins placed on each floor.

### Business Continuity Management

Business Continuity Management aims to generate continuity solutions which balance losses in the presence of potential losses and enable Albaraka Türk to act quickly and correctly. The targets of Business continuity management are to maintain the reputation of the Bank, ensure a competitive advantage, gain the trust of employees, divide responsibilities in crisis situations, maintain a safe working environment and ensure the continuity of the firm's operations after any disaster.

### Emergency Management

The Emergency Management procedure, which aims to ensure the safety of customers, employers, documents, computer systems and data in relation to the Bank's employees, assets, activities and systems in the event of any disaster, act of terror, economic crisis, social movements, system damage, workplace demonstrations or such unexpected and extraordinary situation, was restructured.

### Social contribution work undertaken by Albaraka Türk

Albaraka Türk, which is a respected and reliable brand in the participation banking sector, stood out in 2014 with its banking activities as well as social contribution projects and its support for culture and art.

The fourth "Albaraka International Calligraphy Contest", held by the Bank every three years and considered to be one of the world's leading Calligraphy competitions, was implemented in 2014. The subject of the competition, in which Turkey's most important masters of calligraphy will serve as juries, was determined as "give away". Applications for the competition will end in March and results will be announced in April.

### Precious works of art in Albaraka Türk Calligraphy Collection presented to art lovers in different programs

Besides the Aşk-ı Nebi Exhibitions that were opened in Washington and New York after being exhibited in the Topkapı Palace, the works of art presented in the Hüsn-i Hat Exhibition opened in Hünkar Kasrı attracted a great deal of interest from visitors.

Albaraka Türk Publications published the Book of Andalusia by Lutfi Şeyban, who is known for his research and analysis of the history of civilization. The work covers Andalusia, a model civilization in the history of world in all aspects. It is an important cultural source for those who are interested in the subject, carrying the most comprehensive compilation of publications on the subject.

"Hand in hand with SME's, from local to global" meetings were organized by Albaraka Türk in order to help SME's globally become more commercially competitive to develop the local economy. In 2014, some of Turkey's leading academics gave speeches in meetings organized in Denizli and Konya with the participation of hundreds of businessmen.

In recent years, a blood donation campaign in the name of Albaraka Türk has become something of an annual event, and attracted a great deal of interest among employees in 2014. Donors were thanked with documents from the Red Crescent.

## Evaluation of Activities in 2014

Non-reciprocated scholarships were provided for 16.057 students of which 92% for under-graduate and 8% for graduate education since 1987.

In addition, Albaraka Türk;

- Sponsored a documentary film entitled "Maşuk'un Nefesi" produced by Semih Kaplanoğlu and directed by Murat Pay, in order to regenerate the 600 year old tradition of Mevlid, which is on the verge of being forgotten.
- Took over the main sponsorship of the İstanbul Seb-i Arus ceremony held with the participation of about 15,000 spectators.
- Sponsored the summit on the subject of "Tomorrow's Changing Scenarios: Understanding the Challenges and Improve Dialogues" organized by the International Cooperation Platform.
- Sponsored the Islamic Finance News (IFN) Forum Turkey, which took place at the Boğaziçi University. In this event, information concerning products and services related to interest-free banking was provided to more than 200 senior industrialists and businessmen as well as students participating in the program.
- Sponsored the 9<sup>th</sup> Turkish-Arabic Economy Forum in İstanbul in May.

## Bereket Vakfı

### Contributions to education through the Bereket Foundation

The Bereket Foundation, established in 1986, was granted tax-exempt status following the Council of Ministers' decision No. 90/1182 dated 21.11.1990.

The main purposes of the foundation can be summarized as follows;

- Providing opportunities to bring education and provide cash and non-cash benefits to talented but disadvantaged students of all academic levels,
- Likewise, providing scholarships to students to study domestically and abroad and enable opportunities for them to carry out specialized and scientific research and to receive undergraduate and graduate education,
- Undertaking the required investment expenditure for the purpose of education, and
- Providing cash and non-cash benefits to disadvantaged people.



## 2,089 students

A total of 2,089 students received scholarships in 2014 of which 2,001 were under-graduates and 88 doctorate students.

Non-reciprocated scholarships were provided to 16,057 students, of which 92% were for under-graduate education and 8% were for graduate education since 1987. Scholarships are provided without any distinction between branches covering all of cities nationwide. In order to support specialization and scientific research abroad, non-periodic aid for training is also provided.

In 2014, a total of 2,089 students were receiving scholarships, of which 2,001 were for under-graduate degree courses and 88 for doctorates.



## Albaraka Türk targets 20% growth in total assets, funds collected and funds disbursed.

### Research and development practices

General retail banking was restructured in 2014 in compliance with the consumer law and in particular where the definition of 'consumer' was strictly defined without allowing financial institutions to define the term; various regulations were applied in this area.

In this context, work on compliance with law No. 6502 "Law on the Protection of Consumers" and drafts published by the BRSA formed an important part of the Bank's agenda.

The fact that the principles of fairness and transparency which constitute the core of these regulations are also the core principles of participation banking will support the Bank's ability to comply with these rules and support motivation.

The Customer Focus Rating audit, which aims to evaluate and view the results of these regulations and the reflection of these practices in the field, was on Albaraka Türk's agenda, especially in the final months of the year-not just for 2015, but will also be the focus of all work from now on.

A wide array of new products such as "You are the maturity", "Bill paying account", "2B financing", were provided to customers by the Retail Product Management Department in 2014.

We leave behind a challenging year for the Bank in terms of transformation of information technology infrastructure and ambitious expansion plans for Albaraka Türk. The needs of the information technology resources in the coming period will grow very quickly, and IT will have to meet the high expectations of the business team. At the same time, some of Albaraka Türk's unique initiatives will be brought into operation.

IT environments continued to take shape in 2014 and a wide range of projects have been implemented. Some of these projects include main banking, the transition to the EBOS Application, the implementation of CSI (continuous service improvement) methodology by utilizing ANKA, meeting the needs of EBOS as infrastructure and adoption of virtualization, MS Exchange, Lync Transition and transporting the Lotus application.

### Expectations and Forecasts related to 2015

We have positive expectations for our country's economy and for Albaraka Türk. Provided the economic and political stability continues, the share of participation banking in the total banking sector will rise to significant levels. Considering Turkey's young population and dynamic structure, we expect the Government to reach its targets easily within an effective economic plan.

For the banking sector, the rise in interest rates on loans will result in a deterioration in margins because of the competition for deposits. As a result, profitability may continue to decrease in 2015. In terms of asset quality, there will be an increase in non-performing loans due to the devaluation of the TL and slowdown in the economy. However,

## In 2015

**With its strong financial structure and asset quality, Albaraka Türk will maintain the growth in its balance sheet and its contribution to the real sector without compromising the balance between sustainable growth and profitability in 2015.**

the sound structure of the sector and the legal regulations in place will limit any deterioration in asset quality.

Albaraka Türk outperformed the banking sector in terms of assets, loans and funds collected. Sukuk issues, which promote the diversification of funding sources for participation banks, will continue next year. Moreover, the government's commitment to continue issuing lease certificates in 2015 will also support participation banks in their efforts to diversify their asset base while also providing sufficient amounts to establish a secondary market.

With its strong financial structure and asset quality, Albaraka Türk will continue to climb to the top without compromising the balance between sustainable growth and profitability in 2015. Albaraka Türk targets 20% growth in its total assets, funds collected and funds disbursed. In addition, in order to support the liability side of the balance sheet, the bank also plans sukuk issuances.

As one of the founders of participation banking in our country, Albaraka Türk implements the Simurg Transformation Program. In this context, the transformation process, which started 3 years ago in the Bank, is expected to be completed next year. Albaraka Türk has renewed and further developed its technological infrastructure in accordance with customers' expectations. At the end of this process, Albaraka Türk aims to become the Best Participation Bank and a medium-sized bank with a stable growth in the Turkish banking sector.

Albaraka Türk ended 2014 ahead of the planned targets in terms of branch expansion. As of 2014, it has reached 202 branches nationwide. In 2015, the Bank plans to open 10 to 15 new branches .

Katılım Emeklilik was established with a 50% partnership with Kuveyt Türk and was the first insurance company to hold two licenses; individual pension and life insurance. Targets in individual pension and life insurance are reaching 500,000 participants in its first 5 years, and being one of the top ten players in the pension sector

Albaraka Türk will continue to take significant steps in 2015 towards its vision of becoming The World's Best Participation Bank.

## The Report on Compliance of Annual Report



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### Convenience translation of a report on compliance of annual report originally issued in Turkish

#### To the General Assembly of Shareholders of Albaraka Türk Katılım Bankası Anonim Şirketi:

We have audited the compliance and accuracy of the financial information included in the Annual Report of Albaraka Türk Katılım Bankası A.Ş. ("The Bank") and its consolidated subsidiary as of December 31, 2014 with the audited financial statements drawn up as of the end of accounting period. The Annual Report is the responsibility of the Bank's management. Our responsibility, as independent auditors, is to express an opinion on compliance of the financial information included in the annual report with audited financial statements of the Bank, based on our audit report dated March 11, 2015.

We have conducted our audit in accordance with principles and procedures set out by the regulations on preparation and issuance of annual report in the Banking Act No.5411, and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") and article 397 of Turkish Commercial Code No. 6102. Those regulations require us to plan and conduct the audit to obtain reasonable assurance whether the financial information included in the annual report is free from material misstatement. We believe that our audit provides a reasonable and sufficient basis for our opinion.

In our opinion, the financial information presented in the accompanying Annual Report accurately reflects, in all materials respects, the information regarding the financial position of Albaraka Türk Katılım Bankası A.Ş. as of December 31, 2014 in accordance with the principles and procedures set out by the regulations in conformity with Article 40 of the Banking Law No.5411. It includes a summary report of the Board of Directors and the convenience translations of the independent auditor's report originally issued by us in Turkish and it is consistent with the information contained in the independently audited financial statements and notes to these financial statements originally issued in Turkish.

#### Report on other responsibilities arising from regulatory requirements

In accordance with paragraph 3 of Article 402 of the Turkish Commercial Code 6102, within the framework of the Independent Auditing Standards 570 "Going Concern", no material uncertainty has come to our attention to be disclosed which causes us to believe that Albaraka Türk Katılım Bankası A.Ş. will not be able to continue as a going concern in the foreseeable future.

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

Darnla HARMAN  
Partner in charge, SMMM

# Information on the Management and the Corporate Governance Practices

- Board of Directors
- Senior Management
- Organization Chart
- Committees and Committee Meetings Attendance
- Summary of the Board of Directors' Annual Report
- Support Services Providers
- Transactions of the Bank with the Risk Group
- Albaraka Türk Participation Bank Corporate Governance Compliance Report (31.12.2014)

## Board of Directors



**Adnan Ahmed Yusuf ABDULMALEK**  
Chairman

Mr. Adnan Yusuf was born in 1955 in Manama (Bahrain). He studied Administrative Sciences in the Hull University (England) where he also completed his post-graduate degree. He commenced his banking career in 1973 at Habib Bank. He worked at the American Express Bank between 1975 and 1980 as assistant manager of credit transactions. He then held the following positions at Arab Banking Corporation (ABC) from 1980 onwards: Manager of main branch, deputy general manager and vice-chairman, director of global marketing and financial institutions division, head of Arab World division, vice manager of subsidiaries and investments. In 1998 Mr. Yusuf became the chairman of ABC Islamic Bank (EC). He was then appointed as the general manager of Al Baraka Banking Group (ABG) in March 2000. He took office as the CEO of Bahrain Islamic Bank during 2002-04. Since August 2004, he has been working as a board member and CEO of the ABG. In the board of directors of several banks in ABG family, Adnan Yusuf is either a member or chairman. Apart from above mentioned positions, Mr. Adnan Yusuf has twice been recipient of the "Islamic Banker of the Year" Award at the World Islamic Banking Conference, in December 2004 and December 2009. He has been the chairman of the Board of Directors and the Credit Committee of Albaraka Türk since April 2005.



**Ibrahim Fayeze Humaid Al SHAMSI**  
Board Member

He was born in 1949 in the Ajman city of the United Arab Emirates (UAE). Mr. Ibrahim Fayeze had his degree in economics from the Arab University of Beirut in Lebanon in 1972. He commenced his professional career in 1969-1972 at Bank of Oman as current accounts chief. Later on he became the manager of its Ajman branch (1971). He held the following positions: Manager of financial affairs at the Ministry of Housing & Town Planning of UAE (1972-1976); assistant general manager at Abu Dhabi Fund for Arab Economic Development (1976-1989); board member for European Arab Bank Holding in Luxembourg (1978), Board member for Industrial Bank of UAE (1983-1999), Board member for Austrian Conference Centre Co in Vienna (1984) and Board member for Dubai Islamic Bank (1998-2001). He also worked as chairman of UAE Bangladesh Investment Co in Bangladesh (1988-1989), and Board of The Arab Fund for Economic & Social Development in Kuwait (1983-2010). He has been the CEO of the Emirates Islamic Bank in Dubai between 2004 and 2011. He has been a board member of Albaraka Türk since April 2005. He is also the member of Corporate Governance and Social Responsibility Committee.



**Yalçın ÖNER**  
Vice Chairman

Yalçın Öner was born in 1938 in the town Araç (Kastamonu). He had his degree from the Faculty of Political Sciences at Ankara University and received his masters degree at Minnesota University (USA) on public administration. He started his professional career in 1959 at the Ministry of Finance as tax inspector. Later on, he began to work for the State Investment Bank in 1972 and for Yatırım Finansman Investment A.Ş. in 1978. He became the first general manager of Albaraka Türk in 1985 and held this position until 1996. Yalçın Öner has been board member since 1996. He has been the board member responsible for internal audit and Risk Management from July 2001 onwards. He took office in our Bank as executive (resident) board member between April 2002 and January 2007. During the period December 2006 - March 2008 he was a board member responsible from internal systems and Audit Committee members of Albaraka Türk. He has been vice-chairman of the Board of Directors since April 2002. He is also the Independent Board Member of Saf Real Estate Investment Trust Co.



**Prof. Dr. Ekrem PAKDEMİRLİ**  
Board Member

He was born in 1939 in Izmir. Professor Pakdemirli received his bachelor's degree from the Faculty of Mechanical Engineering in the Middle-East Technical University (Ankara). Having completed his postgraduate studies at this university, he has completed his doctorate at Imperial College London University. He is Sworn Chartered Accountant since 1989. The government offices and positions he has been vested with include the followings: Deputy undersecretary of the State Planning Organization, vice-rector of Dokuz Eylül University, undersecretary of the Undersecretariat of Treasury and Foreign Trade, chief consultant to prime-minister of Turkey, ambassador at large. During his office as a member of parliament, representing Manisa City for 4 consecutive terms (between 1987 and 2002) he was appointed as the Minister of Transportation, Minister of Finance and Customs, Minister of State, Deputy Prime-Minister of Turkey. He has been working as a lecturer at Bilkent University, Başkent University and İstanbul Ticaret University since 2003. Prof. Pakdemirli has also worked as the deputy chairman of Vestel Electronics A.Ş. and BIM Birleşik Mağazalar A.Ş. and Çevresel Kimya A.Ş. as board member. Today he is board member of Sinpaş GYO, SAF GYO and Ülker Bisküvi A.Ş. Prof. Pakdemirli was appointed as a member of the board of directors of Albaraka Türk in 2007.



**Osman AKYÜZ**  
Board Member

He was born in 1954 in the town Yomra (Trabzon). He has obtained his degree from the Faculty of Political Sciences, Ankara University. He has commenced his professional career in 1978 as a tax inspector at the Ministry of Finance. He was then transferred to Sezaî Türkes - Fevzi Akkaya Group as an auditor and financial consultant in 1983. In 1985, he started working as the manager of financial and administrative affairs in Albaraka Türk. Thereafter he worked as the manager of fund allocations (1991-94), assistant general manager (1994-95) and general manager of the Bank (1996-2002). Osman Akyüz is a member of the Credit Committee in our bank since November 2001 and executive (resident) board member since April 2002. Mr. Akyüz also holds a position in the Union of Turkish Participation Banks as secretary general since July 2002, board membership in the Istanbul Chamber of Commerce since April 2005 and board member in the Borsa İstanbul since 2012. He is also the chairman of Development Board In Istanbul Development Agency, Independent Board Member of Sinpaş Real Estate Investment Trust Co. and board member of EYG Real Estate Portfolio Management Inc.



**Hamad Abdulla A. EQAB**  
Board Member

He was born in 1970 in the city of Manama, the capital of Bahrain. Mr. Eqab received his degree in accounting from the University of Bahrain in 1993. His professional career started by working as banks' inspector for Bahrain Monetary Agency in the same year. In 1996, Mr. Eqab moved to the Bahrain office of Arthur Andersen Auditing & Consultancy firm as an insurance auditor. He worked at Shamil Bank of Bahrain BSC as internal auditing manager responsible for numerous auditing and consultancy projects between the years 2002 and 2004. He joined the Ithmaar Bank at the same city as senior manager overseeing internal audit operations between the years 2004 and 2005. Since February 2005, he has been working at ABG in Bahrain, as senior vice-president responsible for financial control. He has been holding a CPA certificate since 1996. Currently he is vice-chairman of the Accounting and Auditing Standard Board of AAOIFI and, also board and audit committee member in Jordan Islamic Bank and AlBaraka Algeria. He holds the position of a member of the Board of Directors and the Audit Committee since March 2008.



**Mitat AKTAŞ**  
Board Member

He was born in 1963 in Selendi (Manisa town of Turkey). Mr. Aktaş was graduated from the Economics department of Political Sciences Faculty at Ankara University in 1984. He completed his master's degree in 1992 at the Vanderbilt University in the USA. He started his career by joining the Turkish Ministry of Finance as tax inspector in 1984. He started working in our Bank as the manager of financial affairs department in 1996. Between 2003 and 2008 he worked as the head of audit and inspection group in Albaraka Türk. Since March 2008, he has been working as a member of the Audit Committee and a board member who is in charge of the internal systems of our Bank.



**Hood Hashem Ahmed HASHEM**  
Board Member

He was born in 1965 in Bahrain, graduated from the faculty of Computer Science and Engineering at King Fahd University of Petroleum & Mineral in 1989 and completed MBA program in 2005 at University of Glamorgan Cardiff, UK. Mr. Hashem worked as senior analyst at Bahrain National Oil Company between 1989 and 1996, and in August 1996 joined the Arabian Insurance Group (ARIG) as Senior Systems Developer. As a senior consultant, Mr. Hashem worked in Bahrain for airlines computer datacenter of the SABRE Group during 1998-99 and at Arthur Anderson in 1999 and 2000. Mr. Hashem, who worked as Senior IT manager in Bahrain Islamic Bank between 2000 and 2007, joined Albaraka Banking Group (ABG) in 2007 February. Mr. Hashem is a Certified International Project Manager (CIPM) and Certified Information Systems Auditor (CISA). Hood H.A.HASHEM was appointed as board member of Albaraka Türk in 2011 and also board and risk committee member in Jordan Islamic Bank.



**Fahad Abdullah A. Al RAJHI**  
Board Member

He was born in Riyadh, the capital of Saudi Arabia in 1961. Mr. Al-Rajhi was graduated from the Industrial Management Department in King Fahad Petroleum & Minerals University in 1984. He commenced his professional career in 1987 at Al-Rajhi Banking and Investment Corporation as vice manager of the central branch. He was then promoted as manager of the central branch and later on as assistant manager of collaterals department. In the same bank, he was responsible for liaison with government offices and investments. He worked as a board member for Saudi Public Transportation company between 1995 and 2001. He worked as the general manager of treasury and finance department in Al-Rajhi Banking & Investment Corporation until May 2008. Currently, he is the chairman of board of directors of Fahad Abdullah Rajhi Venture Company, Raysut Cement at Oman and Najran Cement. He has been a member of our Board of Directors and the Corporate Management Committee since March 2008.



**Prof. Dr. Kemal VAROL**  
Board Member

Kemal Varol who was born in 1943 in Iğdır, had his masters degree on the Textile Chemistry from the Institute of Science and Technology of Manchester University in 1965 where he had also completed his Doctorate in 1968. Since 1974, Mr. Varol has been working as a senior manager in numerous companies including the Sümerbank where he worked as General Manager and Chairman of the Board. He is currently working as an Associate Professor and the Head of Industrial Engineering Department at Istanbul Commerce University. Kemal Varol was appointed as the Independent Board Member to the Board of Albaraka Türk in 2013 and he is also the chairman of Corporate Governance Committee and a member of Credit Committee.



**Khalifa Taha Hamood AL-HASHIMI**  
Board Member

He was born in 1952 in Aden/Yemen, graduated from the faculty of Accountancy & Finance of Newcastle Upon Tyne Polytechnic. During 1976 to 87, he was a self-employed accountant in England. He worked as an auditor with Touche Ross & Co in Jeddah between 1987 to 1989. He also worked as senior auditor with Deloitte & Touche in Jeddah and Texas between 1989 to 1992. He joined Whinney Murray & Co (member of Ernst & Young International) in Riyadh and worked as assistant manager between 1992-1996. Later on he joined the Islamic Development Bank (IDB) in Jeddah since 1996 to-date working as senior internal auditor, section head of disbursements, division chief of budget & disbursements and finally as division chief of settlements. He has reached the rank of "Director" in the Islamic Development Bank (IDB). Khalifa Taha Hamood was appointed as member of the Board of Directors in Albaraka Türk since 2011.



**Dr. Fahrettin YAŞI**

**Board Member and General Manager**  
Mr. YaşI was born in Fatsa (Ordu) in 1965. He received his degree from the Department of Management of the Faculty of Political Sciences in Ankara University (1987) and completed his masters degree in Banking Department of Social Sciences Institute at Marmara University (Istanbul, 2006). He started his professional career as a sworn auditor for banks in 1987. After working for Ege Bank as an Assistant General Manager between 1996 and 1998, he was appointed as Assistant General Manager to Albaraka Türk in the same year. Between the years of 2005 and 2009, Mr. YaşI held the position of Deputy Assistant General Manager at Albaraka Türk. He has been the General Manager of Albaraka Türk since November 2009. He has been the Board Member and General Manager of Albaraka Türk since November 2009, and he has been serving as Chairman of the Board at Katılım Emeklilik and Hayat AŞ as of 2014. He is also the chairman of Strategic planning Committee and member of the Credit, Remuneration and Social Responsibility Committees in Albaraka Türk.

## Senior Management



**Dr. Fahrettin YAŞI**  
Board Member and General Manager  
Please see Board of Directors page for the CV of Fahrettin YAŞI.



**Nihat BOZ**  
Assistant General Manager  
Born in Kars in 1963, Mr. Boz graduated from the Faculty of Law of Istanbul University (1985). After being a self-employed lawyer (1985-1987), he was appointed as lawyer to the Legal Affairs Department at Albaraka Türk in 1987. He later became Assistant Manager and Manager within the same department (1995-1996). Between 2002 and 2009, Mr. Boz was head legal consultant at Albaraka Türk. He has served as Assistant General Manager responsible for Legal Advisory And Legal Follow-Up Departments of Albaraka Türk since December 2009.



**Mehmet Ali VERÇİN**  
Assistant General Manager  
Mr. Verçin was born in Kurtalan (Siirt) in 1962. He received his degree from the Department of Economics of the Faculty of Political Sciences in Ankara University. He worked for several private companies between 1984 and 1993 as manager of exporting affairs as well as marketing manager. He began working as a Specialist in Marketing Projects in Albaraka Türk in 1993. He was promoted as Chief, Second Manager, Assistant Manager and then onto Executive in the Project and Marketing Department (1993-2000) at Albaraka Türk. Mr. Verçin has been Assistant General Manager since 2005 responsible for Corporate Marketing, Treasury Marketing And Investment Projects departments.



**Temel HAZIROĞLU**  
Assistant General Manager  
Mr. Haziroğlu was born in Trabzon in 1955. He received his degree from the Department of Mathematical Engineering in Istanbul Technical University (1980). He worked as Programmer, System Analyst and Assistant Manager of IT for Türkiye Emlak Bankası. He worked as the IT Manager at Albaraka Turk between the years of 1986 and 1991. Between 1992 and 1995, he worked in the trading sector as an independent consultant. In 1996, he was again appointed to Albaraka Turk where he worked as Manager of IT department and Deputy Manager of Human Resources and Administrative Affairs Department. Mr. Haziroğlu has been Assistant General Manager since 2003 primarily responsible for Human Values, Training and Organization, Performance and Career Management and Administrative Services Departments.



**Bülent TABAN**  
Assistant General Manager  
Mr. Taban was born in Ordu in 1966. He received his degree from the Faculty of Management in Istanbul University (1987). He completed his postgraduate study at the Department of Management, Social Sciences Institute in Istanbul Technical University (1990). He began his banking career as an inspector in the board of inspectors for Türk Ticaret Bank. He transferred to Kentbank in 1995 where he was appointed as Manager of Retail Banking in 1997. He began working as the Manager of Retail Banking Department for Albaraka Türk in 2002. Since 2003, he has been in the office as the Assistant General Manager primarily responsible for Commercial Marketing, Commercial Products and Regional Office Departments.

### Information on Board of Directors and Senior Management

Position	Name-Surname	Education	Inception at Work	Experience in Banking Sector	Share (%)
<b>Yönetim Kurulu</b>					
Chairman	Adnan Ahmed Yusuf ABDULMALEK	Masters Degree	2005	41	(*) 0.0000
Vice Chairman	Yalçın ÖNER	Masters Degree	1985	42	
Board Member	İbrahim Fayez Humaid ALSHAMSI	Bachelors Degree	2005	44	0.0006
Board Member	Osman AKYÜZ	Bachelors Degree	1996	28	(*) 0.0000
Board Member	Prof.Dr Ekrem PAKDEMİRLİ	PhD Degree	2007	13	-
Board Member	Mitat AKTAŞ	Masters Degree	2008	30	(*) 0.0000
Board Member	Hamad Abdulla A. EQAB	Bachelors Degree	2008	21	(*) 0.0000
Board Member	Fahad Abdullah A. ALRAJHI	Bachelors Degree	2008	27	(*) 0.0000
Board Member	Hood Hashem Ahmed HASHEM	Masters Degree	2011	14	(*) 0.0000
Board Member	Khalifa Taha Hamood AL-HASHİMİ	Bachelors Degree	2011	18	(*) 0.0000
Board Member	Prof. Dr. Kemal VAROL	PhD Degree	2013	6	(*) 0.0000
Board Member	Dr. Fahrettin YAŞI	PhD Degree	2009	26	-

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



#### Turgut SİMİTÇİOĞLU

##### Assistant General Manager

Born in Erzurum in 1961, Mr. Simitcioğlu received his degree from Education Faculty in King Suud University (Saudi Arabia, 1989). He had master degree on business administration from Fatih University in 2012. He started his professional career as an officer in the central branch of Albaraka Türk (1990) later advancing to Assistant Chief and Chief (1993-1997), Second Manager and Assistant Manager (1997-2001) positions within the same branch. Between 2001 and 2003, he became Vice Manager within the branch and then in the Corporate Banking Department. Mr. Simitcioğlu then became Manager of central branch in 2003 until 2009. In 2009, he was appointed as Assistant General Manager primarily responsible for Credit Operations, International Banking Operations, Payment Systems Operations, Risk Follow-Up And Banking Services Operations Departments.



#### Mahmut Esfa EMEK

##### Assistant General Manager

Born in 1965 in Erzurum, Mr. Emek graduated from the faculty of Management at Atatürk University (Erzurum, 1985). He joined İmar Bank in 1988 as Assistant Inspector. He joined Albaraka Türk in 1990 working as Assistant Inspector, Inspector, Assistant Head of the Inspection Board and Head of the Inspection Board between 1990 and 2003. In 2003, Mr. Emek was appointed as the Manager of Operations Department later becoming Senior Manager in the same department in 2010. In March 2011, he was promoted as the Assistant General Manager responsible for Corporate Credits, Commercial Credits, Retail Credits and Credit Administration and Monitoring Departments.



#### Melikşah UTKU

##### Assistant General Manager

Mr. Utku was born in Ankara in 1968. He graduated from Mechanical Engineering Department of Boğaziçi University (Istanbul, 1990). He completed his graduate studies in London School of Economics (1990-1992) and masters degree on economic development in Marmara University (Istanbul, 1998). In 2004, he served as consultant to General Manager of Albaraka Turk. In 2006 - 2007, he was head economist in Albaraka Turk. He later worked as Investor Relations Manager from 2007-2009. He was appointed as Assistant General Manager in December 2009 primarily responsible for Financial Affairs, Budget And Financial Reporting and Corporate Communication Departments. In addition, he was an economics columnist for Yeni Şafak newspaper for over 10 years (1995-2009).



#### Ali TUĞLU

##### Assistant General Manager

Born in 1969 in İstanbul, Mr. Ali TUĞLU graduated from the Department of Computer Engineering at İstanbul Technical University (1991). Between 1991 and 1993, he worked as an instructor in Virginia Tech University, ABD and he took his master degree in the field of computer science in the same university. In 1995, Mr. Ali TUĞLU began working as a software engineer for CGN & Associates Company and two years later, by transferring to Minerva he worked as the Manager of Software Group. Transferred to HP in 1998, for ten years Mr. Ali TUĞLU served as a Senior Consultant, a Senior Project Manager, a Consultancy Regional Manager of Turkey and International Departments. Between 2008 and August 2014, He worked as an Assistant General Manager responsible for Information Technologies at Bank Asya Participation Bank and since October 2014 he was appointed as Assistant General Manager responsible for Albaraka Turk Information Technologies. Mr. Ali Tuğlu has been an Assistant General Manager primarily responsible for Core Banking Applications Development, Information Technologies System Support, Customer Channels and Analytical Applications Development, Governance and Strategy of Information Technologies Departments.



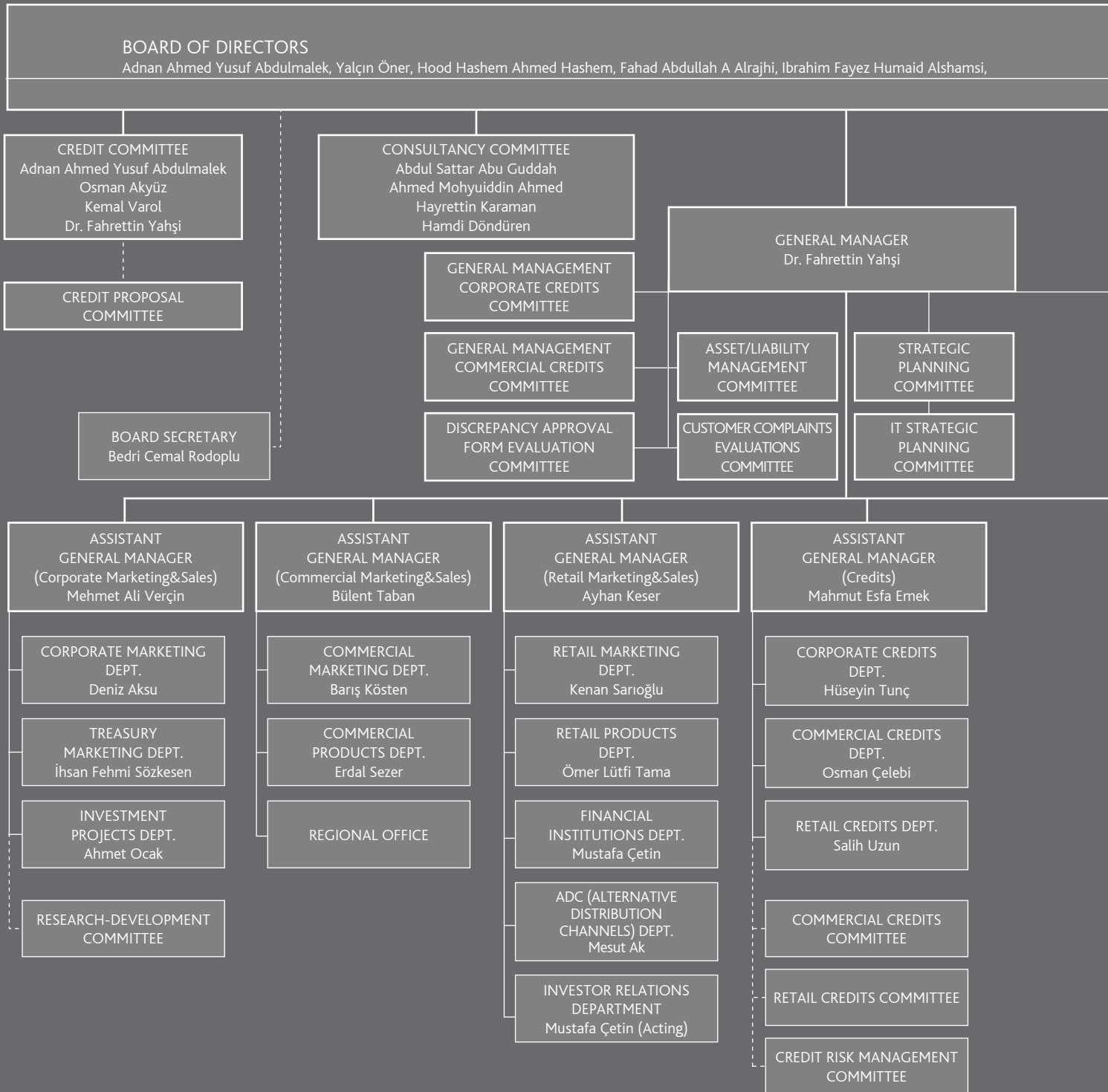
#### Ayhan KESER

##### Assistant General Manager

He was born in 1970, Kalecik-Ankara. Mr. Keser graduated from the Department of Economics at the Middle East Technical University (Ankara, 1991). After briefly working at Ziraat Bank, Mr. Keser worked successively as Banks' Sworn Assistant Auditor and Banks' Sworn Auditor at the Undersecretariat of Treasury; Prime Ministry of Republic of Turkey. He joined Bank Asya in 1997 later resigning as Assistant General Manager in 2011. Mr. Keser joined Albaraka Türk in March 2011 as Assistant General Manager. He is responsible for the Retail Products, Financial Institutions, Alternative Distribution Channel and Retail Marketing Departments.

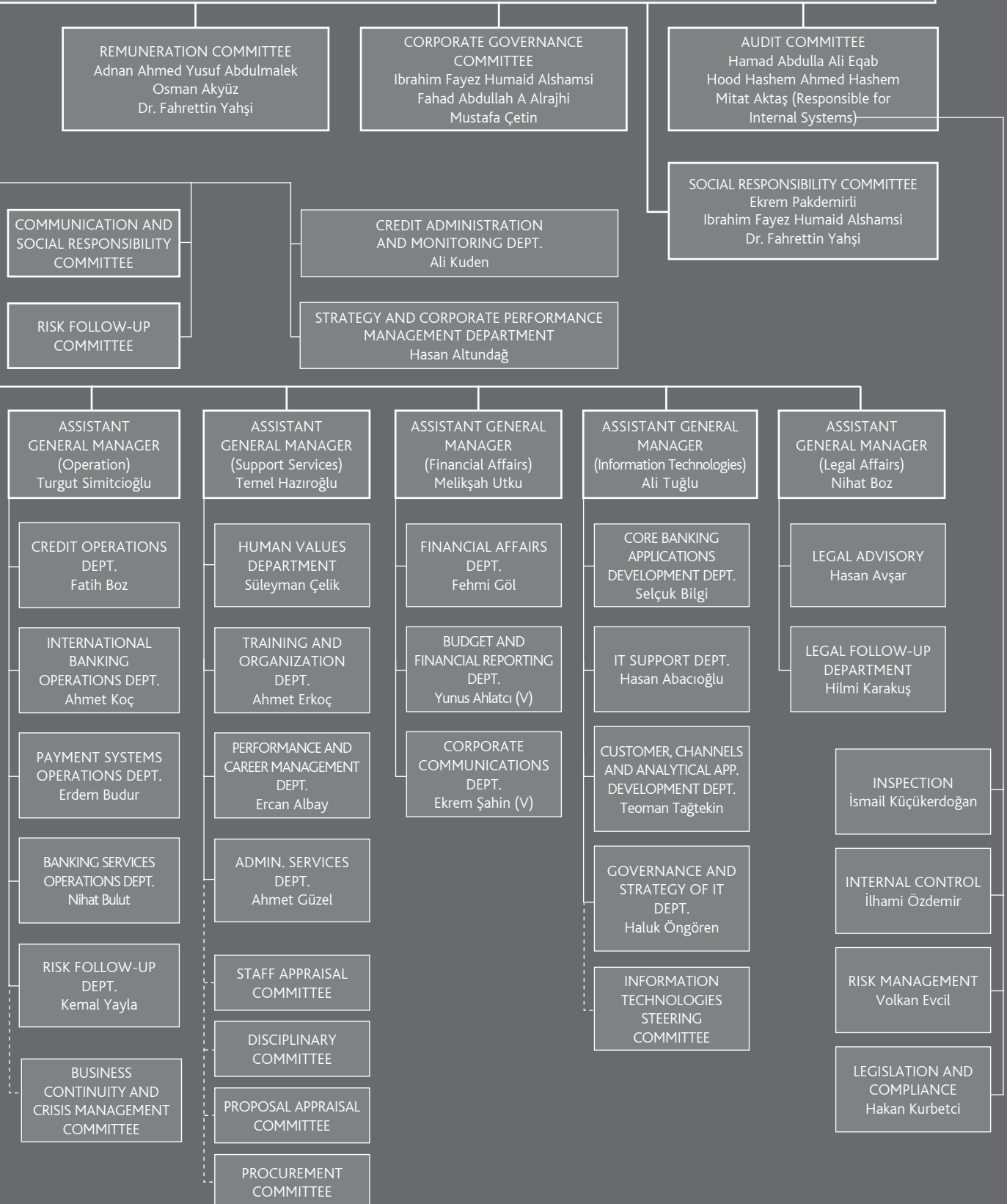
Position	Name-Surname	Education	Inception at Work	Experience in Banking Sector	Share (%)
General Manager	Dr. Fahrettin YAHŞI	PhD Degree	2009	26	-
Assistant General Manager	Mehmet Ali VERÇİN	Bachelors Degree	2005	21	-
Assistant General Manager	Nihat BOZ	Bachelors Degree	2009	28	0.0048
Assistant General Manager	Temel HAZIROĞLU	Bachelors Degree	2003	29	0.0342
Assistant General Manager	Bülent TABAN	Masters Degree	2003	23	-
Assistant General Manager	Turgut SİMİTÇİOĞLU	Masters Degree	2009	25	-
Assistant General Manager	Melikşah UTKU	Masters Degree	2009	11	-
Assistant General Manager	Mahmut Esfa EMEK	Bachelors Degree	2011	27	-
Assistant General Manager	Ayhan KESER	Bachelors Degree	2011	23	-
Assistant General Manager	Ali TUĞLU	Masters Degree	2014	7	-

## Organization Chart\*





Khalifa Taha Hamood Al-Hashimi, Osman Akyüz, Ekrem Pakdemirli, Hamad Abdulla Ali Eqab, Kemal Varol, Mitat Aktaş, Dr. Fahrettin Yahşi



## Committees and Committee Meetings Attendance

### 1. CREDIT COMMITTEE

#### a. Purpose

Within the authorities vested by the Board of Directors, the Credit Committee resolves about demands for credit line allocations amounting up to 10% of the Bank's equity including their renewals, amendments and/or collateral changes on condition that the tasks, powers and responsibilities should remain within the restrictions defined in the Banking Law.

#### b. Organization of the Committee

It consists of General Manager or Deputy General Manager with at least two members chosen by the Board of Directors amongst members that meets the conditions required for the General Manager (except for the term) to carry out the assignments given regarding credits. Two reserve members that have the specifications required in the General Manager are chosen (except for the term) to serve in substitute for the Credit Committee members who cannot participate in any meeting.

#### Current Members of the Credit Committee:

President: Adnan Ahmed Yusuf ABDULMALEK, Chairman

Member: Osman AKYÜZ, Board Member

Member: Dr. Fahrettin YAHŞI, Board Member and General Manager

Member: Kemal VAROL, Board Member

Reserve Members: Yalçın ÖNER, Ekrem PAKDEMİRLİ

#### c. Functions of the Committee

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

- Decides on Branches credit limits and utilized conditions,
- Evaluate and decide on the branches' demand in terms of limit allocation and raises,
- Resolves on credit lines that are to be decreased or canceled,
- Monitors the general credit policy of the Bank,
- Determines the terms and conditions of credit allocations,
- Decides on converting credit lines of clients into other modes of credit facility.

#### d. Operation Principles of the Committee

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

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

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

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

Note: The Credit Committee convened 101 times in 2014 with all members attended.

## 2. AUDIT COMMITTEE

### a. Purpose

The Audit Committee consists of the Board members for assisting the audit and supervision activities of the Board of Directors according to the article 24.6 of the 5411 No. Banking Law.

### b. Organization of the Committee

The Audit Committee consists of at least two non-executive Board members. The Committee members have to have the specifications determined by Banking Regulation and Supervision Agency.

Current Members of the Audit Committee:

President	: Hamad Abdulla A.EQAB, Board Member
Member	: Hood Hashem Ahmed HASHEM, Board Member
Member	: Mitat AKTAŞ, Board Member and Internal Systems Executive
Observer	: Yalçın ÖNER, Vice Chairman
Observer	: Ibrahim Fayez Humaid AL SHAMSI, Board Member
Observer	: Dr. Fahrettin YAHŞİ, Board Member and General Manager,

### c. Functions of the Committee

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

### d. Working Principles of the Audit Committee

- The Audit Committee convenes at least 4 times a year.
- The Audit Committee discusses issues related to internal control, financial tables, internal audit and other items on their agenda, by also summoning the representatives of independent audit agencies, if and when needed,
- Committee resolutions are submitted to the Board of Directors for acknowledgment or ratification.
- Resolutions of the Audit Committee are registered in the Book of Resolutions as per the related provisions of the Banking Law.

Note: The Audit Committee convened 6 times in 2014 with all members attended.

## Committees and Committee Meetings Attendance

### 3. CORPORATE GOVERNANCE COMMITTEE

#### A. Purpose

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

#### b. Organization of the Committee

The committee consists of at least two members of the board. If possible, the committee members are chosen from non-executive members. When found necessary, people who are not members of the board and are experts on their subjects can also be employed in the Committee. The Committee members are reassigned at the first Board meeting done after the ordinary general assembly meeting every year. If the independent members serve running 7 years, their independence on this is concluded. However, it may be possible for them to be appointed as independent member after a discontinuation of 2 years.

Current Members of the Corporate Governance Committee:

President: Prof. Dr. Kemal VAROL, Board Member

Member: Ibrahim Fayez Humaid AL SHAMSI, Board Member

Member: Fahad Abdullah A. AL RAJHI, Board Member

Member: Mustafa Çetin, Investor Relations Manager (V)

Observer: Dr. Fahrettin YAŞI, Board Member and General Manager

Observer: Osman AKYÜZ, Board Member

#### c. Functions of the Committee

- To find out whether the Principles of Corporate Governance are applied at the Bank and to determine the reasons why, if not applied; to encounter conflicts of interest that occur due to lack of full-compliance with these principles; to submit proposals to the Board of Directors for improvement of the current applications;
- To coordinate the works of the Investor Relations Department;
- To form a transparent system for the nomination, evaluation, orientation and rewarding of candidates to be our Board Members and to carry out studies for developing policies and strategies in this regard;
- To develop proposals regarding the number of Board Members and the Top Management Staff;
- To determine and monitor the approaches, principles and applications concerning the evaluation of the performances of Board Members and Top Managers, their career planning and remunerations.

#### d. Working Principles of the Committee

The committee convenes at least four times a year with more than the half number of its members and adopts by majority. The works and proposals of the Committee are discussed in the Board as an agenda item. The secretarial procedures of the Committee are done by the member determined by the Committee President.

Note: The Corporate Governance Committee convened 6 times in 2014. All members of the Corporate Governance Committee attended all of the meetings.

### 4. REMUNERATION COMMITTEE

#### a. Purpose

It ensures the establishment of a balanced distribution between the benefits and rights of the Board of Directors, senior management, bank employees and partners and rewarding of the Board of Directors, senior management and bank employees to the extent of their participation to the Bank's process of providing value.

#### b. Organization of the Committee

Current Members of the Remuneration Committee:

President: Adnan Ahmed Yusuf ABDULMALEK, Chairman

Member: Osman AKYÜZ, Board Member

Member: Dr. Fahrettin YAŞI, Board Member and General Manager

#### c. Operation Principles of the Committee

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

Note: The Remuneration Committee convened 3 times in 2014. All committee members attended all of the meetings.

## 5. STRATEGIC PLANNING COMMITTEE

### a. Purpose

The committee has been formed for determining the strategic objectives that will realize the Bank's vision starting from the Bank's current position, mission and primary principles and defining, executing, observing and evaluating the strategic targets that will enable achieving these.

### b. Organization of the Committee

The Committee consists of Assistant General Managers under the presidency of the General Manager. Related Assistant General Manager Melikşah UTKU carries out the secretariat duty of the Committee. For the works to be performed, the Committee can take consultant/expert support from within the Bank or from the outside; invite managers or assistant managers from related departments.

Current Members of the Strategic Planning Committee:

President	: Dr. Fahrettin YAHŞI, Board Member and General Manager
Member	: Mehmet Ali VERÇİN, Assistant General Manager
Member	: Temel HAZIROĞLU, Assistant General Manager
Member	: Bülent TABAN, Assistant General Manager
Member	: Nihat BOZ, Assistant General Manager
Member	: Turgut SİMİTÇİOĞLU, Assistant General Manager
Member	: Secretary: Melikşah UTKU, Assistant General Manager
Member	: Mahmut Esfa EMEK, Assistant General Manager
Member	: Ayhan KESER, Assistant General Manager
Member	: Ali TUĞLU, Assistant General Manager

### CC. Functions of the Committee

- To determine short and long term strategic and budget targets that complies with the Bank's mission and vision by evaluating competition conditions, general economic conjuncture, and general expectations in national and international finance markets,
- To present the strategic targets and budget targets to the Board's approval,
- To ensure the announcement of annual strategic targets approved by the Board of Directors to Bank employees,
- To ensure that the annual strategic targets are turned into process targets in a balanced manner,
- To observe and evaluate the realization of annual strategic targets and budget targets through the related departments and submit reports on their actualization to the Board,
- To determine the revision need of the targets and budget depending on the general economic conjuncture within the year and present it to the Board's approval.
- To work according to other matters stated on the budgeting procedures.

### d. Working Principles of the Committee

The Committee convenes at least four times a year. The committee makes the decisions in written form and these are signed by the participants. The committee takes the decisions by the majority of votes. In case of tie of votes, decision is taken in the direction of the president's vote side.

Note: The Strategic Planning Committee convened 6 times in 2014. All committee members attended all of the meetings.

## 6. ASSET/LIABILITY MANAGEMENT COMMITTEE

### a. Purpose

The Asset/Liability Management Committee (ALMC) was formed mainly to assess and evaluate the composition of assets and liabilities on the Bank's balance sheet for the purpose of ensuring effective management of the Bank's financials. In this context, ALMC examines all of the resources and the areas in which they are used, the structure of tenor maturity, liquidity levels, foreign currency and pricing risks, credit risks and capital adequacy factors which affect the quality of assets. It also aims to possess the resources that are required for products and services rendered to our customers, readily available, and peruse the factors that could affect our Bank's profitability. The committee also ensures the measures to be taken as a result of its evaluations, perusals and examinations are executed.

## Committees and Committee Meetings Attendance

### b. Organization of the Committee

The Committee consists of Assistant General Manager and concerned Department Managers under the presidency of the General Manager.

Current Members of the Asset and Liability Committee:

- Dr.Fahrettin YAĞŞI (Board Member and General Manager - President)
- Mehmet Ali VERÇİN (Assistant General Manager)
- Nihat BOZ (Assistant General Manager)
- Temel HAZIROĞLU (Assistant General Manager)
- Bülent TABAN (Assistant General Manager)
- Turgut SİMİTÇİOĞLU (Assistant General Manager)
- Melikşah UTKU (Assistant General Manager)
- Mahmut Esfa EMEK (Assistant General Manager)
- Ayhan KESER (Assistant General Manager)
- Ali TUĞLU (Assistant General Manager)
- Yunus AHLATÇI (Budget and Financial Reporting Department Senior Manager)
- Volkan EVCİL (Head of Risk Management)
- Hasan ALTUNDAĞ (Strategy and Corporate Performance Management Manager)
- İhsan Fehmi SÖZKESEN (Treasury Marketing Manager)

### c. Functions of the committee

- To provide the distribution of resources effectively and to be used these sources efficiently in order to ensure growth in the Bank.
- To evaluate general economic data, current and likely political and economic developments,
- To analyze the factors that could affect the quality of the balance sheet and effectiveness of the Bank (i.e. maturity mismatch, liquidity risk, foreign currency and pricing risks) in light of relevant reports and presentations,
- To ensure that the resources required for the products and services extended to our customers are readily available with best cost and quality,
- As a result of the evaluation, to develop investment, pricing and funding strategies and to ensure that necessary measures be taken in this direction.
- To evaluate the asset and liability composition of the Bank's balance sheet,
- To assess the Bank's resources, as well as the areas and activities in which they are used.
- To assess the credit risks that could affect asset quality,
- Evaluating Bank's capital adequacy, liquidity and foreign exchange position as well as efficiency of utilization of resources.
- To examine the factors that could affect profitability of our Bank, including operational risks,
- To make sure that the actions required for restoring the findings of its evaluations are executed.

### d. Working Principles of the Committee

- It convenes regularly the first business day of each week between 11:00-12:00. Meetings will be held on between 12:00-13:00 in Unit Managers Meeting times. Also, committee may convene in other days and hours with the determination of Chairman of the committee.
- Topics which are not included of the duties of the Committee and requested to discuss at the meeting are forwarded to the secretariat of the committee in every week until Thursday at 18:00 o'clock.
- The secretariat of the committee creates the draft agenda and delivers it to the approval of the General Manager. Meeting agenda is announced to participants after the approval of General Manager and meeting is held in line with this agenda.
- Other Unit Managers and officials can participate in the meeting by invitation in order to receive information and/or express their opinions. Committee members should attend the meetings well-prepared.
- The secretariat of the Committee is fulfilled by the Manager of Budget and Financial Reporting. Although the secretariat is responsible for preparation of committee reports, presentations and meeting minutes, the relevant units help the preparation of the reports to the secretariat.
- The decisions of the meeting are recorded and forwarded to the concerned departments and followed up by secretariat.

Note: The members who could not attend some meetings have been represented by their deputies.

## 7. SOCIAL RESPONSIBILITY COMMITTEE

### a. Purpose

Consultancy committee was founded in order to implement best social responsibility practices by considering core values and social responsibility principles of the Bank.

### b. FUNCTIONS OF THE COMMITTEE

- To evaluate the impact of the Bank's operations on the society,
- To review the cautions related to the impacts of the Bank's operations on the society,
- To lead the Presidium of Social Responsibility to deliver social responsibility projects which express corporate profile of the Bank that is in harmony with vision and mission statements to the society, stakeholders and shareholders,
- To ensure that the social responsibility projects implemented related to considering core values and social responsibility principles of the Bank,
- To resolve the objects of Presidium of Social Responsibility reports.

### c. Working Principles of the Committee

The Committee convenes at least two times a year. The committee takes the decisions unanimously. The committee makes the decisions in written form and these are signed by the participants.

### d. Organization of the Committee

The Committee consists of Board Members Ibrahim Fayez Humaid Alshamsi and Dr. Fahrettin Yahşi (Board Member and General Manager) under the presidency of

Prof. Dr. Ekrem Pakdemirli. The one who is appointed by the Committee carries out the reporter and secretariat duty of the Committee. The one is responsible for sustaining and publishing meeting minutes and reports, and coordination in committee operations regarding the guidance of Social Responsibility Committee. The secretary and reporter member do not have voting right.

Note: Social Responsibility Committee convened 3 times in 2014.

## 8. CONSULTANCY COMMITTEE

### a. Purpose

Consultancy committee was founded in order to audit Albaraka Türk Participation Bank A.Ş.'s banking activities whether they are comply with interest free banking model, on the 6th May 2001 with 957 number decision of the Board of Directors.

### b. Organization of the Committee

Consist of four members including president, one inspector and two observers.

### c. Current Members of the Consultancy Committee:

President : Abdul Sattar Abu GUDDAH

Member : Hayrettin KARAMAN

Member : Ahmed Mohyuddin AHMED

Member : Hamdi DÖNDÜREN

Note: Committee convened 3 times in 2014.

## Summary of the Board of Directors' Annual Report

### Summary of the Board of Directors' Annual Report

Esteemed shareholders,

Welcome to the 30th annual general meeting of our bank.

Before presenting the Board of Directors' and the Statutory Auditors' reports concerning the results of activities in fiscal year 2014 for your consideration and approval, we respectfully greet our shareholders, their representatives, and our guests who have honored this meeting with their presence.

We have recently completed a year, a difficult year in terms of price and financial stability, in which there was significant volatility in markets and especially second half. This unexpected situation which affected developing countries adversely was deeply felt in our country. However, our bank also had another successful year consisted with its attitudes towards both growth and profitability in 2014.

In the year to 31 December 2014:

- Total assets increased by 33.9% to TL 23,046 million.
- Total collected funds increased by 32.9% to TL 16,643 million.
- Funded credits\* increased by 34.2% to TL 16,184 million.
- Shareholders' equity increased by 19.6% to TL 1,791 million.
- Net profit increased by 4.6% to TL 252 million.

\*Includes financial leasing receivables.

\*Excludes revocable commitments.

We exceeded the performance targets set by the Board of Directors to a substantial degree. With the support of you, our valued shareholders, we shall continue to grow soundly in 2015 as well.

We hereby submit for your consideration and approval the balance sheet and profit/loss statement contained in our annual report for 2014.

Respectfully,

Albaraka Türk Katılım Bankası A.Ş.  
The Board of Directors



## Support Services Providers

The Name of the Company	Explanation for Services and Products
C/S Enformasyon Teknolojileri Limited Şirketi	Information Technologies
Acerpro Bilişim Çözümleri Yazılım ve Danışmanlık Hizmetleri İç ve Dış Tic. Ltd. Şti.	Information Technologies
Kibele İletişim Sistem ve Servisleri Ticaret Limited Şirketi	Information Technologies
Ics Financial Systems Ltd.	Information Technologies
Acerpro Bilişim Çözümleri Yazılım ve Danışmanlık Hizmetleri İç ve Dış Tic. Ltd. Şti.	Information Technologies
Fineksus Bilişim Çözümleri Ticaret Anonim Şirketi	Information Technologies
Fineksus Bilişim Çözümleri Ticaret Anonim Şirketi	Information Technologies
Kartek Kart ve Bilişim Teknolojileri Ticaret Limited Şirketi (Smartsoft)	Operational Services
Bilişim Bilgisayar Hizmetleri Limited Şirketi (Banksoft)	Operational Services
Provus Bilişim Hizmetleri A.Ş.	Credit and Debit Card Operations
Yapı ve Kredi Bankası A.Ş.	POS Services
Güzel Sanatlar Çek Basım Ltd. Şti.	Check Printing Agreement
Tümsaş Teknolojik Endüstriyel Bilgisayar Ürünleri, Mühendislik ve Pazarlama A.Ş.	Order Systems
İpoteka Gayrimenkul Yatırım Danışmanlık A.Ş.	Attorney for Real Estate Registering
IBM Global Services İş ve Teknoloji Hizmetleri ve Tic. Ltd. Şti.	Information Technologies
Fu Gayrimenkul Yatırım Danışmanlık Anonim Şirketi	Attorney for Real Estate Registering
Nadir Metal Rafineri Sanayi ve Ticaret Anonim Şirketi	Physical Gold Collecting Services
Active Bilgisayar Hizmetleri ve Ticaret Limited Şirketi	Information Technologies
Intertech Bilgi İşlem ve Pazarlama A.Ş.	Core Banking
Vizyon Bilgi Teknolojileri ve Danışmanlık Ltd. Şti.	E-Invoice
Eksagate Elektronik ve Bilgisayar San. Tic. A.Ş.	Condition Monitoring
Sys Telekomünikasyon Bilgisayar Elektronik San. ve Tic. A.Ş.	Automated External Search
Sistaş Sayısal İletişim San. ve Tic. A.Ş.	Call Center Hot Redundancy
Anadolu Bilişim Hizmetleri A.Ş.	Mail Server Transport Service
Sistaş Sayısal İletişim San. ve Tic. A.Ş.	IP-Based Power Plant Contract
Bir Gayrimenkul Yatırım Danışmanlık Anonim Şirketi	Attorney for Real Estate Registering
Kets Bilgisayar Elektronik İletişim Hizmetleri San. ve Tic. Ltd. Şti.	Information Technologies
Desmer Güvenlik Hiz. Tic. A.Ş.	Off Site ATM Supply
32bit Bilgisayar Hizmetleri Ltd. Şti.	Information Technologies

## Transactions of the Bank with the Risk Group

Transactions of the Bank that are carried out with its Risk Group of which it is a member includes all banking operations under market conditions and in normal bank-to-client affairs, compatible with the prevailing Bank's Act. Detailed explanation can be found in Section 5 of "31 December 2014 - Unconsolidated Financial Statements and Independent Auditor's Report", under footnote – VII."

# Albaraka Türk Participation Bank Corporate Governance Compliance Report (31.12.2014)

## 1. Declaration of Compliance to Corporate Governance Principles

Multinational companies became more important in the economies by the increasing globalization and cross-border capital flow which caused more transparent and accountable management attitude. Problems of multinational companies have more impact on the overall economy and society ever. That is why OECD published Corporate Governance Principles in 1999 and Turkish Capital Market Board pioneered to implement the principles to the publicly listed companies in 2003.

In parallel with the developments in the economy and capital markets, Corporate Governance Principles are constantly updated by the Capital Markets Board (CMB), lastly published in the Official Gazette on 30th December 2012 entered in the force compliance with the Capital Market Law No. 6362 prepared under, No. II-17.1 "Corporate Governance Report" published in the Official Gazette on January 3, 2014 entered in the force.

Albaraka Türk Participation Bank (Albaraka Türk) which visions 'to become the best participation bank in the world' complies with the Corporate Governance Principles which were adopted and declared by the Capital Markets Board (CMB). The Bank has enriched the contents of its annual report and its web site in compliance with the framework of these principles. JCR Eurasia Rating Co rates AlbarakaTürk for corporate governance compliance since 2010. AlbarakaTürk's corporate governance compliance rating was 8,44 and outlook was stable on 10th of July, 2014, details of 4 main topic as seen below;

	%
<b>1. Shareholders</b>	8.31
<b>2. Public Disclosure and Transparency</b>	8.89
<b>3. Stakeholders</b>	8.30
<b>4. Board of Directors</b>	8.28

Determination and Implementation of Corporate Governance Principles (Serial: IV, No :56-63) in accordance with the regulations, in the general meeting to be held in 2012, independent board members were selected. The same notification and compliance with the Turkish Commercial Code No. 6102 was revised in 2012 in the Bank's Articles of Association were approved and presented to the General Assembly. Because of the not alignment of corporate governance principles, there has never been any conflict of interest during the period.

Adnan Ahmet Yusuf ABDULMALEK  
Chairman

Dr. Fahrettin YAŞI  
General Manager

Ayhan KESER  
Assistant General Manager

Mustafa ÇETİN  
Investors Relations Manager

## Albaraka Türk Participation Bank Corporate Governance Compliance Report (31.12.2014)

### PART I - SHAREHOLDERS

#### 2. Investor Relations Unit

Investor Relations Unit was established in 2007 to respond to the inquiries of the shareholders in a correct and timely fashion. The Unit operates Corporate Governance Committee. The staff and contact information are given at the table below.

Name Surname	Title	Telephone Number	E-mail Address
<b>Mustafa ÇETİN</b>	Manager	+90 (216) 666 01 79	mctetin@albarakaturk.com.tr
<b>Mustafa KARAMEHMETOĞLU</b>	Manager	+90 (216) 666 09 23	mkaramehmetoglu@albarakaturk.com.tr
<b>İbrahim ÖZ</b>	Manager	+90 (216) 666 05 90	ioz@albarakaturk.com.tr

All inquiries whose answers do not fall under the category of commercial secret are handled by this unit, keeping in mind the principle of equality among shareholders and thus, a continuous line of communication is maintained between the management and the shareholders.

Financial tables mentioned in the legislation were collected from the relevant departments on a quarterly basis and within the time limits specified by the law and were disclosed primarily through the Capital Markets Board (CMB), the Public Disclosure Platform (PDP) and Istanbul Stock Exchange (ISE).

Press releases are prepared in relation to the quarterly period for which the financial tables are published and presentations are prepared for the purpose of informing the investors. These are subsequently published on the web site.

A total of 23 special material disclosures were made to the ISE, and the same have been published on PDP in transition stage.

The investors' visits, 4 of which were abroad and 1 of which is domestic, were conducted by the participation of Investor Relations Unit staff and the senior management in 2013.

Within 2014, a total of forty-four meetings were made both with domestic investment companies and international investment funds. Additionally, inquiries from investors and analysts, which were amounted around 460, were replied via telephone and e-mail correspondence.

#### 3. Shareholders' Right to Access Information

The Bank protects the rights of the shareholders related to information access, investigation, participation in general assemblies, voting, obtaining dividends and minority rights. No discrimination is made among the shareholders in relation to the utilization of information access rights of the shareholders in accordance with the Turkish Banking Law and related legislation. All kinds of information necessary for an equal treatment of all shareholders, their ability to exercise their rights and to make their investment decisions are availed.

All sorts of inquiries related to Albaraka Türk are answered by the Investor Relations Unit through e-mail and telephone correspondence and through conducting of one-to-one or group meetings with existing or potential investors and bank analysts.

Albaraka Türk has two separate Investor Relations web pages, both in English and Turkish.

These internet sites are accessible from the URL's below:

- Turkish investor relations site: [http://www.albarakaturk.com.tr/yatirimci\\_iliskileri/anasayfa.aspx?](http://www.albarakaturk.com.tr/yatirimci_iliskileri/anasayfa.aspx?)

- English investor relations site: [http://en.albarakaturk.com.tr/investor\\_relations/homepage.aspx?](http://en.albarakaturk.com.tr/investor_relations/homepage.aspx?)

The website provides information regarding the shares, introductory corporate data, periodically released financial tables and annual reports, social responsibility projects, electronic presentations explaining the developments in the Bank, and announcements about the latest developments related to the Bank.

Special material declarations related to changes related to the rights of the shareholders are submitted to the ISE and PDP.

Appointment of special auditors as an individual right has not been established in the Articles of Incorporation of the Bank and no request has been received until this time related to any such special auditor appointment.

#### **4. General Assembly Information**

The General Shareholders' Assemblies are conducted within the framework of the Banking Law, the Turkish Commercial Law and Capital Markets Law. The Ordinary General Shareholders' Assembly was convened on 24 March 2014. The Ordinary General Shareholders' Assembly was convened with a representation of 73.67% and all shareholders expressing their intention to participate in these meetings were able to do so.

The invitations to shareholders to participate in the General Shareholders' Assemblies are published at the Istanbul Stock Exchange and PDP, the Trade Registry Gazette as well as newspapers distributed all over Turkey two weeks before the assemblies; and data has been entered in Central Record Office for the shareholders that are traded at the exchange will place to be able to attend the general assembly.

Additionally, the invitations are published at the Bank's web site and are also sent by registered mail to shareholders available in the share register and to shareholders who have previously presented documents certifying their share ownership and addresses, along with the newspapers where the meeting agenda and announcement were published.

The shareholders can exercise their right to make inquiries at the General Shareholders' Assemblies and all such inquiries are handled. There is no limitation in the Articles of Incorporation related to the adoption of decisions for purchasing, selling or renting properties in the General Shareholders' Assemblies. According to the provisions of the Articles of Incorporation, voting by proxy is possible. According to article 38 of the Articles of incorporation, shareholders can either exercise their right of voting directly at the General Shareholders' Assemblies or can exercise this right through another person who is not necessarily a shareholder. The shareholders can attend the General Meeting online for the first time this year. Our Bank, dated 08.28.2012 and published in the Official Gazette No. 28395 Joint Stock Company in General Meeting to be Held in electronic media, is subject to the provisions of the Regulation. For this purpose, making the necessary arrangements for our shareholders may attend the general meeting of ECSC.

Decisions adopted at the General Shareholders' Assemblies are announced to the shareholders through the Bank web site. Duties related to compliance with the Articles of Incorporation and internal regulations of the Bank while exercising shareholder rights and ensuring the exercise of such rights are performed by the Investor Relations Unit.

An invitation would be sent to press and stakeholders enable them to participate in General Assembly Meeting.

At the Ordinary General Assembly to held on 24.03.2013, our Bank did not receive any requests from shareholders about adding items to the agenda.

## Albaraka Türk Participation Bank Corporate Governance Compliance Report (31.12.2014)

### 5. Voting Rights and Minority Rights

There are no privileges vested in the shares of the Bank. The distribution of capital of AlbarakaTürk as of 31 December 2013 is as follows:

Capital Distribution of the Bank

#### Capital Distribution of the Bank (31.12.2013)

Shareholder Type	Share Amount (TRL)	Share (%)
<b>Foreign Shareholders</b>	594,902,934	66.10
<b>Albaraka Banking Group</b>	486,523,266	54.06
<b>Islamic Development Bank</b>	70,573,779	7.84
<b>Alharthy Family</b>	31,106,364	3.46
<b>Other</b>	6,699,525	0.74
<b>Local Shareholders</b>	88,594,135	9.84
<b>Public Shares</b>	216,502,931	24.06
<b>Total</b>	<b>900,000,000</b>	<b>100.00</b>

The capital structure is published on the web site of the Bank. There is no provision enabling the exercise of cumulative voting right in our Articles of Incorporation as of now.

All of the shares of our Bank have been recorded at Central Record Office A.Ş. ("MKK")

Minority rights are appointed to the shareholders who have had one of twenty (5%). Our bank cares minority right strictly. There were no complaints about the issue in 2014.

### 6. Profit Distribution Policy and Time Schedule

Dividend policy of our Bank which was presented to General Shareholders' Assembly is published in our internet web site.

There is no privilege in relation to profit distribution to the shareholders. Every shareholder gets his/her dividend from the distributed profits in proportion to his/her own share. The profit distribution is handled in accordance with the Turkish Commercial Law and relevant regulations of the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board (CMB). The profit distribution takes place within the time schedule specified by the law.

### 7. Transfer of Shares

According to the article 11 of the Articles of Incorporation, registered shares can be transferred without the approval of the Board of Directors in accordance with the Capital Markets Law, the Banking Law, the Turkish Commercial Law, and Central Registry Agency regulations. Transfer of shares that require approval by Banking Regulation and Supervision Agency (BRSA) in accordance with the Banking Law can be transferred only after obtaining this approval. Share transfers that are made without obtaining the necessary approvals will not be registered in the share register. In case no approval is obtained from aforementioned Board, the partners acquiring such shares cannot benefit from any right other than dividend payments.

## **PART II – PUBLIC DISCLOSURE AND TRANSPARENCY**

### **8. Company Disclosure Policy**

Disclosure policy of our Bank which was presented to General Shareholders' Assembly is published in our internet web site.

Our bank acts within the framework of principles of fairness, correctness, neutrality, coherence and timing with respect to disclosure of information to shareholders and other stakeholders.

Disclosures and announcements as part of this policy are promptly made for all developments concerning our Bank's rights and benefits and for developments that might cause important changes in the financial situation and/or activities of our Bank.

However disclosed information can not include any information that might have negative consequences on the Bank, our shareholders and other stakeholders by hindering competition and cannot be in the context of commercial secret.

Public disclosure can also be conducted, not only through special material disclosures, but also through press statements in times of need. Information and meeting requests of the shareholders and other stakeholders are assessed within the framework of our Bank's information policy and all information shared in this way could only be within the scope of previously disclosed public information.

The bank's financial tables are announced in accordance with regulations of the CMB and the BRSA.

Financial table announcements and special material disclosures are handled by Investor Relations Unit.

### **9. Special Material Disclosures**

In 2014, a total of 23 special material disclosures were made pursuant to the CMB's Communiqué. For disclosures, CMB and ISE did not request to any additional explanations. Special material disclosures are published under the special material disclosures title of Investor Relations in our Bank's website.

Capital Markets Board has not been made any sanction to our Bank due to be disclosed or not disclosed to the special material disclosures.

### **10. Website of the Company and Its Contents**

Albaraka Türk Participation Bank has two separate websites, one in Turkish and the other in English. The websites are accessible from [www.albarakaturk.com.tr](http://www.albarakaturk.com.tr)

All information required by CMB Principles of Corporate Governance is disclosed on our website.

Within the framework of public disclosure and information policies, our Bank's website provides easily accessible information under the section of Investors Relations.

Under the Investors Relations title; Corporate Information (history, trade registry information, shareholders information, articles of incorporation), Corporate Governance (our vision and mission, core values, board of directors and audit committee, top management, corporate governance principles, ethic principles for banking, information policies, profit distribution policy, list of information access, organizational structure), General Assembly (announcement information document for ordinary annual general meeting, participation procedure, minutes of the meeting, list of attendants, sample power of attorney), Financial Tables and Rating Reports (annual reports, independent auditors report, rating reports, IFRS reports, financial tables and other), Presentations, Stock Information (upper managements transactions, dividend distribution, capital increase, analyst reports), Stock Performance, Investor Relations Contact and Financial News.

The necessary security measures have been taken against making changes on the information published on the internet site and precautions against potential threats are constantly updated.

## Albaraka Türk Participation Bank Corporate Governance Compliance Report (31.12.2014)

### 11. Real Person Ultimate Controlling Shareholder/s Disclosures

There is no real person controlling shareholders in the bank. There is no any shareholders who have the above 5% rate. The shareholding structure of the bank is disclosed on both annual reports and web site.

### 12. Persons with Access to Insider Information Disclosures

By force of the Article 17 of II-15.1 No. Notifications of Exceptions published by Capital Markets Board, The list of persons Accessing Insider is kept and the current revision of the list is published in the Investor Relations section of the Bank's website.

## PART III – STAKEHOLDERS

### 13. Informing Stakeholders

Stakeholders of Albaraka Türk receive information on issues that may be of interest to them. This information is provided through special event announcements sent to the ISE and KAP, newspaper announcements, meetings, Q&A and the Bank's website.

### 14. Participation of Stakeholders in Management

The principle adopted for the participation of stakeholders in management is to make arrangements parallel to the related legal provisions.

Our staff shares their opinions with Senior Management of the Bank through conducted surveys and proposal system.

Our customers can convey their opinions to the Senior Management of the Bank through internet web site and complaint/suggestion boxes available in our branches.

### 15. Human Resources Policy

The purpose of the human resources policy is to ensure the employment, development of the qualifications and the stability of the qualified and skilled personnel which have the qualifications needed at the national and international level and specialized in their fields in order for the Bank's operations to be performed according to its purpose, vision, mission and corporate values, in an effective, fast, reliable and productive manner. The Bank's human resources policy is determined and established by any General Management.

For the application, improvement and following up of the human resources policy firstly the Assistant General Management responsible for human resources is responsible. This responsibility also belongs to the related Managers in the fields they are responsible for.

Basic principles of the human resources policy are the following:

- Respecting the personality of the employee, ensuring that his rights regarding the work relationship are protected,
- Sharing the corporate culture and establishing commitment to the corporate culture and ensuring that all personnel come together around common targets.
- Realizing the employment of the necessary and adequate number of personnel suitable for the work to be done; having the intellectual, professional knowledge and skills and ensuring that the personnel work with commitment other than the highest productivity and profitability targets,
- To provide professional training, development and improvement means for all personnel according to the work to be done,
- To provide environments which will encourage the personnel to innovative, enterprising thinking and producing new ideas and products,
- Making an effort to place employees from within the Bank for managerial and authorized positions and giving the priority to personnel developed from within the Bank for appointments to be made to vacant positions.
- To inform the personnel in matters of interest to the personnel, to development communications methods and tools to ensure that the Personnel easily inform the Managers of their opinions and ideas,
- To create a working environment which would increase the job motivation of the personnel and making an effort for the development of social relations,
- Encouraging the personnel to be successful, developing applications related to this, awarding personnel who have shown outstanding achievement.



## 16. Information of Customer and Supplier Relations

Albaraka Türk always aims at achieving customer satisfaction with the products and services it provides. In order to achieve high quality of products and services; work flow charts, work process definitions, and instructions have been set up and announced to all employees through the bank's intranet.

Customers can submit their complaints and questions about Albaraka Türk's products and services via:

- Calling our call center on 444 5 666
- Using 'You Ask, We Solve' Module on the website ([www.albarakaturk.com.tr](http://www.albarakaturk.com.tr))
- Sending e-mails to [soruncozelim@albarakaturk.com.tr](mailto:soruncozelim@albarakaturk.com.tr)
- Filling the Customer Forms available at all the branches
- Sending faxes to +90 (216) 666 16 10
- Writing directly to the Head Office

All complaints and suggestions from our customers are assessed by customer relations department and all the customers replied. Furthermore, all customer complaints are categorized and reported to Senior Management regularly.

Another performance criteria designated stakeholders' group by Albaraka Türk is the suppliers. When selecting the suppliers of outsourced products and services the Bank takes into account the factors mentioned below:

- References
- Examples from the suppliers' previously conducted work.
- Proficiency and technical efficiency of supplier at its profession
- Cost

The Bank shares its performance criteria with its suppliers so as to establish a mutual understanding. The bank provides equal opportunities to all suppliers and it also follow up the suppliers' performance whether they comply with the social standards.

The bank keeps the information of its customers and suppliers within the context of trade secrets.

## 17. Social Responsibility

Giving great importance to the support of development of society, Albaraka Türk has continued its efforts in corporate social responsibility in 2014.

Albaraka believes that social responsibility, artistic and cultural studies, in addition to financial indicators, are the key elements in order to move our Bank and customers into the future and Albaraka broke grounds with the many projects related mentioned areas as both supporting and carrying out.

Albaraka has increased the number of towards digital marketing ads which are products and services oriented entered broadcasting in social media accounts in 2014. In accordance with our corporate image work, our Instagram and YouTube account is opened. in addition to our LinkedIn Facebook and Twitter accounts.

Our Bank organized " From Local to Global with SME as the Hand in Hand " meetings on behalf of the development of the local economy and SMEs to be put into commercial competition and meetings were organized with the participation of hundreds of businessmen in Denizli and Konya in 2014.

"Beloved breath" Documentary film's premiere sponsored by our Bank, Murat Pay directed & produced by Semih Kaplanoğlu, was carried out in Bağlarbaşı Congress and Culture Center by the intense interest of a large audience with the purpose of reviving of oblivion 600-years-Mawlid tradition.

In recent years, the Blood Donation Campaign that becomes a tradition for our Bank attracted great attention from our employees. Moreover, this campaign was carried out in outdoor garden and in the foyer of our Headquarters building and certificates of appreciation were given to the participants by the Red Crescent.

## Albaraka Türk Participation Bank Corporate Governance Compliance Report (31.12.2014)

Since 2005 and in every three years, our Bank has held "Albaraka International Calligraphy Competition" is considered to be one of the world's leading competitions and the 4th one settled in 2014. The topic of competition was determined as "İnfak" and Turkey's most important calligraphers will take place on the jury in the competition. Applications will end in March 2015, and the results will be announced in April.

Albaraka was the main sponsor, Seb-i Arus ceremony in Istanbul in the Sinan Erdem Sports Hall held with the participation of about 15 thousand viewers, especially, Mr. President Recep Tayyip Erdoğan and important names from the politics, arts and culture community has made a number of conversations about the meaning and importance of the program.

Organized by the Platform for International Cooperation, the summit issued "Tomorrow Changing Scenarios: Understanding the Challenges and Improve Dialogues" had been sponsored by our Bank. With mainly Deputy Prime Minister Ali Babacan, and prominent participants from business, economy and politics, the opening speech of the program was made by Saudi Arabia's Prince Mohammad Al Faisal Al Saud.

Our Bank has sponsored the events of Islamic Finance News (IFN) Forum Turkey held at Boğaziçi University. Information about related products and services are provided interest-free banking were given to students participating in the program as well as more than 200 senior industrialists and businessmen at our booth was established on campus.

9th Turkish-Arab Economy Forum sponsored by our Bank was held on May in İstanbul. Finance Minister Mehmet Şimşek has hosted the program and there were especially participants from banking world, key executives from various sectors of economy world program.

Precious artifacts in the Calligraphy has been introduced to the art on the occasion of various programs, after Topkapı Palace, Aşk-ı Nebi exhibition held the side of Washington and New York. Furthermore, "Hüsn-ü Hat" Calligraphy exhibition opened in the Sultan's Summer Palace Our great work had received great attention from visitors.

Lutfi Şeyban is known with the researches and investigations upon history of civilization and his 'Andalusian' book offered to readers published from Albaraka Turkish Publications as addressing all aspects of Andalusian that was a model civilization in the world history.

### PART IV – THE BOARD OF DIRECTORS

#### 18. Formation and Structure of the Board of Directors and Independent Members

The Board of the Bank consists of Chairman Adnan Ahmed Yusuf ABDULMALEK, Vice Chairman Yalçın ÖNER, Resident Executive Member Osman AKYÜZ, Member İbrahim Fayez Humaid ALSHAMSI, Member Hood Hashem Ahmed HASHEM, Member Khalifa Taha HAMOOD AL-HASHIMI, Member Ekrem PAKDEMİRLİ, Member Mitat AKTAŞ, Member Hamad Abdulla A.EQAB, Member Fahad Abdullah A. ALRAJHİ, Member Kemal Varol and Resident Executive Member and General Manager Dr. Fahrettin YAŞI.

Board Members are elected for a term of maximum three years according to Article 14 of the Articles of Incorporation. Members whose office terminates can be elected again. General Manager of the Bank is a natural member of the Board. From March 29, 2013 after the Bank's Ordinary General Assembly "Board of Directors" with the amendment of Article 14 the number of members of the board of directors consists of at most 13 members and at least 5 have been determined.

With 30th December 2012 the Official Gazette II-17.1numbered the "Corporate Governance Communiqué", independent board members are three in number not less than the bank of the old man is in the banks' board structures in audit committee membership for the appointed board members of this Communiqué within the framework of independent board was reported to be regarded as a member. Additionally, in the annual general meeting held on March 29, 2013, Kemal Varol was selected as Independent Board Member in compliance with corporate governance principles.

The Board Members are restricted with the rules stipulated in Turkish Commercial Law and relevant charters and regulations with respect to their working for and running other operations or businesses outside the Bank. The Bank abides by these principles.

#### 19. The Qualifications of Board of Directors Members

The minimum qualifications required of members of the Board of Directors of the principles of the Corporate Management 4.2 Operating Principles of the Board of Directors under the heading Basis of overlap with the qualifications and the main contracts that are located in the horseshoe. Qualifications set forth in the Corporate Governance Principles of the Board members who are not available.

## 20. Mission, Vision and Strategic Goals of the Bank

Our Board has clearly established the mission, vision and strategic targets of Albaraka Türk as specified in its internet web site and annual report.

In the Articles of Incorporation of our Bank, it is written that the duties and responsibilities of Board members are specified in accordance with articles of the Turkish Commercial Law and the Banking Law.

Our Board monitors the development of the Bank to see if these are in line with the strategic targets of the Bank, and evaluates the performance of the Bank. Annual budget and strategic plan of the Bank is approved by the Board. The Board closely monitors the budget and compares it with actual performance, collects information about the deviations and follows up decisions taken. If there are important deviations from budget given changes in the market conditions, the budget is revised and submitted to the approval of the Board again.

## 21. Risk Management and Internal Control Mechanism

The Board has a responsibility of establishing and providing compatible, adequate and effective systems on internal control, risk management and internal auditing as foreseen by the Banking Law for the purpose of monitoring and controlling risks emerging from operations.

The Board is responsible for establishing risk management policies and strategies. These policies are revised and evaluated periodically in Board meetings according to prevailing market conditions.

The General Manager is responsible from ensuring that departments of Bank operate in accordance with the specified policies and strategies about risk management as determined by the Board.

Necessary controls are also made to ensure competency with the policies and strategies by means of regular internal control and audit.

The Board of Albaraka Türk Participation Bank takes an important part in the processes of risk management by tracing policies and strategies on consolidated and unconsolidated basis, setting up limit systems and procedures in the bank.

## 22. Duties and Responsibilities of Directors and Board Members

The administration of the Bank are listed in the second part of the Bank's Articles of Association. This section is located in the Management Board members and executive duties and powers. According to this;

Board of Directors who may decide on all matters that do not require a decision of the General Assembly are authorized to manage the Bank in accordance with banking law, capital markets law, Turkish commercial law and other relevant legislation and the main contract provisions.

## 23. Basis of Board Operations

The board holds its meeting in the Bank headquarters upon the invitation of the chairman. Every member can request the invitation of the board to the meeting in writing from the chairman. The board meeting can be held in a location other than the Bank headquarters or outside of Turkey on exceptional cases on condition that at least two thirds of the member number is present in person. In addition, board meetings can also be done electronically.

About matters which are explained in the Corporate Governance Principles of the Capital Market Board, its members must attend to the meetings personally. If legal quorum is provided, decisions are given by the majority of the members present. Every member opposing to the decision can demand their opposing opinion to be recorded on the decision.

According to the Banking Act, the Capital Market Law, the Commercial Codes and related legislations, Board decisions must be signed by the members attending the meeting, within one month, and must be saved in a book having sequentially numbered pages, with the date and number of the meeting, leaving no gaps or bulges between the lines of the resolutions. The said book must have been stamped according to rules on registration books as defined in the Turkish Commercial Law.

There is a Secretariat in our Bank to inform members of the Board of Directors and provide communication. And the establishment of committees of the Board composed of members of all the decisions that have been taken or reject the text stored in the procedures and requirements as defined in the legislation is archived. Although a legal obligation does not constitute, the foreign language (English) translations of decisions are available.

## Albaraka Türk Participation Bank Corporate Governance Compliance Report (31.12.2014)

### 24. Prohibition of Doing Business and Competitiveness

The Bank's chairman and members has to receive permission for the issue of processing from the General Assembly to remain outside the issues of the Bank Act and the Turkish Commercial Code prohibits, in accordance with the Turkish Commercial Code Article 395 and 396.

### 25. Ethical Rules

With the Bank's Board of Directors decision numbered 693, the "Code of Ethics" that adopted by Participation Banks Association of Turkey is to be observed in banks activity.

The Bank conducts its activities in the framework of the code of ethics and relationships with all stakeholders are tried to establish with taking into account complying with ethical principles. Bank are published Ethics and Professional Principles on the website in the framework the basic principles on the seven main principles of corporate culture and governance (integrity, impartiality, reliability, transparency, observing public interest and respect for the environment, fight against laundering of assets derived from crime, prevention of trade insider).

### 26. Number, Structure and Independence of Committees under the Board of Directors

In compliance with the legislation, there is an Audit Committee in Albaraka Türk Participation Bank which consists of three non-executive Board members. This committee reports to the Board and assists the Board in accomplishing its auditing and controlling functions. It is responsible of monitoring the operations of internal systems, accounting and reporting systems of the Bank.

Parallel to the common legal practice in the banking industry there is a Credit Committee in the Bank which consists of the General Manager and two Board members, in charge of the credit approval process. The Credit Committee is the last level of credit allocation process in the Bank which decides for credits by analyzing the proposals according to criteria given in the legislations, banking practices, targets and credit policies of the Bank, after the approval of General Management.

There is a Corporate Governance Committee which consists of the two Board members. This committee monitors, assesses the bank's compliance with corporate governance principles and offers suggestions to the Board of Directors. The committee ascertains that the Bank conforms to the corporate governance principles. If conflicts of interests occur due to poor practice of the corporate governance principles, the committee offers suggestions for the solution of the problem to the Board of directors. Moreover, the committee works on setting out strategies for a transparent system in identification and assessment of candidates for the Board of Directors posts.

There is a Remuneration Committee which consists of a chairman and two members reporting to the Board. The committee aims to ensure that the board of directors, the senior management and the bank's employee are awarded in proportion to their contribution to the bank's value addition.

### 27. Fiscal Rights of the Board

According to article 20 of the Articles of Incorporation, "The General Assembly of Shareholders decides the amount of general allowances, per-diems, wages, bonuses, premiums and other payments to be made to the chairman, vice chairman, and other members of the Board."

Apart from those approved by the General Assembly, there are resolutions about other costs of every Board member to be covered by the Bank like per-diem payable against every meeting attended (the amount of which is determined by the Shareholders' Assembly), and the transportation and full-board accommodation costs in approved hotels.

The Board of Directors has been authorized by the General Assembly to determine the payment of additional fees and the amount of these fees to the Board of Directors members who will be appointed to committees like Audit Committee, Credit Committee formed by the Board of Directors and specific subjects pursuant to the Articles of Incorporation of our Bank.

# Financial Information and Assessments on Risk Management

- Summary Financial Information for the Five-Year Period
- Evaluation on Financial Position, Profitability and Capability to Pay
- Risk Management
- Assessment of Internal Control, Internal Audit and Risk Management Systems by the Audit Committee
- Ratings Issued by International Rating Agencies to Albaraka Türk
- Unconsolidated Financial Statements Including Independent Auditors' Report and Notes to the Financial Statements as of December 31, 2014

## Summary Financial Information for the Five-Year Period

### Key Financial Highlights (TL thousand)

	2010	2011	2012	2013	2014	Growth (%)
<b>Total Assets</b>	8,406,301	10,460,885	12,327,654	17,216,553	23,046,424	33.9
<b>Collected Funds</b>	6,881,590	8,044,747	9,225,018	12,526,212	16,643,218	32.9
<b>Funded Credits*</b>	6,296,815	7,286,960	9,100,063	12,059,901	16,183,692	34.2
<b>Shareholders' Equity</b>	852,635	1,004,251	1,218,333	1,497,268	1,790,927	19.6
<b>Net Profit</b>	134,044	160,155	191,835	241,409	252,631	4.6
<b>Number of Personnel</b>	2,175	2,601	2,758	3,057	3,510	14.8
<b>Number of Branches</b>	109	123	137	167	202	21.0

### Key Financial Ratios (%)

	2010	2011	2012	2013	2014
<b>Funded Credits*/Total Assets</b>	74.9	69.7	73.8	70.0	70.2
<b>Funded Credits*/Collected Funds</b>	91.5	90.6	98.6	96.3	97.2
<b>Collected Funds/Total Assets</b>	81.9	76.9	74.8	72.8	72.2
<b>Return on Average Equity</b>	17.1	17.1	17.0	17.7	15.4
<b>Return on Average Assets</b>	1.8	1.7	1.7	1.6	1.2
<b>NPL Ratio</b>	3.0	2.3	2.4	2.3	2.0
<b>Net NPL Ratio</b>	0.4	0.2	0.3	0.2	0.2
<b>NPL Provisions Ratio</b>	85.7	92.4	88.8	90.6	87.9
<b>CAR</b>	14.1	12.5	13.0	14.9	14.2

\*Finansal kiralama dahildir.

## Evaluation on Financial Position, Profitability and Capability to Pay

Albaraka Türk increased its assets to TL 23 billion in 2013 with an increase of 34% compared to previous year end despite of the turbulence in the global economy.

Carrying on the support it gives to real sector in 2014 as well; Albaraka Türk increased the funded credits which have the largest share in its assets to TL 16,2 billion with an increase of 34% as of 2014 year-end compared to the previous year-end. Total share of the funded credits in the total asset reached 70%.

The funds collected by the Bank reached TL 16,6 billion with an annual increase of 33% as of 2014 year-end. Albaraka Türk diversified its funding base with a murabaha syndication of USD 221 million provided from international markets in 2014. Maintaining its strong capital structure, Albaraka Türk increased its equities to TL 1.79 billion with an increase of 20% as of 2010 year end compared to previous year end.

Albaraka Türk has recorded net profit of TL 252,6 million in 2014 which means an annual increase of 5%. Increasing its operating income to TL 978 million with a rise of 9% as of 2014 year-end compared to previous year-end. Net profit share income was increased to TL 699 million with an increase of 12%.

Capital adequacy ratio became 14.15% above its legal obligation level as of 2014 year-end.

## Risk Management

Aiming to ensure capital allocation compatible with the risks of its functional operations and increase the capital yield set according to these risks to the maximum level, Albaraka Türk evaluates risks by classifying them as market risks, liquidity risk, credit risk, operational risk, strategic risk and credibility risk.

The objective of the Risk Management System of our Bank is to ensure the definition, measuring, monitoring and controlling of the encountered risks by means of the policies, implementation methods and limits that have been determined to monitor, control and when necessary change the risk-income structure including the future cash flows and, accordingly, the quality and level of the activities.

The ultimate target of our Risk Management System is to allocate our functional activities sufficient capital (economic capital) consistent with the risks they bear and to maximize capital returns adjusted for risk, thus increasing the value added.

Basically being exposed to market, Liquidity and credit risk, strategic risk, credibility risk and operational risk, the Bank determines risk policies and application methods approved by the Board of Directors for the risks exposed that can be digitized. The said limits are monitored and reported by the units within the internal systems and the related organs of the Bank and ensured that the risks remain within determined limits. The Presidency of Risk Management which is organized within the framework of risk management regulations carries out the activities of the measurement, control and reporting of risks.

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

### Market Risk

The Market Risk signifies the probability of possible losses that may arise from the effect of the fluctuations in exchange rates to our Bank's assets and liabilities held in different foreign currencies within and off the balance sheet and the probability of loss our Bank is likely to incur due to the price movements in the stocks held by our Bank.

Foreign exchange rate risk or foreign currency position risk portion of our market risk is defined as the negative impact on the Bank's income, and accordingly, in the equity, cash flows, quality of assets and consequently in our Bank's capacity in fulfilling its commitments, of the unexpected changes in exchange rates due to the foreign currency position of the balance sheet of the Bank. Similarly, security risk is defined as the negative impact on the Bank's income, and accordingly, in the equity, cash flows, quality of assets and consequently in our Bank's capacity in fulfilling its commitments, of the unexpected changes in prices of the securities held in the balance sheet of the Bank.

Within the coverage of market risk, our Bank calculates the foreign currency position risk and the security risk, as well as specific risks associated with market risk, by using the Standard approach and reports to it the authorities accordingly on a regular basis. Additionally, for test-purpose, foreign currency position risk of our Bank is measured by internal models. With backtesting applications, deviations between actual values and daily VaR values, predicted by internal models, are observed in order to control accuracy and performance of these models. Potential strength of portfolio against to unexpected risks is measured with stress tests including stress scenarios.

Whether the market risk of our Bank is in conformity with legal regulations and the determined limits is constantly monitored. Our foreign currency risk is discussed and evaluated at every Assets/Liabilities Committee meeting and our foreign currency strategy is based on holding this risk constant by holding to square foreign currency position (i.e. no short or long positions are taken).

### Liquidity Risk

The liquidity risk is the situation whereby, as a result of any imbalances in the cash flows, there is a potential for not being able to meet the Participation Funds which have matured or other due liabilities in a timely manner due to shortage of liquid funds.

Liquidity risk could be caused by such factors as maturity mismatch, deterioration in the quality of assets, unexpected funding outflows, erosion in profitability levels and economic crisis. In order to manage liquidity risk, the Bank monitors the cash flows on a daily basis and takes preventive and improving measures taken so that commitments are met duly in time. The Liquidity risk is also evaluated by ALCO on a weekly basis. Our Bank applies a policy whereby liquid assets are kept in sufficient volumes and qualities in consideration of the minimum liquidity ratios determined by the related regulations and the liquidity experiences of the past in order to meet any liquidity requirement that could arise with unexpected volatilities in the markets.



### Credit Risks

Credit risk is defined as the probability of losses to the Bank due to customers failing to partially or completely pay their commitments to the Bank in a timely manner, in violation of the provisions of their credit contracts. This risk also contains any losses in the market value of the customers due to any deterioration in the financial position of the customer. The definition of credit risk includes not just the portfolios within the balance sheet, but also those kept off balance sheet.

The authority to approve credits belongs to the Board of Directors at our Bank. The Board of Directors determines the policies concerning the utilization, approval, risk management of the credits and other related management principles. It then ensures the implementation and supervision of these policies, taking required measures when necessary. The Board of Directors has transferred some of its authority in approving credit lines to the Credit Committee and General Management within the framework of the procedures and principles determined by the legal provisions. The General Management uses that authority to utilize credits by means of the credit departments and Bank branches. At our Bank, credit allocations are realized within those limits that are determined on the basis of each debtor and group of debtors. It is systematically not possible for customers to exceed the predetermined and approved limit. Close attention is paid to prevent any sector concentration that might impair the health of the credit portfolio. Utmost care is given to the prevention of risks concentrating on a small number of customers. Credit risks are constantly monitored and reported by the internal systems units and risk management bodies. Credit risks are ensured to be in conformity to credit risk management policies and implementation methods.

### Operational Risk

At our Bank, an operational risk is a risk of loss caused by insufficient or unsuccessful internal processes, by persons and systems or external events, wherein the legal risks and compliance risks are included while the strategic (making wrong decisions at the wrong time) and reputational risk are excluded.

Operational risk is a type of risk present in all activities of Albaraka Türk. It could arise from errors of the staff or the system, from such transactions as may have been made based on insufficient or incorrect legal information or documents, due to impediments in the flow of information between the divisions in the organizational structure of the Bank, due to uncertainties in the definition of limits of authorities or from structural and/or operational changes, natural disasters, terror and frauds, etc. The Bank classifies operational risks into five groups according to their sources: staff risks, technological risks, organizational risks, legal and compliance risks and external risks. Albaraka Türk also takes required measures to maintain operational risks at acceptable levels.

### Other Risks

The other risks that Albaraka Türk could encounter include strategic and reputational risk. In order to avoid and/or control strategic risks, the Bank's Risk Management System is prepared for such changes as may have crucial impact on its activities, Bank's position and strategies, such as changes in the economic, political and socio-political conditions as well as in laws, regulations and similar arrangements. These have been incorporated into the Bank's emergency and business continuity plans.

The reputation risk is defined as events and situations that are likely to negatively affect the trust put in and the image of the Bank, possibly caused by all kinds of services, activities and relations of the Bank.

For the risk of reputation to be avoided and/or controlled by the Bank's Risk Management System, a proactive communication mechanism that gives the customer priority is established any time a condition that could detriment the Bank's reputation or image is detected. Preparations are made for the worst-case scenarios in advance. In the evaluation of the reputation risk, the relationship, level and impact of operational risks to the reputation risk are also taken into account.

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

In order to monitor and control risks faced, Albaraka Türk has formed a sufficient and efficient structure of internal systems, consistent with the scope and structure of activities, accommodating the dynamic environment, covering all the branches and divisions, within the framework of the methods and principles as highlighted in the related regulations.

The units within the scope of the Internal Systems are the Board of Inspectors, Presidency of Internal Control, Presidency of Risk Management and Presidency of Regulation And Compliance. All the four units operate under the auspices of the Board Member Responsible for Internal Systems and Board of Directors.

The Board of Inspectors carries out the function of audit that is inclusive of all the activities of the Bank, in which respect, the Board executes the processes of audit, inspection, investigation and inquiry at all the head-office divisions and branches of the Bank.

The Board of Inspectors functions with an understanding of risk-focused audit. During the process of audit, for which all available technologies are utilized, all activities are audited in conformance with both external and internal regulations.

Presidency of Internal Control conducts risk-oriented and interactive audits that ensure the regular, effective and safe performance of bank activities in the general management units and branches.

The findings, opinions and suggestions of these internal control activities are initially shared and evaluated by those that perform audited activities. This way, not only are the necessary complementary and preventive measures adopted and implemented in a fast manner, but also proper and applicable solutions that promote the processes and activities are put into practice. All these tasks are monitored and evaluated closely and constantly by those members of the staff that carry out the activities as well as the internal controllers.

Presidency of Risk Management carries out the activities of measurement, observation, control and reporting of the risks our bank is exposed to. For the purpose of internal ratings-based measurement of credit risk which was the most serious risk exposed among the functional activities, studies started together with consultancy firm are in completed and the model covers small enterprises, commercial and corporate segment firms.

Additionally, risk measurement models are used for test-purpose in order to calculate market risk with other than Standard method which is currently used for measuring and reporting market risk. With backtesting applications, deviations between actual values and daily VaR values, predicted by risk measurement models, are determined for the purpose of testing accuracy and performance of these models. Potential strength of portfolio against to unexpected risks is measured with stress tests including stress scenarios. It is monitored that whether market risk of our Bank is within in the legal limits or not.

Our Bank which is conscious of building a strong structure in terms of asset quality, liquidity, capital adequacy, risk management and internal control, is carrying on its activities planned in its road map according to road map of Banking Regulation and Supervision Agency (BDDK) for transition to Basel II. The developments in this regard have been sent to BDDK as progress report.

There are two separate tasks of Presidency of Regulation and Compliance which was founded in order to manage effectively compliance risks related with national and international legislation. First one is that analyze the effects of related international or regional legislation on Bank's activities; monitoring establishment of those mechanisms which will ensure full compliance of the Bank to updated legislation and reporting them to Senior Management, correspond with authorities and law makers about matters which are not clear in the legislative sources and sharing the results with related parties, inform other departments about the changes in legislation detected in daily controls, present opinion and information to the Board of Directors for new products and transactions or activities planned to be carried out.

Also, according to number of 5549 Preventing Money Laundering Proceeds Of Crime Legislation, Legislation and Compliance Unit performs the following duties: composing relevant policies and procedures for the Bank, conducting risk management activities, conducting activities of monitoring and controlling, conducting training activities, establishing systems to ensure decreasing the risk of unexpected losses and damages to the image of the Bank; early recognition of problems which may result in losses by detecting defects and deficiencies; fixing the defects and deficiencies; setting up warning systems to check and monitor the processes and controlling whether the transactions in our Bank are done in compliance with the policies composed in the context of criminal proceeds legislations.

The staff appointed units within the scope of internal systems, who perform their task independently and impartially, have sufficient professional knowledge and experience.

The activities of the units within internal systems are evaluated periodically by the Audit Committee and the Board of Directors.

Mitat AKTAŞ  
Member of Audit Committee

Hamad Abdulla A. EQAB  
President of Audit Committee

Hood Hashem Ahmed HASHEM  
Member of Audit Committee

### Managers of Internal Audit Systems

Information concerning the professional experience, duration of service in their positions at our Bank and educational background of the managers of the units within Internal Systems of our Bank is given below:

Name-Surname	Professional Experience (Years)	Duration of Services at Albaraka Türk (Years)	Length of Services in His Area (Years)	Education	Field of Responsibility
ismail KÜÇÜKERDOĞAN	30	19	12	Bachelors Degree	Inspection
Volkan EVCİL	24	22	13	Bachelors Degree	Risk Management
İlhami ÖZDEMİR	18	13	13	Bachelors Degree	Internal Control
Hakan KURBETCİ	24	20	2 year 3 Months	Bachelors Degree	Regulation and Compliance

## Ratings Issued by International Rating Agencies to Albaraka Türk

### Credit Ratings

Standard&Poor's results issued in Oct 2014	
Long Term Credit Rating	BB
Short Term Credit Rating	B
Outlook	Negative

### JCR Eurasia's results issued in March 2014

	Foreign Currency	Local Currency	Outlook	Sponsor Support	Stand Alone
Long Term	BBB-	BBB-	Stable	3	AB
Short Term	A - 3	A - 3	Stable	-	-

### Corporate Governance Compliance Ratings of CMB

JCR Eurasia Rating results issued in July 2014	
Corporate Governance Compliance	8.44
Shareholders	8.31
Public Disclosure and Transparency	8.89
Stakeholders	8.30
Board of Directors	8.28

Albaraka Türk Katılım Bankası Anonim Şirketi  
Unconsolidated Financial Statements and  
Independent Auditors' Report

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)

## Albaraka Türk Katılım Bankası Anonim Şirketi

## Independent Auditors' Report for the Year Ended December 31, 2014



Güney Bağımsız Denetim ve  
SMMM A.Ş.

Maslak Mahallesi Eski Büyükdere Caddesi  
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Ticaret Sicil No: 479920

Mersis No: 0-4350-3032-6000017

To the Board of Directors of Albaraka Türk Katılım Bankası Anonim Şirketi:

We have audited the accompanying unconsolidated balance sheet of Albaraka Türk Katılım Bankası A.Ş. ("the Bank") as at December 31, 2014 and the related unconsolidated income statement, unconsolidated statement of income and expense items accounted under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

#### Responsibility of the Bank's Board of Directors:

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error and selecting and applying appropriate accounting policies.

#### Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our audit has been performed in accordance with "Regulation on Authorization and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette numbered 26333 dated November 1, 2006 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.

#### Independent Auditors' Opinion:

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Albaraka Türk Katılım Bankası A.Ş. as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per Article 37 of the Banking Act No: 5411 and other regulations, communiqués, circulars and pronouncements made by the Banking Regulation and Supervision Agency in respect of on accounting and financial reporting.

#### Report on other responsibilities arising from regulatory requirements

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period January 1 – December 31, 2014 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

#### Additional Paragraph for Convenience Translation

As explained in detail in Note XXIII of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of the Banking Act No: 5411 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

  
Damla Harman  
Partner in charge, SMMM

February 27, 2015  
Istanbul, Turkey

Albaraka Türk Katılım Bankası Anonim Şirketi

## Unconsolidated Financial Report of Albaraka Türk Katılım Bankası A.Ş. As of and for the Year Ended December 31, 2014

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

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

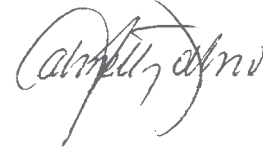
- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITORS' REPORT

The unconsolidated financial statements and related disclosures and footnotes; presented in thousands of Turkish Lira unless otherwise indicated; have been prepared in accordance with the Communiqué on Accounting Applications of Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related appendices and interpretations and in compliance with the records of our Bank, have been independently audited and presented as attached. Unless stated otherwise, the accompanying unconsolidated financial statements are presented in thousands of Turkish Lira (TL).

February 27, 2015



**Adnan Ahmed Yusuf ABDULMALEK**  
Chairman of the Board of Directors



**Fahrettin YAHŞİ**  
General Manager



**Melikşah UTKU**  
Assistant General Manager



**Yunus AHLATCI**  
Budget and Financial Reporting Acting Manager



**Hamad Abdulla A. EQAB**  
Chairman of the Audit Committee



**Mitat AKTAŞ**  
Member of the Audit Committee



**Hood Hashem Ahmed HASHEM**  
Member of the Audit Committee

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

Name-Surname / Title : Bora ŞİMŞEK / Budget and Financial Reporting / Assistant Manager  
Telephone : 00 90 216 666 05 59  
Facsimile : 00 90 216 666 16 11

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Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

### As at December 31, 2014

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)

(Currency - Thousand Turkish Lira)

#### 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 Istanbul and is operating through 201 (December 31, 2013: 166) local branches and 1 (December 31, 2013: 1) foreign branch and with 3.510 (December 31, 2013: 3.057) staff as of December 31, 2014.

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

As of December 31, 2014, 54,06 % (December 31, 2013: 54,06%) of the Bank's shares are owned by Albaraka Banking Group located in Bahrain. 24,06 % (December 31, 2013: 23,08%) of the shares are publicly traded and quoted at Borsa İstanbul.

Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

As at December 31, 2014

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)

(Currency - Thousand Turkish Lira)

### 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 (%)
<b>Chairman of the Board of Directors (BOD)</b>	Adnan Ahmed Yusuf ABDULMALEK	Chairman of BOD	Master	(*) 0,0000
<b>Members of BOD</b>	Yalçın ÖNER	Vice Chairman of BOD	Master	0,0006
	İbrahim Fayez Humaid ALSHAMSI	Member of BOD	Bachelor	(*) 0,0000
	Osman AKYÜZ	Member of BOD	Bachelor	-
	Prof.Dr. Ekrem PAKDEMİRLİ	Member of BOD	Doctorate	(*) 0,0000
	Mitat AKTAŞ	Member of BOD	Master	(*) 0,0000
	Hamad Abdulla A. EQAB	Member of BOD	Bachelor	(*) 0,0000
	Fahad Abdullah A. ALRAJHI	Member of BOD	Bachelor	(*) 0,0000
	Hood Hashem Ahmed HASHEM	Member of BOD	Master	(*) 0,0000
	Khalifa Taha HAMOOD	Member of BOD	Bachelor	(*) 0,0000
	AL- HASHIMI			
	Ass. Prof. Dr. Kemal VAROL	Independent Member of BOD	Doctorate	-
<b>General Manager</b>	Dr .Fahrettin YAHŞİ	Member of BOD /General Manager	Doctorate	-
<b>Assistant General Managers</b>	Mehmet Ali VERÇİN	Corporate Marketing, Treasury Marketing, Investment Projects	Bachelor	-
	Nihat BOZ	Legal Advisory, Legal Follow-up	Bachelor	0,0048
	Temel HAZIROĞLU	Human Values, Training & Organisation, Performance & Career Management, Administrative Affairs	Bachelor	0,0342
	Bülent TABAN	Commercial Marketing, Commercial Products Management,	Master	-
	Turgut SİMİTÇİOĞLU	Credit Operations, Banking Services Operations, Foreign Affairs Operations, Payment Systems Operations, Risk Follow-up	Master	-
	Melikşah UTKU	Financial Affairs, Budget & Financial Reporting, Corporate Communication	Master	-
	Ali TUĞLU	Core Banking Applications Development, Customer & Channel and Analytical Applications,IT Support, IT Strategy & Governance	Bachelor	-
	Mahmut Esfa EMEK	Corporate Credits, Commercial Credits, Retail Credits	Bachelor	-
	Ayhan KESER	Retail Marketing, Alternative Distribution Channels, Retail Products Management, Financial Institutions	Bachelor	-
				-
<b>Audit Committee</b>	Hamad Abdulla A. EQAB	Chairman of Audit Committee	Bachelor	(*) 0,0000
	Hood Hashem Ahmed HASHEM	Member of Audit Committee	Master	(*) 0,0000
	Mitat AKTAŞ	Member of Audit Committee	Master	(*) 0,0000

(\*) 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 0,0396% of the Bank's share capital (December 31,2013: 0,0396%).

## Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes Related to Unconsolidated Financial Statements****As at December 31, 2014**

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)

(Currency - Thousand Turkish Lira)

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

The Bank's paid in capital amounting to TL 900.000 consists of 900.000.000 number of shares with a nominal value of TL 1 (full) for each share. TL 486.523 of the paid in capital is owned by qualified shareholders who are listed below:

<b>Name / commercial name</b>	<b>Share amount (nominal)</b>	<b>Share ratio</b>	<b>Paid shares</b>	<b>Unpaid shares</b>
Albaraka Banking Group	486.523	54,06%	486.523	-

**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 and profit sharing accounts, and 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 five 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) and one year and more than one year (with monthly, quarterly, semiannual and annual profit share payment).

The Bank may determine the participation rates on profit and loss of profit sharing accounts according to currency type, amount and maturity groups separately under the limitation that the participation rate on loss shall not be less than fifty percent of participation rate on profit.

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 Işık Sigorta, Anadolu Sigorta, Güneş Sigorta, Allianz, Aviva Sigorta, Neova Sigorta, Zurich Sigorta, Ankara Sigorta, Coface Sigorta, Avivasa Emeklilik ve Hayat, Generali Sigorta, as a private pension insurance agency on behalf of Anadolu Hayat Emeklilik, Avivasa Emeklilik ve Hayat and Katılım Emeklilik ve Hayat, and as a brokerage agency on behalf of Bizim 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 which 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 Customs and 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 did not consolidate its associate Kredi Garanti Fonu A.Ş. considering the materiality principle and its insignificant influence over the associate, the related associate is carried at cost in the accompanying financial statements. Moreover, the financial statements of the Bank's structured entity, Albaraka Türk Sukuk Limited, which is not a subsidiary but over which the Parent Bank exercises 100% control, are not consolidated in the accompanying financial statements considering the materiality principle. Katılım Emeklilik ve Hayat A.Ş., an entity under common control, is consolidated through equity method in the consolidated financial statements. Bereket Varlık Kiralama A.Ş., a subsidiary of the Bank is consolidated using full consolidation method. The Bank consolidated Katılım Emeklilik ve Hayat A.Ş., an entity under common control, and Bereket Varlık Kiralama A.Ş., a subsidiary of the Bank, through equity method and full consolidation method, respectively.

**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.

Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

### As at December 31, 2014

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)

(Currency - Thousand Turkish Lira)

#### Section two

##### The unconsolidated financial statements

- I. Balance sheet (Statement of financial position)
- II. Statement of off-balance sheet
- III. Statement of income
- IV. Statement of income and expense items accounted under shareholders' equity
- V. Statement of cash flows
- VI. Statement of changes in shareholders' equity
- VII. Statement of profit appropriation

## Albaraka Türk Katılım Bankası Anonim Şirketi

**Balance Sheet (Statement of Financial Position)**

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)

(Currency - Thousand Turkish Lira)

ASSETS	Notes (Section Five-I)	THOUSAND TURKISH LIRA					
		CURRENT PERIOD (31/12/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	<b>(1)</b>	<b>352.393</b>	<b>2.776.793</b>	<b>3.129.186</b>	<b>246.414</b>	<b>2.036.267</b>	<b>2.282.681</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)</b>	<b>(2)</b>	<b>5.611</b>	<b>-</b>	<b>5.611</b>	<b>4.769</b>	<b>22</b>	<b>4.791</b>
2.1 Trading Financial Assets		5.611	-	5.611	4.769	22	4.791
2.1.1 Public Sector Debt Securities		-	-	-	-	-	-
2.1.2 Equity Securities		5.611	-	5.611	4.764	-	4.764
2.1.3 Derivative Financial Assets Held for Trading		-	-	-	-	-	-
2.1.4 Other Marketable Securities		-	-	-	5	22	27
2.2 Financial Assets at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Equity Securities		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
<b>III. BANKS</b>	<b>(3)</b>	<b>511.402</b>	<b>1.136.833</b>	<b>1.648.235</b>	<b>625.878</b>	<b>752.830</b>	<b>1.378.708</b>
<b>IV. MONEY MARKET PLACEMENTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>V. FINANCIAL ASSETS-AVAILABLE FOR SALE (net)</b>	<b>(4)</b>	<b>496.367</b>	<b>163.393</b>	<b>659.760</b>	<b>127.575</b>	<b>113.315</b>	<b>240.890</b>
5.1 Equity Securities		15	1.660	1.675	15	1.528	1.543
5.2 Public Sector Debt Securities		465.361	123.254	588.615	117.550	83.973	201.523
5.3 Other Marketable Securities		30.991	38.479	69.470	10.010	27.814	37.824
<b>VI. LOANS AND RECEIVABLES</b>	<b>(5)</b>	<b>13.494.112</b>	<b>1.979.934</b>	<b>15.474.046</b>	<b>10.403.976</b>	<b>1.583.604</b>	<b>11.987.580</b>
6.1 Loans and Receivables		13.454.414	1.979.918	15.434.332	10.377.759	1.583.581	11.961.340
6.1.1 Loans to Risk Group of The Bank		50.243	-	50.243	1.504	-	1.504
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Other		13.404.171	1.979.918	15.384.089	10.376.255	1.583.581	11.959.836
6.2 Non-performing loans		326.948	27	326.975	278.968	700	279.668
6.3 Specific Provisions (-)		287.250	11	287.261	252.751	677	253.428
<b>VII. INVESTMENTS HELD TO MATURITY (net)</b>	<b>(6)</b>	<b>783.309</b>	<b>-</b>	<b>783.309</b>	<b>745.390</b>	<b>-</b>	<b>745.390</b>
<b>VIII. INVESTMENTS IN ASSOCIATES (net)</b>	<b>(7)</b>	<b>4.211</b>	<b>-</b>	<b>4.211</b>	<b>4.211</b>	<b>-</b>	<b>4.211</b>
8.1 Accounted for under Equity Method		-	-	-	-	-	-
8.2 Unconsolidated Associates		4.211	-	4.211	4.211	-	4.211
8.2.1 Financial Associates		4.211	-	4.211	4.211	-	4.211
8.2.2 Non-Financial Associates		-	-	-	-	-	-
<b>IX. SUBSIDIARIES (net)</b>	<b>(8)</b>	<b>250</b>	<b>-</b>	<b>250</b>	<b>250</b>	<b>-</b>	<b>250</b>
9.1 Unconsolidated Financial Subsidiaries		250	-	250	250	-	250
9.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>X. JOINT VENTURES (net)</b>	<b>(9)</b>	<b>10.500</b>	<b>-</b>	<b>10.500</b>	<b>5.500</b>	<b>-</b>	<b>5.500</b>
10.1 Accounted for under Equity Method		-	-	-	-	-	-
10.2 Unconsolidated		10.500	-	10.500	5.500	-	5.500
10.2.1 Financial Joint Ventures		10.500	-	10.500	5.500	-	5.500
10.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
<b>XI. LEASE RECEIVABLES (net)</b>	<b>(10)</b>	<b>709.646</b>	<b>-</b>	<b>709.646</b>	<b>72.321</b>	<b>-</b>	<b>72.321</b>
11.1 Finance Lease Receivables		782.612	-	782.612	85.893	-	85.893
11.2 Operational Lease Receivables		-	-	-	-	-	-
11.3 Other		-	-	-	-	-	-
11.4 Unearned Income (-)		72.966	-	72.966	13.572	-	13.572
<b>XII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
12.1 Fair Value Hedge		-	-	-	-	-	-
12.2 Cash Flow Hedge		-	-	-	-	-	-
12.3 Hedge of Net Investment Risks in Foreign Operations		-	-	-	-	-	-
<b>XIII. TANGIBLE ASSETS (net)</b>	<b>(12)</b>	<b>485.461</b>	<b>1.678</b>	<b>487.139</b>	<b>378.689</b>	<b>1.925</b>	<b>380.614</b>
<b>XIV. INTANGIBLE ASSETS (net)</b>	<b>(13)</b>	<b>26.326</b>	<b>565</b>	<b>26.891</b>	<b>15.335</b>	<b>594</b>	<b>15.929</b>
14.1 Goodwill		-	-	-	-	-	-
14.2 Other		26.326	565	26.891	15.335	594	15.929
<b>XV. INVESTMENT PROPERTY (net)</b>	<b>(14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVI. TAX ASSET</b>	<b>(15)</b>	<b>3.551</b>	<b>-</b>	<b>3.551</b>	<b>10.914</b>	<b>-</b>	<b>10.914</b>
16.1 Current Tax Asset		3.551	-	3.551	2.558	-	2.558
16.2 Deferred Tax Asset		-	-	-	8.356	-	8.356
<b>XVII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (net)</b>	<b>(16)</b>	<b>27.678</b>	<b>-</b>	<b>27.678</b>	<b>28.253</b>	<b>154</b>	<b>28.407</b>
17.1 Assets Held for Sale		27.678	-	27.678	28.253	154	28.407
17.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>XVIII. OTHER ASSETS</b>	<b>(17)</b>	<b>74.852</b>	<b>1.559</b>	<b>76.411</b>	<b>56.113</b>	<b>2.254</b>	<b>58.367</b>
<b>TOTAL ASSETS</b>		<b>16.985.669</b>	<b>6.060.755</b>	<b>23.046.424</b>	<b>12.725.588</b>	<b>4.490.965</b>	<b>17.216.553</b>

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

## Albaraka Türk Katılım Bankası Anonim Şirketi

**Balance Sheet (Statement of Financial Position)**(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)  
(Currency - Thousand Turkish Lira)

LIABILITIES	Notes (Section Five-II)	THOUSAND TURKISH LIRA					
		CURRENT PERIOD (31/12/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
<b>I. FUNDS COLLECTED</b>	<b>(1)</b>	<b>9.782.163</b>	<b>6.861.055</b>	<b>16.643.218</b>	<b>7.518.851</b>	<b>5.007.361</b>	<b>12.526.212</b>
1.1 Funds from Risk Group of The Bank		71.453	183.838	255.291	23.152	170.967	194.119
1.2 Other		9.710.710	6.677.217	16.387.927	7.495.699	4.836.394	12.332.093
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	<b>(2)</b>	-	-	-	<b>2.804</b>	-	<b>2.804</b>
<b>III. FUNDS BORROWED</b>	<b>(3)</b>	-	<b>3.215.998</b>	<b>3.215.998</b>	-	<b>2.035.816</b>	<b>2.035.816</b>
<b>IV. BORROWINGS FROM MONEY MARKETS</b>		<b>116.740</b>	-	<b>116.740</b>	<b>144.775</b>	-	<b>144.775</b>
<b>V. SECURITIES ISSUED (net)</b>		-	-	-	-	-	-
<b>VI. MISCELLANEOUS PAYABLES</b>		<b>434.001</b>	<b>76.171</b>	<b>510.172</b>	<b>307.767</b>	<b>21.407</b>	<b>329.174</b>
<b>VII. OTHER LIABILITIES</b>	<b>(4)</b>	-	-	-	-	-	-
<b>VIII. LEASE PAYABLES</b>	<b>(5)</b>	-	-	-	-	-	-
8.1 Finance Lease Payables		-	-	-	-	-	-
8.2 Operational Lease Payables		-	-	-	-	-	-
8.3 Other		-	-	-	-	-	-
8.4 Deferred Finance Lease Expenses (-)		-	-	-	-	-	-
<b>IX. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>	<b>(6)</b>	-	-	-	-	-	-
9.1 Fair Value Hedge		-	-	-	-	-	-
9.2 Cash Flow Hedge		-	-	-	-	-	-
9.3 Net Foreign Investment Hedge		-	-	-	-	-	-
<b>X. PROVISIONS</b>	<b>(7)</b>	<b>180.386</b>	<b>52.438</b>	<b>232.824</b>	<b>146.944</b>	<b>54.519</b>	<b>201.463</b>
10.1 General Provisions		128.047	25.863	153.910	89.117	24.591	113.708
10.2 Restructuring Reserves		-	-	-	-	-	-
10.3 Reserve for Employee Benefits		32.529	-	32.529	39.465	-	39.465
10.4 Insurance Technical Reserves (net)		-	-	-	-	-	-
10.5 Other Provisions		19.810	26.575	46.385	18.362	29.928	48.290
<b>XI. TAX LIABILITY</b>	<b>(8)</b>	<b>64.116</b>	<b>3</b>	<b>64.119</b>	<b>46.033</b>	<b>35</b>	<b>46.068</b>
11.1 Current Tax Liability		55.823	3	55.826	46.033	35	46.068
11.2 Deferred Tax Liability		8.293	-	8.293	-	-	-
<b>XII. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (net)</b>	<b>(9)</b>	-	-	-	-	-	-
12.1 Assets Held for Sale		-	-	-	-	-	-
12.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>XIII. SUBORDINATED LOANS</b>	<b>(10)</b>	-	<b>472.426</b>	<b>472.426</b>	-	<b>432.973</b>	<b>432.973</b>
<b>XIV. SHAREHOLDERS' EQUITY</b>	<b>(11)</b>	<b>1.790.092</b>	<b>835</b>	<b>1.790.927</b>	<b>1.501.799</b>	<b>(4.531)</b>	<b>1.497.268</b>
14.1 Paid-In Capital		900.000	-	900.000	900.000	-	900.000
14.2 Capital Reserves		159.361	835	160.196	97.311	(4.531)	92.780
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Marketable Securities Valuation Reserve		9.155	835	9.990	(211)	(4.531)	(4.742)
14.2.4 Revaluation Reserve on Tangible Assets		153.179	-	153.179	96.712	-	96.712
14.2.5 Revaluation Reserve on Intangible Assets		-	-	-	-	-	-
14.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-
14.2.7 Bonus Shares From Associates, Subsidiaries and Jointly Controlled Entities		-	-	-	-	-	-
14.2.8 Hedging Funds (Effective Portion)		-	-	-	-	-	-
14.2.9 Accumulated Valuation Differences on Assets Held For Sale and Assets of Discontinued Operations		-	-	-	-	-	-
14.2.10 Other Capital Reserves		(2.973)	-	(2.973)	810	-	810
14.3 Profit Reserves		470.137	-	470.137	261.645	-	261.645
14.3.1 Legal Reserves		71.744	-	71.744	59.602	-	59.602
14.3.2 Status Reserves		-	-	-	-	-	-
14.3.3 Extraordinary Reserves		398.393	-	398.393	202.043	-	202.043
14.3.4 Other Profit Reserves		-	-	-	-	-	-
14.4 Profit or Loss		260.594	-	260.594	242.843	-	242.843
14.4.1 Prior Years Profit / (Loss)		7.963	-	7.963	1.434	-	1.434
14.4.2 Current Year Profit / (Loss)		252.631	-	252.631	241.409	-	241.409
14.5 Minority Interest		-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>12.367.498</b>	<b>10.678.926</b>	<b>23.046.424</b>	<b>9.668.973</b>	<b>7.547.580</b>	<b>17.216.553</b>

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

## Albaraka Türk Katılım Bankası Anonim Şirketi

## Statement of Off - Balance Sheet

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)  
(Currency - Thousand Turkish Lira)

STATEMENT OF OFF BALANCE SHEET	Notes (Section Five-III)	THOUSAND TURKISH LIRA					
		CURRENT PERIOD (31/12/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET COMMITMENTS (I+II+III)</b>	<b>(1)</b>	<b>5.077.895</b>	<b>3.929.264</b>	<b>9.007.159</b>	<b>4.064.280</b>	<b>3.567.122</b>	<b>7.631.402</b>
<b>I. GUARANTEES AND SURETIES</b>		<b>4.149.365</b>	<b>3.929.144</b>	<b>8.078.509</b>	<b>2.956.853</b>	<b>3.207.014</b>	<b>6.163.867</b>
1.1. Letters of Guarantees		4.122.802	2.749.839	6.872.641	2.947.334	2.284.564	5.231.898
1.1.1. Guarantees Subject to State Tender Law		166.552	21.939	188.491	92.207	23.278	115.485
1.1.2. Guarantees Given for Foreign Trade Operations		597	778.622	779.219	280	814.268	814.548
1.1.3. Other Letters of Guarantee		3.955.653	1.949.278	5.904.931	2.854.847	1.447.018	4.301.865
1.2. Bank Loans		-	33.055	33.055	-	23.524	23.524
1.2.1. Import Letter of Acceptances		-	33.055	33.055	-	23.524	23.524
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letter of Credits		7.997	581.273	589.270	-	482.011	482.011
1.3.1. Documentary Letter of Credits		-	-	-	-	-	-
1.3.2. Other Letter of Credits		7.997	581.273	589.270	-	482.011	482.011
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		2.551	558.481	561.032	937	355.427	356.364
1.7. Other Collaterals		16.015	6.496	22.511	8.582	61.488	70.070
<b>II. COMMITMENTS</b>	<b>(1)</b>	<b>928.530</b>	<b>120</b>	<b>928.650</b>	<b>813.111</b>	<b>63.108</b>	<b>876.219</b>
2.1. Irrevocable Commitments		928.530	120	928.650	813.111	63.108	876.219
2.1.1. Asset Purchase and Sale Commitments		-	-	-	2.401	62.982	65.383
2.1.2. Share Capital Commitment to Associates and Subsidiaries		-	-	-	5.000	-	5.000
2.1.3. Loan Granting Commitments		59.439	-	59.439	45.428	-	45.428
2.1.4. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6. Payment Commitment for Cheques		353.093	-	353.093	297.235	-	297.235
2.1.7. Tax And Fund Liabilities from Export Commitments		1.506	-	1.506	1.445	-	1.445
2.1.8. Commitments for Credit Card Expenditure Limits		510.257	-	510.257	458.540	-	458.540
2.1.9. Commitments for Promotions Related with Credit Cards and Banking Activities		523	-	523	369	-	369
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		3.712	120	3.832	2.693	126	2.819
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>294.316</b>	<b>297.000</b>	<b>591.316</b>
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		-	-	-	294.316	297.000	591.316
3.2.1. Forward Foreign Currency Buy/Sell Transactions		-	-	-	294.316	297.000	591.316
3.2.1.1. Forward Foreign Currency Transactions-Buy		-	-	-	294.316	-	294.316
3.2.1.2. Forward Foreign Currency Transactions-Sell		-	-	-	-	297.000	297.000
3.2.2. Other Forward Buy/Sell Transactions		-	-	-	-	-	-
3.3. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>30.389.457</b>	<b>4.509.815</b>	<b>34.899.272</b>	<b>22.641.233</b>	<b>3.855.845</b>	<b>26.497.078</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>1.353.738</b>	<b>1.454.959</b>	<b>2.808.697</b>	<b>1.660.275</b>	<b>1.293.437</b>	<b>2.953.712</b>
4.1. Assets Under Management		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		72	-	72	72	-	72
4.3. Cheques Received for Collection		841.140	105.953	947.093	701.874	89.326	791.200
4.4. Commercial Notes Received for Collection		488.418	18.801	507.219	235.972	23.262	259.234
4.5. Other Assets Received for Collection		103	-	103	104	-	104
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		7.997	986.909	994.906	-	720.711	720.711
4.8. Custodians		16.008	343.296	359.304	722.253	460.138	1.182.391
<b>V. PLEDGED ITEMS</b>		<b>29.035.719</b>	<b>3.054.856</b>	<b>32.090.575</b>	<b>20.980.958</b>	<b>2.562.408</b>	<b>23.543.366</b>
5.1. Marketable Securities		1.530.006	1.157.125	2.687.131	689.548	714.909	1.404.457
5.2. Guarantee Notes		1.877.551	204.313	2.081.864	1.415.238	172.025	1.587.263
5.3. Commodity		1.070.691	380.393	1.451.084	762.432	321.208	1.083.640
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		23.266.419	773.474	24.039.893	16.616.802	787.750	17.404.552
5.6. Other Pledged Items		1.237.960	530.859	1.768.819	1.448.353	542.198	1.990.551
5.7. Pledged Items-Depository		53.092	8.692	61.784	48.585	24.318	72.903
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>35.467.352</b>	<b>8.439.079</b>	<b>43.906.431</b>	<b>26.705.513</b>	<b>7.422.967</b>	<b>34.128.480</b>

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



## Albaraka Türk Katılım Bankası Anonim Şirketi

## Statement of Income

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)  
(Currency - Thousand Turkish Lira)

INCOME AND EXPENSE ITEMS	Notes (Section Five-IV)	THOUSAND TURKISH LIRA	
		CURRENT PERIOD (01/01/2014- 31/12/2014)	PRIOR PERIOD (01/01/2013- 31/12/2013)
<b>I. PROFIT SHARE INCOME</b>	<b>(1)</b>	<b>1.502.306</b>	<b>1.153.336</b>
1.1 Profit Share on Loans		1.376.418	1.095.102
1.2 Income Received from Reserve Deposits		492	-
1.3 Income Received from Banks		1.882	1.680
1.4 Income Received from Money Market Placements		-	-
1.5 Income Received from Marketable Securities Portfolio		95.136	51.985
1.5.1 Held-For-Trading Financial Assets		-	-
1.5.2 Financial Assets at Fair Value Through Profit and Loss		-	-
1.5.3 Available-For-Sale Financial Assets		41.154	10.361
1.5.4 Investments Held to Maturity		53.982	41.624
1.6 Finance Lease Income		28.152	4.569
1.7 Other Profit Share Income		226	-
<b>II. PROFIT SHARE EXPENSE</b>	<b>(2)</b>	<b>803.332</b>	<b>528.160</b>
2.1 Expense on Profit Sharing Accounts		680.979	464.403
2.2 Profit Share Expense on Funds Borrowed		100.036	59.166
2.3 Profit Share Expense on Money Market Borrowings		22.007	4.591
2.4 Profit Share Expense on Securities Issued		-	-
2.5 Other Profit Share Expense		310	-
<b>III. NET PROFIT SHARE INCOME (I – II)</b>		<b>698.974</b>	<b>625.176</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSES</b>		<b>128.336</b>	<b>113.197</b>
4.1 Fees and Commissions Received		161.173	141.295
4.1.1 Non-Cash Loans		81.953	82.354
4.1.2 Other	<b>(12)</b>	79.220	58.941
4.2 Fees and Commissions Paid		32.837	28.098
4.2.1 Non-Cash Loans		421	518
4.2.2 Other	<b>(12)</b>	32.416	27.580
<b>V. DIVIDEND INCOME</b>	<b>(3)</b>	<b>180</b>	<b>459</b>
<b>VI. TRADING INCOME/LOSS (net)</b>	<b>(4)</b>	<b>53.257</b>	<b>37.181</b>
6.1 Capital Market Transaction Income / (Loss)		1.474	18
6.2 Profit / (Loss) from Derivative Financial Instruments		21.141	(2.804)
6.3 Foreign Exchange Income / (Loss)		30.642	39.967
<b>VII. OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>96.819</b>	<b>118.814</b>
<b>VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>977.566</b>	<b>894.827</b>
<b>IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>(6)</b>	<b>149.576</b>	<b>190.883</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	<b>(7)</b>	<b>502.438</b>	<b>404.401</b>
<b>XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>325.552</b>	<b>299.543</b>
<b>XII. EXCESS AMOUNT RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XIII. PROFIT / (LOSS) ON EQUITY METHOD</b>		-	-
<b>XIV. PROFIT / (LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV. PROFIT / (LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	<b>(8)</b>	<b>325.552</b>	<b>299.543</b>
<b>XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(9)</b>	<b>(72.921)</b>	<b>(58.134)</b>
16.1 Provision for Current Taxes		(73.282)	(67.827)
16.2 Provision for Deferred Taxes		361	9.693
<b>XVII. NET INCOME / (LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	<b>(10)</b>	<b>252.631</b>	<b>241.409</b>
<b>XVIII. INCOME FROM DISCONTINUED OPERATIONS</b>	<b>(10)</b>	-	-
18.1 Income from Assets Held For Sale		-	-
18.2 Income from Sale Of Associates, Subsidiaries And Jointly Controlled Entities (Joint Vent.)		-	-
18.3 Income from Other Discontinued Operations		-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1 Loss from Assets Held for Sale		-	-
19.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-
19.3 Loss from Other Discontinued Operations		-	-
<b>XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>		-	-
<b>XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
21.1 Provision for Current Taxes		-	-
21.2 Provision for Deferred Taxes		-	-
<b>XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII. NET PROFIT / LOSS (XVII+XXII)</b>	<b>(11)</b>	<b>252.631</b>	<b>241.409</b>
23.1 Group's Profit/Loss		252.631	241.409
23.2 Minority shares (-)		-	-
Earnings Per Share (Full TL)		0,281	0,268

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

## Albaraka Türk Katılım Bankası Anonim Şirketi

**Statement of Income and Expense Items Accounted Under Shareholders' Equity**

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)

(Currency - Thousand Turkish Lira)

STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	THOUSAND TURKISH LIRA	
	CURRENT PERIOD (01/01/2014- 31/12/2014)	PRIOR PERIOD (01/01/2013- 31/12/2013)
I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS	18.415	(7.419)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	73.598	53.265
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	1.305	502
V. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	11
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED UNDER EQUITY IN ACCORDANCE WITH TAS	(6.958)	420
IX. DEFERRED TAX ON VALUATION DIFFERENCES	(17.010)	(9.253)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	69.350	37.526
XI. PROFIT/LOSS	252.631	241.409
11.1 Net change in Fair Value of Marketable Securities (Recycled To Profit/Loss)	-	-
11.2 Part of Derivatives Designated for Cash Flow Hedge Purposes reclassified and presented in Income Statement	-	-
11.3 Part of Hedge of Net Investments in Foreign Operations reclassified and presented in Income Statement	-	-
11.4 Other	252.631	241.409
<b>XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)</b>	<b>321.981</b>	<b>278.935</b>

## Albaraka Türk Katılım Bankası Anonim Şirketi

## Statement of Cash Flows

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)  
(Currency - Thousand Turkish Lira)

		THOUSAND TURKISH LIRA	
		CURRENT PERIOD (01/01/2014- 31/12/2014)	PRIOR PERIOD (01/01/2013- 31/12/2013)
STATEMENT OF CASH FLOWS		Notes (Section Five-VI)	
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	<b>Operating Profit Before Changes In Operating Assets And Liabilities</b>		<b>620.664</b>
1.1.1	Profit Share Income Received		1.266.709
1.1.2	Profit Share Expense Paid		(783.408)
1.1.3	Dividend Received		180
1.1.4	Fees and Commissions Received		273.494
1.1.5	Other Income		70.248
1.1.6	Collections from Previously Written Off Loans	(V-I-5,h2)	43.332
1.1.7	Payments to Personnel and Service Suppliers		(281.884)
1.1.8	Taxes Paid		(90.842)
1.1.9	Others	(V-VI-3)	122.835
<b>1.2</b>	<b>Changes In Operating Assets And Liabilities</b>		<b>(789.506)</b>
1.2.1	Net (Increase) Decrease in Available For Sale Financial Assets		(820)
1.2.2	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		-
1.2.3	Net (Increase) Decrease in Due From Banks and Other Financial Institutions		(617.796)
1.2.4	Net (Increase) Decrease in Loans		(4.151.863)
1.2.5	Net (Increase) Decrease in Other Assets		(13.757)
1.2.6	Net Increase (Decrease) in Funds Collected From Banks		-
1.2.7	Net Increase (Decrease) in Other Funds Collected		3.827.989
1.2.8	Net Increase (Decrease) in Funds Borrowed		78.000
1.2.9	Net Increase (Decrease) in Payables		-
1.2.10	Net Increase (Decrease) in Other Liabilities	(V-VI-3)	88.741
<b>I.</b>	<b>Net Cash Flow From Banking Operations</b>		<b>(168.842)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	<b>Net cash flow from investing activities</b>		<b>(409.049)</b>
2.1	Cash Paid for Acquisition of Jointly Controlled Operations, Associates and Subsidiaries		(5.000)
2.2	Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-
2.3	Fixed Assets Purchases	(V-I-12, 13,16)	(72.082)
2.4	Fixed Assets Sales	(V-I-12, 13,16)	28.893
2.5	Cash Paid for Purchase of Financial Assets Available for Sale	(V-I-4)	(376.923)
2.6	Cash Obtained from Sale of Financial Assets Available for Sale	(V-I-4)	-
2.7	Cash Paid for Purchase of Investment Securities	(V-I-6)	(350.000)
2.8	Cash Obtained from Sale of Investment Securities	(V-I-6)	366.063
2.9	Other		-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	<b>Net Cash Flow From Financing Activities</b>		<b>1.021.532</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued		1.343.198
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(290.166)
3.3	Issued Capital Instruments		-
3.4	Dividends Paid		(31.500)
3.5	Payments for Finance Leases		-
3.6	Other		-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	(V-VI-3)	<b>58.299</b>
<b>V.</b>	<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>		<b>501.940</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at the Beginning of the Period</b>	(V-VI-i)	<b>1.881.992</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the Period</b>	(V-VI-ii)	<b>2.383.932</b>

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

## Albaraka Türk Katılım Bankası Anonim Şirketi

**Statement of Changes in Shareholders' Equity**

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)  
(Currency - Thousand Turkish Lira)

**(THOUSAND TURKISH LIRA)**

<b>CHANGES IN SHAREHOLDERS' EQUITY</b>	<b>Notes (Section Five-V)</b>	<b>Paid-in Capital</b>	<b>Effect of Inflation Accounting on Capital</b>	<b>Share Premium</b>	<b>Share Certificate Cancellation Profits</b>	<b>Legal Reserves</b>	<b>Status Reserves</b>
<b>PRIOR PERIOD (01/01/2013-31/12/2013)</b>							
<b>I. Beginning balance</b>	<b>(V)</b>	<b>900.000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49.966</b>	<b>-</b>
Changes In Period		-	-	-	-	-	-
<b>II. Increase/Decrease Related to Merger</b>		-	-	-	-	-	-
<b>III. Marketable Securities Valuation Differences</b>		-	-	-	-	-	-
<b>IV. Hedging Funds (Effective Portion)</b>		-	-	-	-	-	-
4.1 Cash-Flow Hedge		-	-	-	-	-	-
4.2 Hedge Of Net Investment in Foreign Operations		-	-	-	-	-	-
<b>V. Tangible Assets Revaluation Differences</b>		-	-	-	-	-	-
<b>VI. Intangible Assets Revaluation Differences</b>		-	-	-	-	-	-
<b>VII. Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Operations</b>		-	-	-	-	-	-
<b>VIII. Foreign Exchange Differences</b>		-	-	-	-	-	-
<b>IX. Changes Related to the Disposal Of Assets</b>		-	-	-	-	-	-
<b>X. Changes Related to the Reclassification of Assets</b>		-	-	-	-	-	-
<b>XI. The Effect of Change in Associate's Equity</b>		-	-	-	-	-	-
<b>XII. Capital Increase</b>		-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-
12.2 Internal Sources		-	-	-	-	-	-
<b>XIII. Share Issue Premium</b>		-	-	-	-	-	-
<b>XIV. Share Cancellation Profits</b>		-	-	-	-	-	-
<b>XV. Inflation Adjustment to Paid-in Capital</b>		-	-	-	-	-	-
<b>XVI. Other</b>		-	-	-	-	-	-
<b>XVII. Period Net Income/(Loss)</b>		-	-	-	-	-	-
<b>XVIII. Profit Distribution</b>		-	-	-	-	9.636	-
18.1 Dividends Distributed		-	-	-	-	-	-
18.2 Transfers To Reserves		-	-	-	-	9.636	-
18.3 Other		-	-	-	-	-	-
<b>Closing Balance (I+II+III+... +XVI+XVII+XVIII)</b>		<b>900.000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59.602</b>	<b>-</b>

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

Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Years Net Income / (Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares from Investments	Hedging Reserves	Accumulated Valuation Differences on Assets Held For Sale and Disc.op.	Total Equity
18.954	(28)	191.835	891	1.193	55.522	-	-	-	1.218.333
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	(5.935)	-	-	-	-	(5.935)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	42.841	-	-	-	42.841
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	502	-	-	-	-	-	-	-	502
-	-	-	-	-	(286)	-	-	-	(286)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	336	-	1.433	-	(1.365)	-	-	-	404
-	-	241.409	-	-	-	-	-	-	241.409
183.089	-	(191.835)	(890)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
183.089	-	-	(192.725)	-	-	-	-	-	-
-	-	(191.835)	191.835	-	-	-	-	-	-
<b>202.043</b>	<b>810</b>	<b>241.409</b>	<b>1.434</b>	<b>(4.742)</b>	<b>96.712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.497.268</b>

## Albaraka Türk Katılım Bankası Anonim Şirketi

**Statement of Changes in Shareholders' Equity**

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)  
(Currency - Thousand Turkish Lira)

**(THOUSAND TURKISH LIRA)**

<b>CHANGES IN SHAREHOLDERS' EQUITY</b>	<b>Notes (Section Five-V)</b>	<b>Paid-in Capital</b>	<b>Effect of Inflation Accounting on Capital</b>	<b>Share Premium</b>	<b>Share Certificate Cancellation Profits</b>	<b>Legal Reserves</b>	<b>Status Reserves</b>
<b>CURRENT PERIOD (01/01/2014-31/12/2014)</b>							
<b>I. Beginning balance</b>	<b>(V)</b>	<b>900.000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59.602</b>	<b>-</b>
Changes In Period							
<b>II.</b> Increase/Decrease Related to Merger		-	-	-	-	-	-
<b>III.</b> Marketable Securities Valuation Differences		-	-	-	-	-	-
<b>IV.</b> Hedging Funds (Effective Portion)		-	-	-	-	-	-
4.1 Cash-Flow Hedge		-	-	-	-	-	-
4.2 Hedge Of Net Investment in Foreign Operations		-	-	-	-	-	-
<b>V.</b> Tangible Assets Revaluation Differences		-	-	-	-	-	-
<b>VI.</b> Intangible Assets Revaluation Differences		-	-	-	-	-	-
<b>VII.</b> Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Operations		-	-	-	-	-	-
<b>VIII.</b> Foreign Exchange Differences		-	-	-	-	-	-
<b>IX.</b> Changes Related to the Disposal Of Assets		-	-	-	-	-	-
<b>X.</b> Changes Related to the Reclassification of Assets		-	-	-	-	-	-
<b>XI.</b> The Effect of Change in Associate's Equity		-	-	-	-	-	-
<b>XII.</b> Capital Increase		-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-
12.2 Internal Sources		-	-	-	-	-	-
<b>XIII.</b> Share Issue Premium		-	-	-	-	-	-
<b>XIV.</b> Share Cancellation Profits		-	-	-	-	-	-
<b>XV.</b> Inflation Adjustment to Paid-in Capital		-	-	-	-	-	-
<b>XVI.</b> Other		-	-	-	-	-	-
<b>XVII.</b> Period Net Income/(Loss)		-	-	-	-	-	-
<b>XVIII.</b> Profit Distribution		-	-	-	-	12.142	-
18.1 Dividends Distributed		-	-	-	-	-	-
18.2 Transfers To Reserves		-	-	-	-	12.142	-
18.3 Other		-	-	-	-	-	-
<b>Closing Balance (I+II+III+... +XVI+XVII+XVIII)</b>		<b>900.000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71.744</b>	<b>-</b>

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

Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Years Net Income / (Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares from Investments	Hedging Reserves	Accumulated Valuation Differences on Assets Held For Sale and Disc.op.	Total Equity
202.043	810	241.409	1.434	(4.742)	96.712	-	-	-	1.497.268
-	-	-	-	-	-	-	-	-	-
-	-	-	-	14.732	-	-	-	-	14.732
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	58.878	-	-	-	58.878
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	1.305	-	-	-	-	-	-	-	1.305
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	(5.088)	-	5.112	-	(2.411)	-	-	-	(2.387)
-	-	252.631	-	-	-	-	-	-	252.631
196.350	-	(241.409)	1.417	-	-	-	-	-	(31.500)
-	-	-	(31.500)	-	-	-	-	-	(31.500)
196.350	-	-	(208.492)	-	-	-	-	-	-
-	-	(241.409)	241.409	-	-	-	-	-	-
<b>398.393</b>	<b>(2.973)</b>	<b>252.631</b>	<b>7.963</b>	<b>9.990</b>	<b>153.179</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.790.927</b>

## Albaraka Türk Katılım Bankası Anonim Şirketi

## Statement of Profit Appropriation

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)  
(Currency - Thousand Turkish Lira)

STATEMENT OF PROFIT APPROPRIATION	THOUSAND TURKISH LIRA	
	CURRENT PERIOD <sup>(1)</sup> (31/12/2014)	PRIOR PERIOD (31/12/2013)
<b>I. Distribution of current year income</b>		
1.1. Current year income <sup>(****)</sup>	333.515	300.977
1.2. Taxes and duties payable (-)	72.921	58.134
1.2.1. Corporate tax (Income tax)	73.282	67.827
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and legal liabilities <sup>(**)</sup>	(361)	(9.693)
<b>A. Net income for the year (1.1-1.2)</b>	<b>260.594</b>	<b>242.843</b>
1.3. Prior year losses (-)	-	-
1.4. First legal reserves (-)	-	12.142
1.5. Other statutory reserves (-)	-	-
<b>B. Distributable net period income [(A-(1.3+1.4+1.5))] <sup>(*)</sup></b>	<b>260.594</b>	<b>230.701</b>
1.6. First dividend to shareholders (-)	-	31.500
1.6.1. To owners of ordinary shares	-	31.500
1.6.2. To owners of preferred shares	-	-
1.6.3. To owners of preferred shares (Preemptive rights)	-	-
1.6.4. To Profit sharing bonds	-	-
1.6.5. To owners of the profit /loss sharing certificates	-	-
1.7. Dividend to personnel (-)	-	-
1.8. Dividend to board of directors (-)	-	-
1.9. Second dividend to shareholders (-)	-	-
1.9.1. To owners of ordinary shares	-	-
1.9.2. To owners of preferred shares	-	-
1.9.3. To owners of preferred shares (Preemptive rights)	-	-
1.9.4. To profit sharing bonds	-	-
1.9.5. To owners of the profit /loss sharing Certificates	-	-
1.10. Second legal reserve (-)	-	-
1.11. Status reserves (-)	-	-
1.12. Extraordinary reserves	-	196.350
1.13. Other reserves	-	-
1.14. Special funds	-	-
<b>II. Distribution from reserves</b>		
2.1. Distributed reserves	-	-
2.2. Second legal reserves (-)	-	-
2.3. Share to shareholders (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of preferred shares	-	-
2.3.3. To owners of preferred shares (Preemptive rights)	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To owners of the profit /loss sharing certificates	-	-
2.4. Share to personnel (-)	-	-
2.5. Share to board of directors (-)	-	-
<b>III. Earnings per share</b>		
3.1. To owners of ordinary shares <sup>(***)</sup> (Full TL)	0,290	0,270
3.2. To owners of ordinary shares (%)	29,0	27,0
3.3. To owners of preferred shares	-	-
3.4. To owners of preferred shares (%)	-	-
<b>IV. Dividend per share</b>		
4.1. To owners of ordinary shares (Full TL)	-	-
4.2. To owners of ordinary shares (%)	-	-
4.3. To owners of preferred shares	-	-
4.3. To owners of preferred shares (%)	-	-

<sup>(1)</sup> General Assembly of the Bank is the authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of the preparation of these financial statements

<sup>(\*\*)</sup> Deferred tax income is presented in "other taxes and legal liabilities" line. Deferred tax income is not subject to profit distribution, thus it is classified under extraordinary reserves.

<sup>(\*\*\*\*)</sup> Calculated by using the number of share certificates as of year-end.

<sup>(\*\*\*\*\*)</sup> Current year income includes previous year's profit and current year profit.

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



Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

As at December 31, 2014

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)

(Currency - Thousand Turkish Lira)

### 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 Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act numbered 5411 ("Banking Act"), which is effective from November 1, 2005, the Turkish Commercial Code ("TCC"), and Turkish Tax Legislation.

The unconsolidated financial statements are prepared in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette numbered 26333 dated November 1, 2006 by the Banking Regulation and Supervision Agency ("BRSA") which refers to "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and other decrees, notes and explanations related to the accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" and changes and notes to this communiqué published in the Official Gazette numbered 28337 dated June 28, 2012.

##### b. Accounting policies and valuation principles applied in the preparation of unconsolidated financial statements:

Accounting policies and valuation methods used in the preparation of financial statements have been applied as specified in the related communiqués, pronouncements and regulations of TAS and BRSA. The accounting policies adopted in the preparation of the current year-end financial statements are consistent with those adopted in the preparation of the financial statements as of December 31, 2013. The accounting policies and valuation principles used in the preparation of unconsolidated financial statements are explained between in Notes II and XXII below.

TAS/TFRS changes which are effective from January 1, 2014 (TAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended), TRFS Interpretation 21 Levies, Amendments to TAS 36 - (Recoverable Amount Disclosures for Non-Financial assets), Amendments to TAS 39 - Novation of Derivatives and Continuation of Hedge Accounting, TFRS 10 Consolidated Financial Statements (Amendment)) do not have a significant effect on the Bank's accounting policies, financial position or performance.

The effects of TFRS 9, "Financial Instruments" which has not been implemented yet, are under assessment by the Bank. The standard which the Bank did not early adopt will primarily have an effect on the classification and measurement of the Bank's financial assets. The Bank is currently assessing the impact of adopting TFRS 9. TFRS 9 will have an effect on the classification and measurement of financial statements. However, as the impact of adoption depends on the assets held by the Bank at the date of adoption itself, potential effect has not been quantified yet. As of the date of these financial statements, the other TAS/TFRS standards announced but not yet effective are not expected to have significant impact on the Bank's accounting policies, financial position and performance.

"Communiqué related to Changes in Communiqué on Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks" published in the Official Gazette dated January 23, 2011 and numbered 27824 has set out the financial statement formats for the banks which selected to early adopt TFRS 9 (In accordance with the Communiqué related to Changes in Communiqué on TFRS 9 "Financial Instruments" published in the Official Gazette dated December 30, 2012 numbered 28513, the effective date of the mentioned Communiqué has been changed as December 31, 2014 which was previously January 1, 2013) "Financial Instruments" before January 1, 2015. Since the Bank has not chosen to early adopt TFRS 9, the accompanying financial statements have been prepared in accordance with the financial statements in the appendix of "Communiqué on Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks" published in the Official Gazette dated June 28, 2012 and numbered 28337. The unconsolidated financial statements are prepared in accordance with the historical cost basis except for the financial assets at fair value through profit and loss, financial assets-available for sale (except unquoted equity securities which are indicated as equity securities on the balance sheet) and immovables which are reflected at fair values.

The preparation of the unconsolidated financial statements according to TAS 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, 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.

Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

### As at December 31, 2014

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)

(Currency - Thousand Turkish Lira)

#### c. 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.

#### 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.

The portion of risk belonging to the profit sharing accounts for foreign currency non-performing loans which were funded from these accounts is evaluated at current foreign exchange rates. The portion of provisions provided for such loans belonging to profit sharing accounts are also evaluated at current foreign exchange rates.

Since the Bank provides full specific provision (except foreign branch) for the Bank's portion of risk of foreign currency non-performing loans and receivables funded from profit sharing accounts and for the risk of foreign currency non-performing loans and receivables funded by equity, such loans and receivables are translated to Turkish Lira at the current exchange rates instead of exchange rates prevailing at the date of transfer of the balances to non-performing portfolio. Such implementation does not have a positive or negative impact on trading income/loss of the Bank.

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

There are no foreign currency differences capitalized by the Bank.

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

The derivative financial instruments of the Bank consist of forward foreign currency agreements. The Bank records the spot foreign currency transactions in asset purchase and sale commitments.

The Bank's derivative transactions, even though they provide effective economic hedges under the Bank's risk management policy, do not qualify for hedge accounting under the specific rules in "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement ("TAS 39")" and are therefore treated as "financial instruments at fair value through profit or loss" and the related gain or loss is associated with income statement.

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.

Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements As at December 31, 2014

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)  
(Currency - Thousand Turkish Lira)

### IV. Explanations on profit share income and expenses:

#### *Profit share income*

Profit share income is accounted in accordance with "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement ("TAS 39")" by using internal rate of return method that equalizes the future cash flows of the financial instrument to the net present value. Profit share income is recognized on accrual basis.

Revenues regarding the profit and loss sharing investment projects are recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer, the Bank retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, inflow of economic benefits associated with the transaction is probable and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

In accordance with the "Communiqué of Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans" dated November 1, 2006 and numbered 26333, the profit share accruals of non-performing loans and other receivables are reversed and are recorded as profit share income when collected.

#### *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.

In accordance with provisions of TAS, 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 'Miscellaneous Payables' in the balance sheet. The commission received from cash loans corresponding to the current period is presented in "Profit Share from Loans" in the income statement.

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

### VI. Explanations on financial assets:

The Bank categorizes and records its financial assets as 'Financial Assets at Fair Value through Profit and Loss, 'Financial Assets Available for Sale', 'Loans and Receivables' or 'Financial Assets Held to Maturity'. Sale and purchase transactions of the financial assets mentioned above are recognized at the settlement dates. The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Bank management taking into consideration the purpose of the investment.

#### **Financial assets at fair value through profit or loss:**

Financial assets at fair value through profit or loss has two sub categories: "Trading financial assets" and "Financial assets at fair value through profit and loss".

Trading financial assets are financial assets which are either acquired for generating profit from short-term fluctuations in prices or dealers' margin, or are financial assets included in a portfolio in which a pattern of short-term profit making exists.

Financial assets classified in this group are initially recognized at cost which reflects their fair values and are subsequently measured at fair value in the financial statements. All gains and losses arising from these valuations are reflected in the income statement.

The Bank has classified share certificates in its portfolio as trading financial assets and presented them at fair value in the accompanying financial statements.

As of December 31, 2014, the Bank has no financial assets classified as financial assets at fair value through profit or loss except for trading financial assets. (December 31, 2013: None)

Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

### As at December 31, 2014

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#### Financial assets available for sale:

Financial assets available for sale are initially recognized at cost; which reflects their fair values; including the transaction costs. After the initial recognition, available for sale securities are measured at fair value and the unrealized gains or losses resulting from the difference between the amortized cost and the fair value is recorded in "Marketable Securities Valuation Reserve" under equity. In case of a disposal of available for sale financial assets, value increases/decreases which have been recorded in the marketable securities valuation reserve under the equity is transferred to income statement. Financial assets classified as available for sale financial assets which do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less impairment, if any.

#### Loans and receivables:

Loans and receivables are non-derivative financial assets whose payments are fixed or can be determined, are not traded in an active market and are not classified as trading assets, financial assets at fair value through profit or loss and financial assets available for sale.

Loans and receivables are carried initially at cost including the transaction costs which reflects their fair value; and subsequently recognized at the amortized cost value using the internal rate of return method in accordance with TAS 39 "Financial Assets: Recognition and Measurement". Fees, transaction costs and other similar costs in connection with the collaterals of loans and receivables are paid by the customers and accordingly not included in expense items in the income statement.

Cash loans are accounted in related accounts as specified by the Communiqué "Uniform Chart of Accounts and Explanations to be implemented by Participation Banks" dated January 26, 2007 and numbered 26415.

#### Financial assets held to maturity:

Held to maturity financial assets are financial assets that are not classified under 'Loans and receivables' with fixed maturities and fixed or determinable payments where management has the intent and ability to hold until maturity. Held to maturity financial assets are initially recognized at cost including the transaction costs which reflects their fair value, and subsequently carried at amortized cost using the internal rate of return method. Profit share income from held to maturity financial assets is reflected in the income statement.

#### VII. Explanations on impairment of financial assets:

At each balance sheet date, the Bank evaluates the carrying amounts of its financial assets or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss. If any such indication exists, the Bank determines the related amount of impairment.

A financial asset or a group of financial assets incurs impairment loss only if there is an objective evidence related to the occurrence of one or more than one event (loss events) subsequent to initial recognition of that asset or group of assets; and such loss event (or events) causes an impairment loss as a result of the effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group. Any amount attributable to expected losses arising from any future events is not recognized under any circumstances.

If there is objective evidence that the loans granted might not be collected, general and specific provisions for such loans are expensed as 'Provision for Loan Losses and Other Receivables' in accordance with the Communiqué of "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans". Subsequent recoveries of amounts previously written off or provisions provided in prior periods are included in "Other Operating Income" in the income statement. The profit sharing accounts' portion of general and specific provisions for loans and other receivables originated from profit sharing accounts is reflected to the profit sharing accounts.

If there is objective evidence indicating that the value of financial assets held to maturity is impaired, the amount of the loss is measured as the difference between the present value which is calculated by discounting the projected cash flows in the future with the original profit share rate and the net book value; provision is provided for impairment and the provision is associated with the expense accounts.

If there is objective evidence indicating that the fair value of a financial asset available for sale, for which decreases in the fair value has been accounted in the equity, has been impaired then the total loss which was accounted directly under the equity is deducted from equity and transferred to the income statement.

Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

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If there is objective evidence indicating that an unquoted equity instrument which is not carried at fair value because its fair value cannot be reliably measured is impaired, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses cannot be reversed.

#### **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.

There are no such offset of financial assets and liabilities.

#### **IX. Explanations on sale and repurchase agreements and lending of securities:**

Securities subject to repurchase agreement are classified as "at fair value through profit or loss", "available-for-sale" and "held-to-maturity" 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.

The Bank has no securities lending transactions.

#### **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 no discontinued operations.

#### **XI. Explanations on goodwill and other intangible assets:**

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

The costs of the intangible assets purchased before December 31, 2004 have been restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. Intangible assets purchased after this date have been recorded at their historical costs. Intangible assets are amortised by the Bank over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Bank's software have been determined as 3 to 4 years and other intangible assets' useful lives have been determined as 15 years.

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

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#### XII. Explanations on tangible assets:

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

As of March 31, 2009, the Bank has made a change in accounting policy and adopted revaluation model for immovables 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, 2014, 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 in accordance with TAS 16.

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:

	%
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

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 5 years. After January 1, 2010 in cases where leasing period is more than 5 years, the useful life is determined as 5 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 CMB 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.

#### XIII. Explanations on leasing transactions:

##### *Transactions as a lessee*

Leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases and other leases are classified as operational leases.

Assets acquired under finance lease contracts are recorded both as an asset and 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.

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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 prepaid lease payments made under operational leases are charged to income statement on a straight line basis over the period of the lease.

#### *Transactions as a lessor*

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. Finance income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

#### **XIV. Explanations on provisions and contingent liabilities:**

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

Provisions are recognized if; as of the balance sheet date there is a present legal or constructive obligation as a result of past events, it is probable that an outflow resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provision is booked for contingent liabilities originated as a result of past events in the period they arise if it is probable that the liability will be settled and a reliable estimate for the liability amount can be made.

#### **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 due to resignation or for reasons other than misconduct. 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 IAS 19, The Bank recognizes all actuarial gains and losses immediately through other comprehensive income.

Provision for the employees' unused vacations has been booked in accordance with IAS 19 and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the employees are members

As of December 31, 2014, actuarial loss amounts to TL 6.958 (December 31, 2013: TL 420).

##### *ii) Defined contribution plans:*

The Bank pays defined contribution plans to publicly administered Social Security Funds for its employees. The Bank has no 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.

In accordance with the Corporate Tax Law numbered 5520 published in the Official Gazette numbered 26205 dated June 21, 2006, the corporation tax rate effective from January 1, 2006 is 20%.

Dividends paid to the resident institutions are not subject to withholding tax. 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 the corporate rate of 20% 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.

75% of the profits generated from the sale of properties and share certificates of which the Bank held possession for two years or more, are exempt from corporate tax if added to the capital or accounted under shareholders' equity as a special fund for 5 years according to the Corporate Tax Law.

Income generated by the transfer of properties, share certificates of subsidiaries, founders' shares, preferred shares and preemptive rights owned by corporations under legal follow-up together with their guarantors and mortgagers, which are transferred to banks due to their debts and used for winding up the debts is exempt from corporation tax. Additionally, 75% of the profit generated by sales of above mentioned instruments is also exempt from corporation tax.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

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

##### 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 other than general loan loss provisions 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.

##### Transfer pricing:

Transfer pricing is regulated through 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 "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.



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#### **XVII. Additional explanations on borrowings:**

The Bank records borrowings in accordance with TAS 39 'Financial Instruments: Recognition and Measurement'. Borrowings, except for funds collected, are recognized at amortized cost using the effective internal rate of return method in the following periods after the initial recognition.

There are no debt securities issued by the Bank. The Bank has issued borrowings through its subsidiary Bereket Varlık Kiralama A.Ş.

The Bank has not issued convertible bonds.

#### **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 XIII.

#### **XXII. Explanations on other matters:**

None.

#### **XXIII. Additional paragraph for convenience translation:**

The differences between accounting principles, as described in the preceding paragraphs, and accounting principles generally accepted in countries in which the accompanying 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.

### **Section four**

#### **Information on financial structure and risk management**

##### **I. Explanations on capital adequacy standard ratio:**

Capital adequacy ratio calculations are made in accordance with "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" (Regulation) published in the Official Gazette numbered 28337 dated June 28, 2012 starting from July 1, 2012. As of December 31, 2014, the Bank's unconsolidated capital adequacy ratio calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" is 14,15% (December 31, 2013: 14,86%).

##### **a) Risk measurement methods used in the calculation of capital adequacy standard ratio:**

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", published in the Official Gazette numbered 28337 dated June 28, 2012, "Regulation on Credit Risk Mitigation Techniques" published in the Official Gazette numbered 29111 dated September 6, 2014 and the "Regulation on the Equity of Banks" published in the Official Gazette numbered 28756 dated September 5, 2013.

In the calculation of capital adequacy ratio the Bank applies standard method for market risk, basic indicator method for operational risk and standard method for credit risk.

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In the calculation of capital adequacy ratio, the data composed from accounting records prepared in compliance with the current legislation are used. Such accounting data is included in the calculation of credit and market risks subsequent to their designation as "trading book" and "banking book" according to the Regulation.

The items classified as trading book and the items deducted from the equity are not included in the calculation of credit risk. In the calculation of risk weighted assets, the assets subject to amortisation or impairment, are taken into account on a net basis after being reduced by the related amortisations and provisions.

In the calculation of the value at credit risk for the non-cash loans and commitments and the receivables from counterparties in such transactions are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables". The net amounts are then multiplied by the rates stated in the Article 5 of the Regulation, reduced as per the "Regulation on Credit Risk Mitigation Techniques" and then included in the relevant exposure category defined in the article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

## b) Information on capital adequacy standard ratio:

	Bank									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	
<b>Value at Credit Risk</b>	<b>4.501.147</b>	<b>-</b>	<b>1.978.195</b>	<b>5.922.544</b>	<b>2.698.778</b>	<b>9.100.365</b>	<b>30.455</b>	<b>33.595</b>	<b>-</b>	<b>-</b>
Risk Categories										
Receivables from central governments or central banks	3.678.241	-	-	123.255	-	-	-	-	-	-
Receivables from regional or local Governments	-	-	105.734	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	361	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses	-	-	1.490.126	143.417	-	143.799	-	-	-	-
Receivables from corporates	517.358	-	337.824	123.763	-	8.389.095	-	-	-	-
Retail receivables	105.626	-	44.318	-	2.698.778	19.707	-	-	-	-
Receivables secured by mortgages on property	-	-	-	5.532.109	-	2.008	-	-	-	-
Past due receivables	-	-	-	-	-	23.995	3.183	-	-	-
Receivables defined in high risk category by BRSA	905	-	193	-	-	-	27.272	33.595	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
Other receivables	199.017	-	-	-	-	521.400	-	-	-	-

On the table, the collateralized credit amounts are included to risk weights based on related risk categories.

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### c) Summary information related to capital adequacy standard ratio:

	Current Period	Prior Period (*)
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	1.167.538	911.365
Capital Requirement for Market Risk (MRCR)	13.258	11.622
Capital Requirement for Operational Risk (ORCR)	95.440	77.228
<b>Shareholders' Equity</b>	<b>2.256.680</b>	<b>1.858.124</b>
<b>Shareholders' Equity/((CRCR+MRCR+ORCR)*12,5*100)</b>	<b>14,15%</b>	<b>14,86%</b>
<b>Core Capital/((CRCR+MRCR+ORCR) *12,5)*100</b>	<b>10,80%</b>	<b>10,80%</b>
<b>Tier I Capital/((CRCR+MRCR+ORCR) *12,5)*100</b>	<b>10,92%</b>	<b>-</b>

(\*) Equity calculation has changed as per the "Regulation on Equities of Banks" applicable as of January 1, 2014, figures belonging to prior period are calculated as per former regulation.

### d) Details of shareholders' equity accounts:

Current period equity amount is calculated as per "Regulation on Equities of Banks" applicable as of January 1, 2014 published in Official gazette dated September 5, 2013 numbered 28756.

	December 31, 2014
<b>Tier I capital</b>	
Paid-in Capital to be Entitled for Compensation after All Creditors	900.000
Share Premium	-
Share Cancellation Profits	-
Reserves	470.137
Other Comprehensive Income according to TAS	165.427
Profit	260.594
Current Period Profit	252.631
Prior Period Profit	7.963
General Reserves for Possible Losses	88
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-
<b>Tier I capital before deductions</b>	<b>1.796.246</b>
<b>Deductions from tier I capital</b>	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	5.231
Leasehold Improvements on Operational Leases (-)	43.470
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	5.081
Net Deferred Tax Asset/Liability (-)	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-
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 (-)	-
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 (-)	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-
Mortgage Servicing Rights not deducted (-)	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-

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Other items to be Defined by the BRSA (-)	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-
<b>Total deductions from tier I capital</b>	<b>53.782</b>
<b>Total tier I capital</b>	<b>1.742.464</b>
<b>Additional core capital</b>	
Preferred Stock not Included in Tier I Capital and the Related Share Premiums	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	-
<b>Additional core capital before deductions</b>	-
<b>Deductions from additional core capital</b>	-
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-
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 (-)	-
Deductions from Additional Core Capital in cases where there are no adequate Tier II Capital (-)	-
<b>Total deductions from additional core capital</b>	-
<b>Total additional core capital</b>	-
<b>Deductions from core capital</b>	
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	20.323
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
<b>Total core capital</b>	<b>1.722.141</b>
<b>Tier II capital</b>	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	467.000
Pledged Assets of the Shareholders to be used for the Bank's Capital Increases	-
General Provisions	70.947
<b>Tier II capital before deductions</b>	<b>537.947</b>
<b>Deductions from tier ii capital</b>	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-
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 Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-
Other items to be Defined by the BRSA (-)	-
<b>Total deductions from tier II capital</b>	-
<b>Total tier II capital</b>	<b>537.947</b>
<b>Capital</b>	<b>2.260.088</b>

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	<b>December 31, 2014</b>
Loans Granted against the Articles 50 and 51 of the Banking 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 (-)	1.408
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-)	-
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Other items to be Defined by the BRSA (-)	2.000
The Portion of 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 not deducted from Tier I Capital, Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-
<b>Equity</b>	<b>2.256.680</b>
<b>Amounts lower than excesses as per deduction rules</b>	
Remaining 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	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Tier I Capital	-
Remaining Mortgage Servicing Rights	-
Net Deferred Tax Assets arising from Temporary Differences	7.375

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	<b>December 31, 2013</b>
<b>Core capital</b>	
Paid-in Capital	900.000
Nominal Capital	900.000
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	-
Share Premium	-
Share Cancellation Profits	-
Reserves	262.455
Inflation Adjustments to Reserves	-
Profit	242.843
Current Period Net Profit	241.409
Prior Years' Profits	1.434
Provision for possible losses up to 25% of the core capital	72
Income on Sale of Equity Shares and Real Estate Property	-
Primary Subordinated Debts	-
Loss in excess of Reserves (-)	-
Current Period Net Loss	-
Prior Years' Loss	-
Leasehold Improvements on Operational Leases (-)	38.688
Intangible Assets (-)	15.929
Deferred Tax Asset Exceeding 10% of the Core Capital (-)	-
Amount in excess as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-
<b>Total core capital</b>	<b>1.350.753</b>
<b>Supplementary capital</b>	
General Loan Loss Reserves	47.378
45% of the Revaluation Reserve for Movable Fixed Assets	-
45% of the Revaluation Reserve for Properties	43.520
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	-
Primary Subordinated Loans Excluded in the Calculation of The Core Capital	-
Secondary Subordinated Loans	424.148
45% of Marketable Securities Value Increase Fund	(4.742)
Indexation Differences For Capital Reserves, Profit Reserves and Retained Earnings (Except Indexation Differences for Legal Reserves, Statutory Reserves and Extraordinary Reserves)	-
<b>Total supplementary capital</b>	<b>510.304</b>
<b>Capital</b>	<b>1.861.057</b>
<b>Deductions from the capital</b>	<b>2.933</b>
Shareholdings in Unconsolidated Banks and Financial Institutions (Domestic, Foreign) in which the Bank Owns Ten Percent or More of Capital	250
Shareholdings in Unconsolidated Banks and Financial Institutions (Domestic, Foreign) in which the Bank Owns Less than Ten Percent of Capital which Exceed the Ten Percent Of Bank's Core and Supplementary Capital	-
Secondary Subordinated Loans Granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and Placements that Possess the Nature of their Primary or Secondary Subordinated Debt	-
Loans Granted Being Non-Compliant with the Articles 50 and 51 of the Banking Law	-
The Net Book Value of Properties Exceeding Fifty Percent of Equity and Properties Held for Sale and Properties and Commodity to be Disposed, Acquired In Exchange of Loans and Receivables According to the Article 57 of the Banking Law and Have Not Been Disposed Yet After 5 Years After Foreclosure	1.391
Securitization Positions to be Deducted from Equity	-
Other	1.292
<b>Total shareholders' equity</b>	<b>1.858.124</b>

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### e) Approaches for assessment of adequacy of internal capital requirements for current and future activities:

Charter on Internal Capital Adequacy Policy was prepared in order to define internal capital adequacy evaluation process and capital adequacy policy by the Bank and was approved by the Board of Directors on October 17, 2012. The ultimate aim of such internal capital adequacy policy is to maintain capital adequacy by defining the basic principles that regulate management and implementation of internal capital adequacy, apart from exceptional circumstances.

The Bank within the framework of BRSA regulations and also considering the best practices ensures the management of internal capital adequacy, pursuant to the volume, qualification and complexity of its operations. The methodology for evaluation of internal capital adequacy is considered an ongoing process and the related future studies are planned in this way.

### f) Details on Subordinated Liabilities

Issuer	ABT Sukuk Ltd.
Unique Identifier	-
Governing Law(s) of the Instrument	English Law
<b>Special Consideration in the Calculation of Equity</b>	
As of January 1, 2015 consideration to be subject to a 10% reduction application status	-
Eligible at Unconsolidated / Consolidated	Unconsolidated / Consolidated
Instrument Type	Sukuk Murabaha
Amount recognized in regulatory capital (as of most recent reporting date)	467.000.000
Par Value of Instrument	467.000.000
Accounting Classification	Subordinated Loan
Original date of Issuance	May 7 2013
Perpetual or dated	Dated
Maturity date	May 7 2023
Issuer call subject to prior supervisory (BRSA) approval	Yes
	Last Payment Date : 07.05.2018
	Total Repayment Amount Including Profit
Optional call date, contingent call dates and redemption amount	Share : USD.77.500.000,-
	Repayment Period: Principal Payment for 6
	months USD.69.750.000
	-
Subsequent call dates	-
<b>Profit Share / Dividends</b>	
Fixed or floating profit share / dividend	Fixed
Profit share rate and any related index	7,75%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Mandatory
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
<b>Convertible or Non-convertible</b>	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
<b>Write-down feature</b>	
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	No
Details of incompliances with article number 7 and 8 of "Own fund regulation"	7,2.j

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#### II. Explanations on credit risk:

(1) Credit risk represents the Bank's risk or losses arising from corporate and individual loan customers who have cash or non-cash credit relations with the Bank not fulfilling the terms of their agreements partially or in full. Limit assignment authority primarily belongs to the Board of Directors and based on the authority given by the Board of Directors, the risk limits of the Bank are determined by Head-office Loan Committee, Loan Committee and Board of Directors. Head-office Loan Committee may exercise such authority partially through units of the Bank or branches. Proposal for loans are presented in a written format to the Loan Committee and Board of Directors and are signed by the members of Loan Proposal Committee.

Regarding the credit risk, debtors or group of debtors is subject to risk limitations. Credit limits are determined separately for each individual customer, company, group of companies, and risk groups. While determining credit risk several criteria such as the customers' financial strength, commercial capacities, sectors, geographical areas and capital structure are evaluated collectively.

In accordance with the decision taken by the Board of Directors of the Bank, the Bank cannot grant loans above 15% of its equity to a real person or legal entity. (Exception to this decision is subject to the decision of the Board of Directors.) Distributing the risk in a balanced manner to the sectors is observed, therefore in their marketing operations the branches strive for reaching various firms existing in different sectors. As a principle, each branch oversee the balanced distribution of the total risk to the sectors and progress of the firms existing in critical sectors.

The credibility of the debtors of loans and other receivables are monitored periodically in accordance with related legislation. The financial documents for loans are obtained, audited and updated as necessary as stipulated in the related legislation. Credit limits of customers are renewed periodically according to the Bank's credit limit renewal procedure. The Bank obtains necessary collaterals for loans and other receivables by analyzing the creditworthiness of corporate and individual loans according to its credit policy. Main collaterals obtained for credit risk are mortgage on real estate, cash blockage, pledges on vehicle and machinery.

Limits defined by the Board of Directors and Loan Committee for each bank are followed-up by Treasury Management on a daily basis for the transactions related with placements or treasury operations like foreign currency purchase and sales with domestic and foreign correspondent banks.

Loans which are past due up to 90 days as of period ends but not impaired are defined as "Past Due Receivables". "General provision" is set aside for these loans in accordance with the Communiqué of "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans".

Loans which are past due for more than 90 days as of period ends or assessed as impaired based on risk assessment made are defined as "Impaired Loans". "Specific provision" is set aside for these in accordance with the Communiqué of "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans".

The amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types, are disclosed below for the relevant period:



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<b>Risk Categories</b>	<b>Current Period Risk Amount <sup>(1)</sup></b>	<b>Average Risk Amount</b>
Receivables from central governments or central banks	3.786.127	3.287.547
Receivables from regional or local governments	93.059	108.478
Receivables from administrative units and non-commercial enterprises	361	123
Receivables from multilateral development banks	-	-
Receivables from international organizations	-	-
Receivables from banks and brokerage houses	1.768.259	1.949.474
Receivables from corporates	9.386.949	8.157.010
Retail receivables	2.886.646	2.237.658
Receivables secured by mortgages on property	5.534.118	4.279.709
Past due receivables	27.178	25.517
Receivables defined in high risk category by BRSA	61.965	38.629
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Other receivables	720.417	616.457
<b>Total</b>	<b>24.265.079</b>	<b>20.700.602</b>

<sup>(1)</sup> Represents amounts, before risk mitigating factors, after risk conversion factors.

(2) The credit risk undertaken for forwards, options and similar agreements is managed together with the risks arising from market movements.

The risks of forwards, options and similar agreements are followed regularly and the Bank utilizes risk mitigation methods if needed.

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**(3)** Indemnified non-cash loans are subject to the same risk weight as overdue loans. Rescheduled or restructured loans are followed in accordance with the principles of credit risk management and follow-up principle of the Bank. Financial position and commercial operations of those customers are analyzed continuously and the principal and profit payments based on the restructured payment plan are monitored by the related departments.

The Bank considers that long-term commitments are exposed to more credit risk than short-term commitments, and matters such as defining risk limits and obtaining collateral for long-term risks are addressed more extensively as compared to short-term risks.

**(4)** The Bank has credit lines in different countries within the scope of its banking activity and due inquiries (economic, cyclical, etc.) are carried out during the allocation and revision of such credit lines.

For the banks where correspondent activity and international commodity transactions are intended to be carried out, credit limits are allocated by the related credit committees taking into account the size of the correspondent bank and the size of Bank itself and concentration of risk is avoided. The Bank does not carry any serious risk in this respect.

**(5)** Share of cash receivables of the Bank from its top 100 and top 200 cash loan customers in total cash loans is 38% (December 31, 2013: 41%) and 47% (December 31, 2013: 50%) respectively.

Share of non-cash receivables of the Bank from its top 100 and top 200 non-cash loan customers in total non-cash loans is 47% (December 31, 2013: 48%) and 59% (December 31, 2013: 60%) respectively.

Share of cash and non-cash receivables of the Bank from its top 100 and top 200 loan and non-cash loan customers in total of balance sheet and off balance sheet commitments is 35% (December 31, 2013: 36%) and 44% (December 31, 2013: 47%) respectively.

**(6)** The Bank's general provision amount for its credit risk is TL 153.910 (December 31, 2013: TL 113.708).

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### (7) Profile on significant risks in significant regions:

	Risk Categories <sup>(*)</sup>										Total	
	1	2	3	4	5	6	7	8	9	10		
<b>Current Period</b>												
Domestic	3.786.127	93.039	361	1.610.643	8.679.252	2.641.431	5.016.639	26.829	61.325	19.070		<b>21.934.716</b>
EU Countries	-	-	-	-	27.047	7.853	12.327	-	-	-	5	<b>47.232</b>
OECD Countries <sup>(**)</sup>	-	-	-	-	-	-	-	-	-	-	-	-
Off-shore banking regions	-	-	-	117	55.063	4.952	14.397	-	-	-	-	<b>74.529</b>
USA, Canada	-	-	-	-	15.661	393	16.252	-	-	-	-	<b>32.306</b>
Other countries	-	20	-	157.499	609.926	232.017	474.503	349	640	701.342	-	<b>2.176.296</b>
Associates, subsidiaries and jointly controlled entities	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated assets/liabilities <sup>(***)</sup>	-	-	-	-	-	-	-	-	-	-	-	-
	<b>3.786.127</b>	<b>93.059</b>	<b>361</b>	<b>1.768.259</b>	<b>9.386.949</b>	<b>2.886.646</b>	<b>5.534.118</b>	<b>27.178</b>	<b>61.965</b>	<b>720.417</b>		<b>24.265.079</b>

<sup>(\*)</sup> Risk classifications in the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" will be used.

<sup>(\*\*)</sup> OECD countries other than EU countries, USA and Canada.

<sup>(\*\*\*)</sup> Assets and liabilities are not allocated on a consistent basis

- 1- Receivables from central governments or central banks
- 2- Receivables from regional or local governments
- 3- Receivables from administrative units and non-commercial enterprises
- 4- Receivables from banks and brokerage houses.
- 5- Receivables from corporates
- 6- Retail receivables
- 7- Receivables secured by mortgages on property
- 8- Past due receivables
- 9- Receivables defined in high risk category by BRSA
- 10-Other Receivables

## Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

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## Risk Profile according to sectors and counterparties:

Sectors / Counterparties	Risk Categories				
	1	2	3	4	5
<b>1 Agriculture</b>	-	<b>39</b>	-	-	<b>158.881</b>
1.1 Farming and stockbreeding	-	39	-	-	135.076
1.2 Forestry	-	-	-	-	23.705
1.3 Fishery	-	-	-	-	100
<b>2 Manufacturing</b>	-	<b>60.219</b>	-	-	<b>4.481.901</b>
2.1 Mining	-	1.365	-	-	146.741
2.2 Production	-	58.338	-	-	3.707.181
2.3 Electricity, gas, water	-	516	-	-	627.979
<b>3 Construction</b>	-	<b>32.717</b>	-	-	<b>2.437.432</b>
<b>4 Services</b>	<b>3.786.081</b>	<b>39</b>	-	<b>1.768.259</b>	<b>1.867.907</b>
4.1 Wholesale and retail trade	-	39	-	-	544.961
4.2 Hotel, food and beverage services	-	-	-	-	14.847
4.3 Transportation and telecommunication	-	-	-	-	142.215
4.4 Financial institutions	3.786.081	-	-	1.768.259	874.059
4.5 Real estate and renting services	-	-	-	-	145.093
4.6 Self-employment services	-	-	-	-	53.451
4.7 Education services	-	-	-	-	9.945
4.8 Health and social services	-	-	-	-	83.336
<b>5 Other</b>	<b>46</b>	<b>45</b>	<b>361</b>	-	<b>440.828</b>
<b>6 Total</b>	<b>3.786.127</b>	<b>93.059</b>	<b>361</b>	<b>1.768.259</b>	<b>9.386.949</b>

1- Receivables from central governments or central banks

2- Receivables from regional or local governments

3- Receivables from administrative units and non-commercial enterprises

4- Receivables from banks and brokerage houses.

5- Receivables from corporates

6- Retail receivables

7- Receivables secured by mortgages on property

8- Past due receivables

9- Receivables defined in high risk category by BRSA

10-Other Receivables

Risk Categories							
6	7	8	9	10	TL	FC	Total
<b>55.096</b>	<b>61.045</b>	<b>481</b>	-	<b>16</b>	<b>176.599</b>	<b>98.959</b>	<b>275.558</b>
45.493	52.947	460	-	16	142.572	91.459	234.031
7.051	7.062	21	-	-	32.932	4.907	37.839
2.552	1.036	-	-	-	1.095	2.593	3.688
<b>1.378.074</b>	<b>1.552.422</b>	<b>11.562</b>	-	<b>529</b>	<b>3.120.291</b>	<b>4.364.416</b>	<b>7.484.707</b>
25.767	24.614	141	-	82	37.502	161.208	198.710
1.316.227	1.442.221	11.231	-	47	2.888.737	3.646.508	6.535.245
36.080	85.587	190	-	400	194.052	556.700	750.752
<b>337.171</b>	<b>1.863.053</b>	<b>9.154</b>	-	<b>860</b>	<b>2.708.406</b>	<b>1.971.981</b>	<b>4.680.387</b>
<b>553.733</b>	<b>639.341</b>	<b>5.765</b>	-	<b>17.028</b>	<b>3.379.858</b>	<b>5.258.295</b>	<b>8.638.153</b>
348.130	270.460	5.107	-	20	739.385	429.332	1.168.717
25.386	28.902	10	-	3	5.658	63.490	69.148
39.014	27.911	301	-	3	66.191	143.253	209.444
49.717	141.707	-	-	16.987	2.268.777	4.368.033	6.636.810
35.964	35.117	80	-	9	91.012	125.251	216.263
12.103	109.248	205	-	-	60.246	114.761	175.007
2.997	3.530	-	-	1	16.454	19	16.473
40.422	22.466	62	-	5	132.135	14.156	146.291
<b>562.572</b>	<b>1.418.257</b>	<b>216</b>	<b>61.965</b>	<b>701.984</b>	<b>2.831.273</b>	<b>355.001</b>	<b>3.186.274</b>
<b>2.886.646</b>	<b>5.534.118</b>	<b>27.178</b>	<b>61.965</b>	<b>720.417</b>	<b>12.216.427</b>	<b>12.048.652</b>	<b>24.265.079</b>

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## Distribution of risks with term structure according to remaining maturities:

Risk Categories	Time to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	1 year and over
Receivables from central governments or central banks	2.461.544	264.378	-	199.000	861.205
Receivables from regional or local governments	7.597	12.642	19.447	40.759	12.611
Receivables from administrative units and non-commercial enterprises	361	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-
Receivables from banks and brokerage houses	1.728.701	30.618	7.726	57	1.132
Receivables from corporates	2.827.495	881.678	924.283	1.549.579	2.976.844
Retail receivables	374.036	85.370	150.136	198.851	359.751
Receivables secured by mortgages on property	870.225	428.100	597.499	820.801	2.562.500
Past due receivables	27.178	-	-	-	-
Receivables defined in high risk category by BRSA	2.394	4.034	6.242	13.280	32.581
Securities collateralized by mortgages	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	34.420	-	-	-	-
<b>TOTAL</b>	<b>8.333.951</b>	<b>1.706.820</b>	<b>1.705.333</b>	<b>2.822.327</b>	<b>6.806.624</b>

(8) While determining risk weights of receivables from banks and receivables from central banks and central governments indicated in the sixth article of "Regulation on Measurement and Assessment of Capital Adequacy of Banks", rating grades obtained from rating agencies commissioned by customers are being used. Other receivables in the regulation are considered as unrated while calculating capital adequacy.

Total exposure amount before and after applying risk mitigation techniques and total amounts deducted from the capital which are calculated in accordance with the Appendix-1 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks" are presented below:

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	Deductions from
										Shareholders' Equity
1 Amount before credit risk mitigation	3.861.889	-	1.607.625	5.879.553	2.866.423	9.984.441	30.972	34.176	-	3.408
2 Amount after credit risk mitigation	4.501.147	-	1.978.195	5.922.544	2.698.778	9.100.365	30.455	33.595	-	3.408

(9) Amounts of impaired loans and past due receivables, value adjustments and provisions, current period value adjustments and provisions according to sectors or counterparties individually:

For loans which are classified as impaired loans due to delay of collection of principal or profit share 90 days and above, and/or negative risk assessments of credit worthiness of the debtor; "specific provision" is set aside in the accompanying financial statements as of December 31, 2014.

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For loans which are classified as past due not impaired loans due to delay of collection of principal or profit share up to 90 days; " general provision" is set aside in the accompanying financial statements as of December 31, 2014.

Sectors / Counterparties	Loans			
	Impaired Loans	Past Due	Value Adjustments	Provisions
1 Agriculture	10.446	4.458	118	9.595
1.1 Farming and stockbreeding	5.891	3.897	104	5.146
1.2 Forestry	4.523	259	8	4.417
1.3 Fishery	32	302	6	32
2 Manufacturing	145.267	236.550	6.041	127.314
2.1 Mining	3.542	1.073	51	3.344
2.2 Production	138.840	159.422	4.432	121.278
2.3 Electricity, gas, water	2.885	76.055	1.558	2.692
3 Construction	89.209	128.816	3.034	77.283
4 Services	58.749	135.498	3.960	50.667
4.1 Wholesale and retail trade	37.487	51.750	1.194	30.782
4.2 Hotel, food and beverage services Transportation and	401	126	6	391
4.3 telecommunication	3.998	31.189	1.289	3.479
4.4 Financial institutions	269	17.599	748	269
4.5 Real estate and renting services	2.379	683	20	1.950
4.6 Self-employment services	13.525	30.661	628	13.195
4.7 Education services	-	121	2	-
4.8 Health and social services	690	3.369	73	601
5 Other	23.304	100.999	2.227	22.402
<b>6 Total</b>	<b>326.975</b>	<b>606.321</b>	<b>15.380</b>	<b>287.261</b>

### (10) Information related to value adjustments and credit provisions:

The Bank provides specific provisions for loans which are overdue for 90 days or more. The collaterals are being taken into consideration while providing specific provisions in accordance with the Provisioning Communiqué.

The bank provides general loan provision for loans classified as first and second group loan portfolio. This provision is calculated in accordance with the "Regulation on procedures and principles for determination of qualifications of loans and other receivables by banks and provisions to be set aside" communique.

Risk Weight	Opening Balance	Provision made during the period	Reversal of Provisions	Other Adjustments (*)	Closing Balance
1 Specific Provisions	253.428	91.371 (**)	(58.663) (**)	1.125	287.261
2 General Provisions	113.708	45.361	(4.833)	(326)	153.910

(\*) Determined according to currency differences.

(\*\*) Related balance includes reversal of provisions regarding write-off's in the amount of TL 19.336

(\*\*\*) Related balance includes reversal of provisions made within the same period in the amount of TL 5.109

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The table below presents the maximum exposure to credit risk for the components of the financial statements:

	Current period	Prior period
Central Bank of the Republic of Turkey	2.933.726	2.148.514
Trading financial assets	-	27
Due from banks	1.648.235	1.378.708
Available-for-sale financial assets	658.085	239.347
Loans	15.474.046	11.987.580
Held to maturity investments	783.309	745.390
Finance lease receivables	709.646	72.321
Other assets	10.860	10.952
<b>Total balance sheet items subject to credit risk</b>	<b>22.217.907</b>	<b>16.582.839</b>
Contingent liabilities	8.078.509	6.163.867
Commitments	928.650	876.219
<b>Total off-balance sheet items subject to credit risk</b>	<b>9.007.159</b>	<b>7.040.086</b>
<b>Total credit risk exposure</b>	<b>31.225.066</b>	<b>23.622.925</b>

#### Explanations on credit rating system:

The Bank assesses the credit quality of customers through rating systems developed for the loan and finance lease customers. The principal criteria used in the rating systems are the volume of transactions of the customer with the Bank, payment performance of the customer and income generated from the customer.

The table below presents the concentration information of the loans and finance lease receivables classified according to the rating systems:

	Current period	Prior period
Above average	16,01%	26,12%
Average	75,26%	67,53%
Below average	8,73%	6,35%

#### III. Explanations on market risk:

(1) The Bank measures its market risk exposures within the framework of "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in Official Gazette numbered 28337 dated June 28, 2012 by using standardized approach and allocates statutory capital accordingly. On the other hand, market risk is also calculated for testing purposes using internal model methods (Value at Risk) and the results are validated by back test analysis. The VaR (Value at Risk) is calculated daily by using Variance, Covariance, EWMA, Monte Carlo and historical simulation methods and the results are reported to senior management.

The Board of Directors set the risk limits by taking into account the main risk factors and these limits are periodically revised in accordance with the market conditions and the Bank's strategies. Furthermore, the Board of Directors ensure that, the necessary measures are to be taken by risk management department and top level management in respect of defining, measuring, prioritizing, monitoring and managing the risks exposed by the Bank.



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The riskiness of on and off balance sheet positions which will occur due to the market volatility is measured regularly. The information related to market risk taken into consideration in calculation of legal capital is stated below.

#### a) Information related to market risk:

	<b>Amount</b>
(I) Capital requirement to be employed for general market risk - standard method	449
(II) Capital requirement to be employed for specific risk - standard method	449
Capital requirement against specific risks of securitization positions– standard method	-
(III) Capital requirement to be employed for currency risk - standard method	12.360
(IV) Capital requirement to be employed for commodity risk - standard method	-
(V) Capital requirement to be employed for swap risk - standard method	-
(VI) Capital requirement to be employed for market risk of options - standard method	-
(VII) Capital requirement against counterparty credit risks - standard method	-
(VIII) Capital requirement to be employed for market risks of banks using risk measurement model	-
(IX) Total capital requirement to be employed for market risk (I+II+III+IV+V+VI+VII)	13.258
(X) Amount subject to market risk (12,5 X VIII) or (12,5 x IX)	165.729

#### b) Average market risk table concerning market risk calculated as of month ends during the period:

	<b>Current period</b>			<b>Prior period</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest Rate Risk	-	-	-	-	-	-
Share Certificates Risk	791	898	722	873	1.064	762
Currency Risk	10.406	12.360	7.711	7.430	10.625	4.062
Commodity Risk	-	-	-	-	-	-
Swap Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Counterparty Credit Risk	172	406	-	40	235	-
<b>Total Value Subject to Risk</b>	<b>11.369</b>	<b>13.664</b>	<b>8.433</b>	<b>8.343</b>	<b>11.924</b>	<b>4.824</b>

#### (2) Quantitative information on counterparty risk:

The "counterparty credit risk" is calculated according to the fair value methodology indicated in the Appendix-2 Part 3 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

Replacement cost of agreements having positive value is calculated by revaluation of agreements according to their fair values. Potential credit risk amount is acquired by multiplying related ratios on agreement types by agreement amounts or amounts subject to the transaction.

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	Balance (*)	
	December 31, 2014	December 31, 2013
Interest Rate Contracts	-	-
Foreign Exchange Rate Contracts	-	2.943
Commodity Contracts	-	-
Equity Shares Related Contracts	-	-
Other	-	-
Gross Positive Fair Value	-	-
Netting Benefits	-	-
Net Current Exposure Amount	-	-
Collateral Received	-	-
<b>Net Derivative Position</b>	<b>-</b>	<b>2.943</b>

(\*) Includes only the counterparty risks arising from trading book.

(3) Explanations on calculation of capital requirements through a risk measurement model which is permitted to be used by the authorities:

None.

## IV. Explanations on operational risk:

a) Amount subject to operational risk is calculated with the help of basic indicator method according to article fourteen of "Regulation on Measurement and Assessment of Capital Adequacy of Banks". Annual gross profit calculated based on adding net fee and commission income, dividend income except for dividends from subsidiaries and associates, trading gain/loss (net) and other operational income to net profit share income; and deducting the profit/loss from selling assets except from trading accounts, extraordinary income, operating expense due to support services from a bank, main shareholder of the bank and compensations from insurance.

b) In case of using the basic indicator approach, the related information is as below:

	2 PP Value	1 PP Value	CP Value	Total number of years for which gross income is positive	Rate (%)	Total
Gross Income	500.700	625.375	782.732	636.269	15	95.440
Amount subject to Operational Risk (Total* 12,5)						1.193.004

## V. 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.

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d) Foreign exchange buying rates of the last five working days before the balance sheet date as publicly announced by the Bank are as follows:

	USD	EUR
As of December 31, 2014 - Balance sheet evaluation rate	2,335	2,825
As of December 30, 2014	2,303	2,802
As of December 29, 2014	2,295	2,796
As of December 26, 2014	2,297	2,796
As of December 25, 2014	2,298	2,816
As of December 24, 2014	2,297	2,800

e) The simple arithmetical average of the major foreign exchange buying rates of the Bank for the thirty days before the balance sheet date is full TL 2,272 for 1 USD (December 2013 : full TL 2,038), full TL 2,794 for 1 EURO (December 2013 : full TL 2,796).

#### Foreign currency sensitivity:

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

The following table details the Bank's sensitivity to a 10% change in the USD and EURO rates. A negative amount indicates a decrease effect in profit/loss or equity of the 10% value decrease/ increase of USD and EUR against TL.

	% Change in foreign currency rate	Effect on profit / loss		Effect on equity	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
USD	10% increase	6.037	4.629	84	453
USD	10% decrease	(6.037)	(4.629)	(84)	(453)
EURO	10% increase	(294)	548	-	-
EURO	10% decrease	294	(548)	-	-

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## Information on currency risk of the Bank:

	EUR	USD	Other FC (*)	Total
<b>Current Period</b>				
<b>Assets</b>				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	348.736	2.084.816	343.241	2.776.793
Banks	422.729	654.029	60.075	1.136.833
Financial assets at fair value through profit and loss	-	-	-	-
Money market placements	-	-	-	-
Available-for-sale financial assets	49	163.344	-	163.393
Loans and financial lease receivables (**)	1.826.289	4.863.143	11.127	6.700.559
Subsidiaries, associates and joint ventures	-	-	-	-
Held-to-maturity investments	-	-	-	-
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	1.678	1.678
Intangible assets	-	-	565	565
Other assets (***)	667	1.186	579	2.432
<b>Total assets</b>	<b>2.598.470</b>	<b>7.766.518</b>	<b>417.265</b>	<b>10.782.253</b>
<b>Liabilities</b>				
Current account and funds collected from banks via participation accounts	170.280	256.459	3.315	430.054
Other current and profit sharing accounts	1.652.371	4.414.890	363.740	6.431.001
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	752.035	2.936.389	-	3.688.424
Marketable securities issued	-	-	-	-
Miscellaneous payables	6.578	68.423	1.170	76.171
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	20.147	29.990	2.304	52.441
<b>Total liabilities</b>	<b>2.601.411</b>	<b>7.706.151</b>	<b>370.529</b>	<b>10.678.091</b>
<b>Net balance sheet position</b>	<b>(2.941)</b>	<b>60.367</b>	<b>46.736</b>	<b>104.162</b>
<b>Net off balance sheet position</b>				
Derivative financial instruments assets (****)	-	-	-	-
Derivative financial instruments liabilities (****)	-	-	-	-
Non-cash loans (*****)	1.130.253	2.775.456	23.435	3.929.144
<b>Prior Period</b>				
Total assets	2.342.048	5.197.465	388.354	7.927.867
Total liabilities	2.300.815	4.894.442	356.854	7.552.111
<b>Net balance sheet position</b>	<b>41.233</b>	<b>303.023</b>	<b>31.500</b>	<b>375.756</b>
<b>Net off balance sheet position</b>	<b>(35.754)</b>	<b>(256.730)</b>	<b>(2.620)</b>	<b>(295.104)</b>
Derivative financial instruments assets	8.496	21.605	2.338	32.439
Derivative financial instruments liabilities	44.250	278.335	4.958	327.543
Non-cash loans (*****)	852.441	2.343.620	10.953	3.207.014

(\*) TL 341.330 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 353 of the balance in Banks in other FC column represent precious metals accounts with banks, TL 339.115 of the balance in Other current and profit sharing accounts in other FC column represent precious metals deposits accounts.

(\*\*) The balance includes foreign currency indexed loans and financial lease receivables of TL 4.720.625 (December 31, 2013: TL 3.436.101).

(\*\*\*) Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 873 (December 31, 2013: TL 801) is included in other assets.

(\*\*\*\*) In the current period, there are not any derivative financial instruments and foreign currency purchase & sale commitments. (December 31, 2013: TL 32.439 foreign currency purchase commitment, TL 30.543 foreign currency sale commitment, TL 297.000 derivative financial instruments liabilities.)

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

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### VI. Explanations on position risk of equity securities in banking book:

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

### VII. Explanations on liquidity risk:

In the banking sector, liquidity risk mainly arises from average maturity of sources being shorter than average maturity of utilizations. The Bank acts in a conservative manner in liquidity management and keeps necessary reserves to meet the liquidity requirements. The Bank utilizes some of its sources in short term foreign investments; receivables from loans are generally collected in monthly installments.

The Bank collects funds through profit/loss sharing accounts for which the profit share rate is not predetermined and repayment of principal is not guaranteed and share of profit/loss on projects funded from these accounts are allocated to such profit/loss sharing accounts. Accordingly, the Bank's assets and liabilities and profit share ratios are compatible.

The Bank covers TL and Foreign Currency (FC) liquidity needs mostly by the funds collected and also utilizes Syndicated Murabaha Loans and wakala borrowings from abroad. Moreover, the Bank takes care to keep the assets in short term liquid assets and prolong average maturity of the liabilities.

The Board of Directors of the Bank monitors both the BRSA liquidity ratios and certain other indicators defined in the liquidity contingency plan on a daily basis. The liquidity sources which will be utilized in case of a potential liquidity shortage are defined in the contingency plans.

As per the BRSA Communiqué "Measurement and Assessment of the Adequacy of Banks' Liquidity", starting from June 1, 2007 the weekly and monthly liquidity ratios for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. Liquidity ratios for the periods ending December 31, 2014 and December 31, 2013 are as follows:

<i>December 31, 2014</i>	<b>First Maturity Bracket (Weekly)</b>		<b>Second Maturity Bracket (Monthly)</b>	
	<b>FC</b>	<b>FC + TL</b>	<b>FC</b>	<b>FC + TL</b>
<b>Average (%)</b>	187,96	170,70	125,76	111,81
<b>Maximum (%)</b>	285,03	240,61	146,66	125,63
<b>Minimum (%)</b>	119,09	134,09	105,54	101,30
<i>December 31, 2013</i>	<b>First Maturity Bracket (Weekly)</b>		<b>Second Maturity Bracket (Monthly)</b>	
	<b>FC</b>	<b>FC + TL</b>	<b>FC</b>	<b>FC + TL</b>
<b>Average (%)</b>	166,23	183,59	128,09	131,86
<b>Maximum (%)</b>	261,07	286,26	156,72	201,10
<b>Minimum (%)</b>	105,34	105,74	107,43	100,83

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## Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated	Total
<b>Current Period</b>								
<b>Assets</b>								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	737.549	2.391.637	-	-	-	-	-	3.129.186
Banks	1.158.027	438.772	51.436	-	-	-	-	1.648.235
Financial Assets at Fair Value Through Profit and Loss	5.611	-	-	-	-	-	-	5.611
Money Market Placements Available-For-Sale Financial Assets	-	-	-	-	-	-	-	-
Loans (*)	1.675	-	42.661	50.984	538.419	26.021	-	659.760
Held-To-Maturity Investments	56.693	1.929.040	2.014.090	5.238.633	6.425.888	479.634	-	16.143.978
Other Assets (**)	-	-	269.905	154.941	358.463	-	-	783.309
Other Assets (***)	-	819	915	4.288	4.838	-	665.485	676.345
<b>Total Assets</b>	<b>1.959.555</b>	<b>4.760.268</b>	<b>2.379.007</b>	<b>5.448.846</b>	<b>7.327.608</b>	<b>505.655</b>	<b>665.485</b>	<b>23.046.424</b>
<b>Liabilities</b>								
Current account and funds collected from banks via participation accounts	116.363	252.262	140.629	63.463	-	-	-	572.717
Other current and profit sharing accounts	3.259.572	10.102.479	1.623.622	1.074.035	10.793	-	-	16.070.501
Funds provided from other financial institutions	-	632.730	328.425	1.408.969	1.014.166	304.134	-	3.688.424
Money Market Borrowings	-	116.740	-	-	-	-	-	116.740
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	141.158	26.676	5.944	-	-	336.394	510.172
Other liabilities (***)	-	31.792	24.034	-	-	-	2.032.044	2.087.870
<b>Total Liabilities</b>	<b>3.375.935</b>	<b>11.277.161</b>	<b>2.143.386</b>	<b>2.552.411</b>	<b>1.024.959</b>	<b>304.134</b>	<b>2.368.438</b>	<b>23.046.424</b>
<b>Net Liquidity Gap</b>	<b>(1.416.380)</b>	<b>(6.516.893)</b>	<b>235.621</b>	<b>2.896.435</b>	<b>6.302.649</b>	<b>201.521</b>	<b>(1.702.953)</b>	<b>-</b>
<b>Prior period</b>								
Total Assets	1.517.809	3.190.580	2.091.291	4.909.313	4.683.449	304.631	519.480	17.216.553
Total Liabilities	2.568.063	8.616.916	1.544.972	1.491.862	709.310	432.973	1.852.457	17.216.553
<b>Net Liquidity Gap</b>	<b>(1.050.254)</b>	<b>(5.426.336)</b>	<b>546.319</b>	<b>3.417.451</b>	<b>3.974.139</b>	<b>(128.342)</b>	<b>(1.332.977)</b>	<b>-</b>

(\*) Leasing receivables are included under 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, investments in associates and subsidiaries, stationary supplies, prepaid expenses and non-performing loans, are included here.

(\*\*\*) The unallocated other liabilities row consists of equity, provisions and tax liabilities.

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## Analysis of financial liabilities based on the remaining contractual maturities:

The table below is prepared taking into consideration undiscounted amounts of financial liabilities of the Bank and earliest dates required to be paid. The profit share expenses to be paid on funds collected calculated on the basis of account value per unit are included in the table below:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
<b>Current period</b>							
Funds Collected	3.375.935	10.354.741	1.764.251	1.137.498	10.793	-	<b>16.643.218</b>
Funds Borrowed from Other Financial Institutions	-	642.931	331.791	1.493.708	1.330.547	430.807	<b>4.229.784</b>
Borrowings from Money Markets	-	116.740	-	-	-	-	<b>116.740</b>
<b>Total</b>	<b>3.375.935</b>	<b>11.114.412</b>	<b>2.096.042</b>	<b>2.631.206</b>	<b>1.341.340</b>	<b>430.807</b>	<b>20.989.742</b>

**Prior period**

Funds Collected	2.568.063	7.773.719	1.137.226	954.242	92.962	-	12.526.212
Funds Borrowed from Other Financial Institutions	-	578.823	322.760	526.652	632.395	444.585	2.505.215
Borrowings from Money Markets	-	144.475	-	-	-	-	144.475
<b>Total</b>	<b>2.568.063</b>	<b>8.497.017</b>	<b>1.459.986</b>	<b>1.480.894</b>	<b>725.357</b>	<b>444.585</b>	<b>15.175.902</b>

## Breakdown of commitment and contingencies according to their remaining contractual maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Unallocated	Total
<b>Current Period</b>								
Letters of guarantee <sup>(*)</sup>	3.523.368	174.087	388.300	1.622.644	1.138.964	25.278	-	6.872.641
Bank acceptances	33.055	-	-	-	-	-	-	33.055
Letters of credit	537.894	39.456	2.227	4.627	5.066	-	-	589.270
Other commitments and contingencies	-	583.543	-	-	-	-	-	583.543
<b>Total</b>	<b>4.094.317</b>	<b>797.086</b>	<b>390.527</b>	<b>1.627.271</b>	<b>1.144.030</b>	<b>25.278</b>	<b>-</b>	<b>8.078.509</b>

**Prior Period**

Letters of guarantee <sup>(*)</sup>	2.574.442	295.641	317.747	1.226.349	782.376	35.343	-	5.231.898
Bank acceptances	23.524	-	-	-	-	-	-	23.524
Letters of credit	447.522	27.559	2.645	4.285	-	-	-	482.011
Other commitments and contingencies	-	426.434	-	-	-	-	-	426.434
<b>Total</b>	<b>3.045.488</b>	<b>749.634</b>	<b>320.392</b>	<b>1.230.634</b>	<b>782.376</b>	<b>35.343</b>	<b>-</b>	<b>6.163.867</b>

<sup>(\*)</sup> Remaining maturities presented for letters of guarantees represents the expiration periods. The correspondent of letters of guarantee has the right to demand the liquidation of the letter when the transaction stated at the letter is not realized.

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#### VIII. Explanations on securitisation positions:

None. (December 31, 2013: None)

#### IX. Explanations on credit risk mitigation techniques:

On and off balance sheet offsetting agreements are not utilized.

The risk mitigators that are used in credit process in compliance with Communiqué "The Risk Mitigation Techniques" which is published at September 6, 2014 are stated below:

- Financial collaterals (Government securities, cash, deposit or participation fund pledge, gold, stock pledge),
- Guarantees.

The credibility of guarantors is monitored and evaluated within the framework of credit revision periods. Collaterals obtained by the Bank are reviewed and appraised in accordance with related legislation as long as the credit relationship is outstanding.

If there are indicators on significant decreases of real estate's value in comparison to general market prices, the real estate's valuation is performed by the authorised valuation corporations authorised by Banking Regulation and Supervision Agency or Capital Markets Board of Turkey.

The Bank monitors other banks' guarantees that are evaluated as risk mitigators within the framework of BRSA regulations on a regular basis and reviews the credibility of banks periodically.

The volatility in real estate market is monitored closely by the Bank and the market fluctuations are considered in credit activities.

The information related to amount and type of collaterals which are applied in the calculation of risk weighted amount of risk categories within the scope of the Communiqué on "The Risk Mitigation Techniques" is provided below.

#### Collaterals in terms of Risk Categories:

Risk Categories	Amount <sup>(*)</sup>	Financial Collaterals	Other/Physical Collaterals	Guarantees and Credit Derivatives
Receivables from central governments or central banks	3.801.496	-	-	-
Receivables from regional or local governments	105.734	-	-	-
Receivables from administrative units and non-commercial enterprises	361	-	-	-
Receivables from multilateral development banks	-	-	-	-
Receivables from international organizations	-	-	-	-
Receivables from banks and brokerage houses	1.777.342	-	-	-
Receivables from corporates	9.368.040	864.650	-	18.909
Retail receivables	2.868.429	149.944	-	18.218
Receivables secured by mortgages on property	5.534.117	-	-	-
Past due receivables	27.178	-	-	-
Receivables defined in high risk category by BRSA	61.965	1.098	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	-	-	-	-
Other receivables	720.417	-	-	-

<sup>(\*)</sup> Represents the total risk amount after credit mitigation techniques are applied.



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### X. Explanations on risk management objectives and policies:

The aim of the Bank's Risk management system is basically to ensure identification, measurement, monitoring and controlling of risks exposed, through establishment of policies, implementation procedure and limits for monitoring, controlling and in case of need changing the risk/return structure of future cash flows, and accordingly nature and level of operations.

Basically the Bank is exposed to market, liquidity, credit and strategic risk, reputation risk, and operational risk and determines risk policies, procedures to be implemented, and risk limits approved by Board of Directors for risks that can be quantified. The related limits are monitored, reported and maintained within the set limits by the units under Internal Systems and the related departments in the Bank. Risk Management Unit, organized within the frame of Risk Management regulations, undertakes activities for measuring, monitoring, controlling and reporting risks.

#### **Market Risk**

Market Risk is the probability of loss that the bank may be exposed to due to the bank's general market risk, foreign exchange risk, specific risk, commodity risk, settlement risk and counterparty credit risk in trading book.

Exchange rate risk or foreign currency risk which is one of the factors that constitutes market risk, defines the probability of loss due to the effects of possible changes in currency to all the Bank's foreign currency assets and liabilities. Security position risk is the negations in the Bank's revenues and thus shareholders' equity, cash flows, asset quality and finally in meeting the commitments arising from negative movements in security prices included in the Bank's trading accounts.

Within the framework of market risk, the Bank calculates foreign currency position risk, general market risk for security position risk and specific risks via standard method and reports to the legal authority. The Bank also measures the foreign currency position risk by various internal methods for testing purposes. The variations between daily predicted value at risk and actual values and back testing practices are used to determine the accuracy and performance of these tests. The potential durability of portfolio against unpredictable risks that can be exposed is measured by stress tests including stress scenarios.

The Bank continuously monitors the compliance of market risk with the limits determined by legal regulations. Additionally foreign currency risk is reviewed by Assets and Liabilities Committee. The Bank's strategy for the currency risk is keeping it at a balance and not having any short or long position.

#### **Liquidity Risk**

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

Funding liquidity risk explains the probability of loss occurs in case of unable to meet the Bank's all anticipated and unanticipated cash flow requirements without damaging daily operations or the financial position.

Market liquidity risk is the probability of loss in case of the Bank's failure to close any position or stabilize market prices due to market depth or over fluctuations.

Maturity mismatch, impairment of the asset quality, unpredictable source outflows, decrease in profit and economic crisis situations are the factors that might cause the occurrence of the liquidity risk.

For liquidity risk, cash flows are monitored daily and preventive and remedial precautions are taken to meet obligations on time and in the required manner. Liquidity risk is evaluated on a weekly basis from Assets and Liabilities committee.

Regarding liquidity risk of the Bank, in order to meet liquidity needs arising from unpredictable movements in the markets, the Bank prefers to implement the policy of maintaining quality liquid assets in adequate proportion by considering previous liquidity experiences and minimum liquidity adequacy ratios set by legal regulations.

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#### **Credit Risk**

Credit risk represents the Bank's possibility of losses due to loan customers not fulfilling the terms of their agreements partially or in full. At the same time, this risk includes market value loss arising from the deterioration of the financial position of the counterparty. Within the scope of the definition of the credit risk used, on balance and off balance sheet portfolios are included.

In the Bank, credit allocation authority belongs to the Board of Directors. The Board of Directors takes necessary measures by establishing policies related to allocation and approval of loans, credit risk management policies and other administrative issues; by ensuring implementation and monitoring of these policies. The Board of Directors transferred its credit allocation authority to the Credit Committee and Head-office in line with the policies and procedures defined by the legal regulations. Head-office Credit Committee exercises the credit allocation authority through units of the Bank/ regional offices and branches. The Bank grants credits on the basis of limits determined for each individual customer and group of customers separately and core banking system prevents customers' credit risks being in excess of their limits.

The Bank pays attention in order not to result in sectoral concentration that might affect credit portfolio in a negative way. Maximum effort is being made to prevent risks from concentrating on few customers. Credit risk is continuously monitored and reported by units under internal systems and other risk management divisions. By this way, harmonization of credit risk with credit risk management policy and application standards is maintained.

#### **Operational Risk**

Operational risk is defined as the possibility of loss occurring due to insufficient or unsuccessful internal processes, persons and systems or external incidents. Although legal risk and compliance risk are included in this risk group, reputation risk and strategy risk (arising from misjudgements at wrong times) are excluded.

Operational risk is a risk type that exists in all functions of the Bank. It might arise from employee mistakes, an error caused by the system, transactions made based on inadequate or incorrect legal information, information flow failure among levels under Bank organization structure, ambiguity in limits of authorization, structural and/or operational changes, natural disasters, terror and fraud.

Operational risk is categorized under five groups according to its sources: employee risk, technological risks, organization risk, legal-compliance risk and external risks.

The Bank also takes necessary preventive measures in order to keep operational risk at an acceptable level.

#### **Other Risks**

Other risks the Bank is exposed to are strategic risk, reputation risk, counterparty risk, compliance risk, residual risk, country risk, and concentration risk.

The Bank's risk management system, in order to prevent and/or control strategic risks, is prepared against changes in economic, political and socio-political conditions, laws, legislation and similar regulations that could affect the Bank's operations, status and strategies significantly and observes these issues in contingency and business continuity plan implementations.

Reputation risk is defined as events and situations arising from all services, functions and relations of the Bank that would cause to lose confidence in the Bank and damage its image. The Bank's risk management system in order to prevent and/or control reputation risk, switches on a proactive communication mechanism by giving priority to its customers whenever it is determined that the Bank's reputation or image is damaged. The system, ready for the worst case scenarios in advance, takes into account the level of the relationship between operational risks and reputation risk, its level and its effect.

Residual risk is the risk that arises in case that the risk mitigation techniques are not as effective as expected. Senior management procures the implementation of residual risk management policy and strategy that is approved by Board of Directors. Moreover, it considers maturity match between credit and collateral, some factors like changes due to negative market movements for risk management.

Counterparty credit risk is the probability that one of the parties of a transaction where both sides are imposed with liability becomes default on his liability before the last payment in the cash flow of the transaction. The Bank should manage counterparty credit risk in accordance with the volume, quality and complexity of its activities within the framework of legal legislation.

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Compliance risk means those risks which are related to sanctions, financial losses and/ or loss of reputation that the Bank may suffer in the event that the Bank's operations and the attitudes and acts of the Bank's staff members are not in conformity and compliance with the current legislation, regulations and standards. The Head of Legislation and Compliance Unit, who shall be appointed by the Board of Directors, shall be accountable for the purposes of planning, arranging, conducting, managing, assessing, monitoring and coordinating the corporate compliance activities.

Country risk is the probability of loss that the Bank may be exposed to in case borrowers in one country fail or shirk to fulfill their foreign obligations due to uncertainties in economic, social and political conditions. The Bank constitutes its commercial connections with foreign fiscal institutions and countries, as a result of feasibility studies made for country's economic conditions within legal restrictions and through consideration of market conditions and customer satisfaction.

Concentration risk is the probability of experiencing large scale losses due to one single risk amount or risk amounts in particular risk types that may threaten the body of the Bank and the capability of operating its principal activities. Policies in regards to concentration risk are classified as sectoral concentration, concentration to be created on the basis of collateral, concentration on the basis of market risk, concentration on the basis of types of losses, concentration arising from participation fund and other financing providers.

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

#### a. Information on fair value of financial assets and liabilities :

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated profit share accruals of corresponding financial assets or liabilities.

The fair values of financial assets and liabilities are calculated based on the following principles:

The fair values of held-to-maturity investments are determined based on market prices.

The fair value of loans and receivables are determined by calculating the discounted cash flows using the current market profit share rates.

Carrying value of funds collected via special current accounts and participation accounts is assumed to approximate their fair value as they are valued at year-end unit values.

The fair values of funds collected from financial institutions are determined by calculating the discounted cash flows using the current market profit share rates.

	Carrying value		Fair value	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>Financial Assets</b>				
Money market placements	-	-	-	-
Banks	1.648.235	1.378.708	1.648.235	1.378.708
Financial assets at fair value through profit and loss	5.611	4.791	5.611	4.791
Financial assets available for sale	659.760	240.890	659.760	240.890
Held to maturity investments	783.309	745.390	794.685	731.303
Loans and financial lease receivables	16.183.692	12.059.901	15.593.643	12.069.915
<b>Financial Liabilities</b>				
Funds collected from banks via current accounts and profit sharing accounts	572.717	507.624	572.717	507.624
Other current and profit sharing accounts	16.070.501	12.018.588	16.070.501	12.018.588
Funds provided from other financial institutions	3.688.424	2.035.816	3.682.518	2.021.228
Marketable securities issued	-	-	-	-
Miscellaneous payables	510.172	329.174	510.172	329.174

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**b. Information on fair value measurement recognized in the financial statements:**

TFRS 7 (Financial Instruments: Turkish Financial Reporting Standard Related to Explanations) sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish a basis for fair value measurement. Aforesaid fair value hierarchy is determined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level I);
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in Level 1 (Level II);
- Data not based on observable data regarding assets and liabilities (Level III).

Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles are given in the table below:

<b>Current period (**)</b>	<b>Level I</b>	<b>Level II</b>	<b>Level III</b>	<b>Total</b>
<b>Financial assets</b>				
Financial assets at fair value through profit and loss	5.611	-	-	5.611
Public sector debt securities	-	-	-	-
Equity securities	5.611	-	-	5.611
Derivative financial assets held for trading	-	-	-	-
Other	-	-	-	-
Financial assets- available for sale	658.085	-	-	658.085
Equity securities (*)	-	-	-	-
Public sector debt securities	588.615	-	-	588.615
Other marketable securities	69.470	-	-	69.470
<b>Financial liabilities</b>				
Derivative financial liabilities held for trading	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-
<b>Prior period</b>	<b>Level I</b>	<b>Level II</b>	<b>Level III</b>	<b>Total</b>
<b>Financial assets</b>				
Financial assets at fair value through profit and loss	4.764	27	-	4.791
Public sector debt securities	-	-	-	-
Equity securities	4.764	-	-	4.764
Derivative financial assets held for trading	-	-	-	-
Other	-	27	-	27
Financial assets- available for sale	239.347	-	-	239.347
Equity securities (*)	-	-	-	-
Public sector debt securities	201.523	-	-	201.523
Other marketable securities	37.824	-	-	37.824
<b>Financial liabilities</b>				
Derivative financial liabilities held for trading	-	2.804	-	2.804
Derivative financial liabilities for hedging purposes	-	-	-	-

(\*) The balances in the balance sheet include unquoted equity securities carried at cost which are not included in the above table since they are not carried at fair value.

(\*\*) In the current period, there is no classification between level I and level II.

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As of December 31, 2014 and 2013 the Bank carries the real estates at fair value under tangible assets. Level III section is used in determining the related fair values.

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

The Bank does not perform purchases, sales and custody services on behalf of its customers. The Bank has no fiduciary transactions.

### XIII. 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	Commercial				Total
	Retail	and Corporate	Treasury	Undistributed	
<b>Total Assets</b>	1.935.081	14.168.295	1.844.257	5.098.791	23.046.424
<b>Total Liabilities</b>	11.475.842	9.106.218	262.573	410.864	21.255.497
<b>Total Equity</b>	-	-	-	1.790.927	1.790.927
Net profit share income/(expense) <sup>(*)</sup> (**)	(359.080)	947.417	110.637	-	698.974
Net fees and commissions income/(expense)	8.849	132.867	(8.955)	(4.425)	128.336
Other operating income /(expense)	19	(55.334)	2.289	(448.732)	(501.758)
Profit/(loss) before tax	(350.212)	1.024.950	103.971	(453.157)	325.552
Provision for tax	-	-	-	(72.921)	(72.921)
<b>Net profit / (loss) for the period</b>	<b>(350.212)</b>	<b>1.024.950</b>	<b>103.971</b>	<b>(526.078)</b>	<b>252.631</b>
Prior Period	Commercial				Total
	Retail	and Corporate	Treasury	Undistributed	
<b>Total Assets</b>	1.383.561	10.482.611	1.496.617	3.853.764	17.216.553
<b>Total Liabilities</b>	8.358.926	6.880.760	217.852	261.747	15.719.285
<b>Total Equity</b>	-	-	-	1.497.268	1.497.268
Net profit share income/(expense) <sup>(*)</sup> (**)	(196.040)	757.393	63.823	-	625.176
Net fees and commissions income/(expense)	1.455	104.026	(4.030)	11.746	113.197
Other operating income /(expense)	(167)	(72.620)	1.879	(367.922)	(438.830)
Profit/(loss) before tax	(194.752)	788.799	61.672	(356.176)	299.543
Provision for tax	-	-	-	(58.134)	(58.134)
<b>Net profit / (loss) for the period</b>	<b>(194.752)</b>	<b>788.799</b>	<b>61.672</b>	<b>(414.310)</b>	<b>241.409</b>

<sup>(\*)</sup> The distribution difference in the retail, commercial and corporate segments stems from fund allocation and fund collection methods of the Bank.

<sup>(\*\*)</sup> Since the management uses net profit share income/ (expense) as a performance measurement criteria, profit share income and expense is presented net.

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## Section five

## Explanations and notes on the unconsolidated financial statements

## I. Explanations and notes related to assets:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash / Foreign currency	88.803	106.119	65.105	63.244
CBRT	263.590	2.670.136	181.309	1.967.205
Other <sup>(*)</sup>	-	538	-	5.818
<b>Total</b>	<b>352.393</b>	<b>2.776.793</b>	<b>246.414</b>	<b>2.036.267</b>

<sup>(\*)</sup> Includes precious metals amounting to TL 538 as of December 31, 2014 (December 31, 2013: TL 5.818).

## b) Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	263.328	278.761	181.309	193.626
Unrestricted time deposit	-	-	-	-
Restricted time deposit <sup>(*)</sup>	262	2.391.375	-	1.773.579
<b>Total</b>	<b>263.590</b>	<b>2.670.136</b>	<b>181.309</b>	<b>1.967.205</b>

<sup>(\*)</sup> As of December 31, 2014, the reserve requirement held in standard gold is TL 340.792 (December 31, 2013: TL 299.635).

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 of December 31, 2014, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11,5% depending on maturity of deposits and the compulsory rates for the foreign currency liabilities are within an interval from 6% to 13% depending on maturity of deposits.

As per the press release by The Central Bank of Republic of Turkey dated October 21, 2014 numbered 2014-72, income payment on TL reserves is launched since November 2014.

## 2. a) Information on financial assets at fair value through profit/loss subject to repurchase agreements and given as collateral/blocked:

None. (December 31, 2013: None)

## b) Table of positive differences related to derivative financial assets held for trading:

None. (December 31, 2013: None)

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#### 3. a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	511.402	731.224	625.878	425.117
Abroad	-	405.609	-	327.713
Foreign head offices and branches	-	-	-	-
<b>Total</b>	<b>511.402</b>	<b>1.136.833</b>	<b>625.878</b>	<b>752.830</b>

#### b) Information on foreign bank accounts:

	Current period		Prior period	
	Unrestricted amount	Restricted amount	Unrestricted amount	Restricted amount
European Union Countries	83.042	-	143.319	-
USA and Canada	225.731	-	120.831	-
OECD Countries <sup>(*)</sup>	2.696	-	8.068	-
Off-shore banking regions	758	-	2.941	-
Other	93.382	-	52.554	-
<b>Total</b>	<b>405.609</b>	<b>-</b>	<b>327.713</b>	<b>-</b>

<sup>(\*)</sup> OECD countries other than EU countries, USA and Canada.

#### 4. Information on financial assets available-for-sale:

a) Information on financial assets available for sale subject to repurchase transactions, given as a guarantee or blocked:

None. (December 31, 2013: None)

b) Information on financial assets available-for-sale:

	Current Period	Prior Period
Debt securities	658.435	243.121
Quoted on a stock exchange <sup>(*)</sup>	658.435	243.121
Unquoted	-	-
Share certificates	1.675	1.543
Quoted on a stock exchange	-	-
Unquoted <sup>(**)</sup>	1.675	1.543
Impairment provision (-)	350	3.774
<b>Total</b>	<b>659.760</b>	<b>240.890</b>

<sup>(\*)</sup> Includes debt securities quoted on a stock exchange which are not traded at the related period ends.

<sup>(\*\*)</sup> Indicates unquoted equity securities.

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## 5. Information on loans and receivables:

## 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	8.808	35.469	45.889	31.349
Corporate shareholders	8.663	35.119	45.682	31.349
Real person shareholders	145	350	207	-
Indirect loans granted to shareholders	50.238	69.492	1.476	15.514
Loans granted to employees	7.742	-	6.179	-
<b>Total</b>	<b>66.788</b>	<b>104.961</b>	<b>53.544</b>	<b>46.863</b>

## b) Information on the first and second group loans, other receivables and restructured or rescheduled loans and other receivables:

Cash loans	Standard loans and other receivables			Loans and other receivables under close monitoring		
	Loans and other receivables (Total)	Restructured or rescheduled		Loans and other receivables (Total)	Restructured or rescheduled	
		Extension of Repayment Plan	Other		Extension of Repayment Plan (*)	Other
	<b>Loans</b>	14.632.175	768	-	802.157	297.191
Export loans	314.061	-	-	533	533	-
Import loans	1.577.617	-	-	86.146	14.325	2.154
Business loans	7.600.408	-	-	585.315	247.765	3.266
Consumer loans	1.850.408	768	-	27.827	14.583	930
Credit cards	157.821	-	-	1.824	-	-
Loans given to financial sector	3.055	-	-	-	-	-
Other (**)	3.128.805	-	-	100.512	19.985	15.984
<b>Other receivables (*)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>14.632.175</b>	<b>768</b>	<b>-</b>	<b>802.157</b>	<b>297.191</b>	<b>22.334</b>

(\*) Amount of TL 4.544 consist of extension of repayment plan for financial leasing receivables and presented in the footnote 10-c.

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

Commercial loans with installments	1.687.054
Other investment credits	634.380
Loans given to abroad	341.030
Profit and loss sharing investments (***)	316.114
Loans for purchase of marketable securities for customer	245.168
Other	5.571
<b>Total</b>	<b>3.229.317</b>

(\*\*\*) As of December 31, 2014, the related balance represents profit and loss sharing investment projects (12 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. In the current period the Bank recognized TL 57.388 (December 31, 2013: TL 63.175) income in the accompanying financial statements in relation to such loans.



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	Extension of Repayment Plan	
	Standard loans and other receivables	Loans and other receivables under close monitoring
<b>1 or 2 times</b>	<b>768</b>	<b>301.735</b>
<b>3, 4 or 5 times</b>	-	-
<b>Over 5 times</b>	-	-
Extension Periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 months	-	25.069
6 - 12 months	768	16.002
1 - 2 years	-	45.668
2 - 5 years	-	170.818
5 years and over	-	44.178

*In accordance with the Communiqué "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for These Loans" published in Official Gazette dated December 30, 2011 and numbered 28158, information related to the loans granted to real persons and legal entities resident in Libya and real persons and legal entities having operations in or for Libya:*

As of December 31, 2014, the Bank does not have any loan receivables arising from rescheduled loans within the scope of related Communiqué.

*In accordance with the Communiqué "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for These Loans" published in Official Gazette dated December 30, 2011 and numbered 28158, information related to the loans granted to maritime sector :*

As of December 31, 2014, the Bank has loan receivables amounting to TL 942 arising from rescheduled loans within the scope of related Communiqué.

c) Maturity analysis of cash loans:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
<b>Cash Loans</b>				
Short term loans and other receivables				
Loans	6.246.970	-	127.254	36.728
Other receivables	-	-	-	-
Medium and long-term loans and other receivables <sup>(*)</sup>				
Loans	8.384.437	768	355.378	282.797
Other receivables	-	-	-	-
<b>Total</b>	<b>14.631.407</b>	<b>768</b>	<b>482.632</b>	<b>319.525</b>

<sup>(\*)</sup> Loans with original maturities longer than a year are classified as "Medium and Long Term Loans".

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

	Short-term	Medium and long-term	Total
<b>Consumer loans-TL</b>	<b>15.629</b>	<b>1.858.151</b>	<b>1.873.780</b>
Housing loans	2.340	1.696.397	1.698.737
Vehicle loans	3.522	95.273	98.795
Consumer loans	8.799	6.274	15.073
Other	968	60.207	61.175
<b>Consumer loans-FC indexed</b>	<b>46</b>	<b>19</b>	<b>65</b>
Housing loans	46	19	65
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Retail credit cards-TL</b>	<b>54.696</b>	<b>98</b>	<b>54.794</b>
With installment	21.593	48	21.641
Without installment	33.103	50	33.153
<b>Retail credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>2.270</b>	<b>2.120</b>	<b>4.390</b>
Housing loans	-	325	325
Vehicle loans	102	1.270	1.372
Consumer loans	2.168	422	2.590
Other	-	103	103
<b>Personnel loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	<b>3.343</b>	<b>9</b>	<b>3.352</b>
With installment	1.563	7	1.570
Without installment	1.780	2	1.782
<b>Personnel credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without-installment	-	-	-
<b>Overdraft account-TL (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft account-FC (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>75.984</b>	<b>1.860.397</b>	<b>1.936.381</b>

Albaraka Türk Katılım Bankası Anonim Şirketi

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

	Short-term	Medium and long-term	Total
<b>Commercial installment loans-TL</b>	<b>1.177.399</b>	<b>112.778</b>	<b>1.290.177</b>
Business loans	382.574	70.303	452.877
Vehicle loans	243.752	2.012	245.764
Consumer loans	48	-	48
Other	551.025	40.463	591.488
<b>Commercial installment loans-FC indexed</b>	<b>393.144</b>	<b>3.733</b>	<b>396.877</b>
Business loans	139.211	1.705	140.916
Vehicle loans	35.149	123	35.272
Consumer loans	33	-	33
Other	218.751	1.905	220.656
<b>Commercial installment Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>101.499</b>	<b>-</b>	<b>101.499</b>
With installment	11.435	-	11.435
Without installment	90.064	-	90.064
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Overdraft account-TL (legal entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft account-FC (legal entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1.672.042</b>	<b>116.511</b>	<b>1.788.553</b>

e) Allocation of loans by customers:

	Current Period	Prior Period
Public	106.554	88.391
Private	15.327.778	11.872.949
<b>Total</b>	<b>15.434.332</b>	<b>11.961.340</b>

f) Breakdown of domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	15.093.302	11.549.770
Foreign loans	341.030	411.570
<b>Total</b>	<b>15.434.332</b>	<b>11.961.340</b>

g) Loans granted to subsidiaries and associates:

As of the balance sheet date, there are no cash loans granted to subsidiaries and associates.

## Albaraka Türk Katılım Bankası Anonim Şirketi

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## ğ) Specific provisions for loans:

	Current Period	Prior Period
Loans and receivables with limited collectability	23.769	25.660
Loans and receivables with doubtful collectability	40.451	64.539
Uncollectible loans and receivables	212.500	154.798
<b>Total</b>	<b>276.720</b>	<b>244.997</b>

In addition to specific provision for loans amounting TL 276.720 (December 31, 2013: TL 244.997), provision amounting to TL 10.541 (December 31, 2013: TL 8.431) have been provided for fees and commissions and other receivables with doubtful collectability which sums up to total TL 287.261 (December 31, 2013: TL 253.428). Specific provision for loans amounting to TL 183.120 (December 31, 2013: TL 161.892) represents participation account share of specific provisions of loans provided from participation accounts.

## h) Information on non-performing loans and receivables (net):

## h.1) Non-performing loans and receivables which are restructured or rescheduled:

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
<b>Current period</b>			
(Gross amount before specific provisions)	62	1.132	19.288
Restructured loans and other receivables	62	1.132	19.288
Rescheduled loans and other receivables	-	-	-
<b>Prior period</b>			
(Gross amounts before specific provisions)	-	-	19.311
Restructured loans and other receivables	-	-	19.311
Rescheduled loans and other receivables	-	-	-

## h.2) Movements of non-performing loans:

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Closing balance of prior period	31.036	73.087	167.114
Additions in the current period (+)	101.417	658	5.489
Transfers from other categories of non-performing loans (+)	-	80.516	93.343
Transfers to other categories of non-performing loans (-)	80.516	93.343	-
Transfers to standard loans (-)	-	2.142	1.238
Collections in the current period (-)	8.510	10.326	20.815
Write offs (-)	4.244	-	15.092
Corporate and commercial loans	4.244	-	14.200
Retail loans	-	-	881
Credit cards	-	-	11
Other	-	-	-
Closing balance of the current period	39.183	48.450	228.801
Specific provisions (-)	23.769	40.451	212.500
<b>Net balance at the balance sheet</b>	<b>15.414</b>	<b>7.999</b>	<b>16.301</b>

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Non-performing loans and receivables in the amount of TL 316.434 (December 31, 2013: TL 271.237) comprise TL 194.337 (December 31, 2013: TL 160.586) of participation account share of loans and receivables provided from participation accounts.

In addition to non-performing loans and other receivables included in the above table, there are fees, commissions and other receivables with doubtful collectability amounting to TL 10.541 (December 31, 2013: TL 8.431). In the current period, collections from fees, commissions and other receivables with doubtful collectability amounted to TL 3.681.

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

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
<b>Current period:</b>			
Period end balance	15	12	-
Specific provision (-)	4	7	-
<b>Net balance on balance sheet</b>	<b>11</b>	<b>5</b>	<b>-</b>
<b>Prior period:</b>			
Period end balance	-	-	700
Specific provision (-)	-	-	677
<b>Net balance on balance sheet</b>	<b>-</b>	<b>-</b>	<b>23</b>

h.4) Gross and net non-performing loans and other receivables per customer categories:

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
<b>Current period (net)</b>			
Loans to individuals and corporates (gross)	39.183	48.450	228.801
Specific provision (-)	23.769	40.451	212.500
<b>Loans to individuals and corporates (net)</b>	<b>15.414</b>	<b>7.999</b>	<b>16.301</b>
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-
<b>Prior period (net)</b>	<b>5.376</b>	<b>8.548</b>	<b>12.316</b>
Loans to individuals and corporates (gross)	31.036	73.087	167.114
Specific provision (-)	25.660	64.539	154.798
<b>Loans to individuals and corporates (net)</b>	<b>5.376</b>	<b>8.548</b>	<b>12.316</b>
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-

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## i) Liquidation policy for uncollectible loans and receivables:

Loans and other receivables determined as uncollectible are liquidated through starting legal follow up and by converting the guarantees into cash.

## i) Information on "Write-off" policies:

The write-off policy of the Bank for receivables under follow up is to retire the receivables from assets in case of determination of the inability of collection through follow-up by the decision of Bank management.

Loans and other receivables, which have been deemed uncollectible according to the "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans" published in the Official Gazette numbered 26333 dated November 01, 2006, have been written-off per the decision of the Bank management. In 2014, non-performing loans amounting to TL 19.336 were written-off (2013 – TL 13.897).

## j) Other explanations on loans and receivables:

Aging analysis of past due but not impaired financial assets per classes of financial instruments is stated below:

Current Period	Less than 30 days	31-60 days	61-90 days	Total
Loans and Receivables				
Corporate Loans	422.348	92.033	221.102	735.483
Consumer Loans	79.128	14.155	2.874	96.157
Credit Cards	3.708	990	339	5.037
<b>Total</b>	<b>505.184</b>	<b>107.178</b>	<b>224.315</b>	<b>836.677</b>
Prior Period	Less than 30 days	31-60 days	61-90 days	Total
Loans and Receivables				
Corporate Loans	494.682	69.757	189.749	754.188
Consumer Loans	62.662	9.771	6.715	79.148
Credit Cards	5.662	903	451	7.016
<b>Total</b>	<b>563.006</b>	<b>80.431</b>	<b>196.915</b>	<b>840.352</b>

## 6. Information on held-to-maturity investments:

## 6.1) Information on held-to-maturity investments subject to repurchase transactions, given as a guarantee or blocked:

As of December 31, 2014, held to maturity investments given as a guarantee or blocked amount to TL 30.982. Held to maturity investments subject to repurchase agreements amount to TL 113.775 (December 31, 2013 : Held to maturity investments given as a guarantee or blocked amount to TL 18.228, held to maturity investments subject to repurchase agreements amount to TL 146.794).

## 6.2) Information related to government securities held to maturity:

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities (*)	783.309	730.267
<b>Total</b>	<b>783.309</b>	<b>730.267</b>

(\*) Consists of Sukook certificates issued by Undersecretariat of Treasury of Turkey.

Albaraka Türk Katılım Bankası Anonim Şirketi

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### 6.3) Information on held-to-maturity investments:

	Current Period	Prior Period
Debt Securities	783.309	745.390
Quoted on a stock exchange (*)	783.309	745.390
Unquoted	-	-
Impairment provision (-)	-	-
<b>Total</b>	<b>783.309</b>	<b>745.390</b>

(\*) Includes debt securities quoted on a stock exchange which are not traded at the related period ends.

### 6.4) Movement of held-to-maturity investments:

	Current Period	Prior Period
Balance at beginning of period	745.390	365.815
Foreign currency differences on monetary assets	-	-
Purchases during period	350.000	429.378
Disposals through sales and redemptions	(366.063)	(91.427)
Impairment provision (-)	-	-
Income accruals	53.982	41.624
<b>Closing balance</b>	<b>783.309</b>	<b>745.390</b>

### 7. Associates (net):

#### a) Information on unconsolidated associates:

Since the Bank does not have the necessary shareholding percentage to become a qualified shareholder and have significant influence over this associate, it has not been consolidated.

Name	Address (City/ Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
Kredi Garanti Fonu A.Ş.	Ankara / Turkey	1,75	-

The balances of Kredi Garanti Fonu A.Ş. presented in the table below have been obtained from the unaudited financial statements as of December 31, 2014.

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income/loss	Prior period income/loss	Fair value
292.213	288.535	2.926	-	-	14.745	19.227	-

#### b) Information on consolidated associates:

As of balance sheet date, the Bank does not have consolidated associates.

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## 8. Information on subsidiaries (net):

## a) Information on unconsolidated subsidiaries:

As of balance sheet date, the Bank does not have unconsolidated subsidiary.

## b) Information on consolidated subsidiaries:

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

The balances of Bereket Varlık Kiralama A.Ş. presented in the table below have been obtained from the audited financial statements as of December 31, 2014.

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income/loss	Prior period income/loss	Fair value
812.062	173	4	-	-	(30)	(47)	-

## 9. Information on investments in joint- ventures:

The Bank has 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. Company registered on December 17, 2013 and noticed in Trade registry gazette dated December 23, 2013 and numbered 8470. The audited financials as of December 31, 2014 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	11.221	3.857	-	-	11.135

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

## 10. 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	208.180	173.564	30.318	23.558
1 to 4 years	352.652	315.581	51.197	45.648
More than 4 years	221.780	220.501	4.378	3.115
<b>Total</b>	<b>782.612</b>	<b>709.646</b>	<b>85.893</b>	<b>72.321</b>

## b) Information on net investments through finance lease:

	Current Period	Prior Period
Gross finance lease receivables	782.612	85.893
Unearned finance lease receivable (-)	72.966	13.572
<b>Net receivable from finance leases</b>	<b>709.646</b>	<b>72.321</b>



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#### c) General explanation on finance lease contracts:

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

Information on leasing receivables:

	Standard loans and Other receivables			Loans and other receivables under close monitoring		
	Loans and other receivables	Restructured or rescheduled		Loans and other receivables	Restructured or rescheduled	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Finance lease receivables (Net)	695.999	-	-	13.647	4.544	-

#### 11. Information on derivative financial assets for hedging purposes:

None (December 31,2013: None)

#### 12. Information on tangible assets:

Current period	Immovables	Leased tangible assets	Vehicles	Other	Assets held for sale	Total
<b>Cost</b>						
<b>Opening balance: January 1,2014</b>	<b>262.486</b>	-	<b>2.077</b>	<b>155.578</b>	<b>56.224</b>	<b>476.365</b>
Additions	2.226	-	14	49.058	218	51.517
Revaluation differences	73.598	-	-	-	-	73.598
Disposals	-	-	(424)	(8.216)	(7.619)	(16.259)
Impairment losses (-)/Reversal of impairment losses	266	-	-	-	(1.093)	(828)
Transfers	-	-	-	-	23.045	23.045
<b>Ending balance: December 31,2014</b>	<b>338.576</b>	-	<b>1.667</b>	<b>196.420</b>	<b>70.775</b>	<b>607.438</b>
<b>Accumulated depreciation (-)</b>						
<b>Opening balance: January 1,2014</b>	<b>21.837</b>	-	<b>1.423</b>	<b>71.083</b>	<b>1.408</b>	<b>95.751</b>
Depreciation expense	5.896	-	277	25.653	1.255	33.082
Reversal of depreciation of the disposed assets	-	-	(422)	(7.909)	(202)	(8.534)
Transfers	-	-	-	-	-	-
<b>Ending balance: December 31,2014</b>	<b>27.733</b>	-	<b>1.278</b>	<b>88.827</b>	<b>2.461</b>	<b>120.299</b>
<b>Total cost at the end of the year</b>	<b>338.576</b>	-	<b>1.667</b>	<b>196.420</b>	<b>70.775</b>	<b>607.438</b>
<b>Total accumulated depreciation at the end of the year</b>	<b>(27.733)</b>	-	<b>(1.278)</b>	<b>(88.827)</b>	<b>(2.461)</b>	<b>(120.299)</b>
<b>Closing net book value</b>	<b>310.843</b>	-	<b>389</b>	<b>107.593</b>	<b>68.314</b>	<b>487.139</b>

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Prior period	Immovables	Leased tangible assets	Vehicles	Other	Assets Held for sale	Total
<b>Cost</b>						
<b>Opening balance: January 1, 2013</b>	<b>206.735</b>	-	<b>2.094</b>	<b>125.017</b>	<b>36.855</b>	<b>370.701</b>
Additions	4.645	-	91	34.674	35.023	74.433
Revaluation differences	53.551	-	-	-	-	53.551
Disposals	(2.445)	-	(108)	(4.113)	(23.386)	(30.052)
Impairment losses (-)/Reversal of impairment losses	-	-	-	-	(313)	(313)
Transfers	-	-	-	-	8.045	8.045
<b>Ending balance: December 31, 2013</b>	<b>262.486</b>	-	<b>2.077</b>	<b>155.578</b>	<b>56.224</b>	<b>476.365</b>
<b>Accumulated depreciation (-)</b>						
<b>Opening balance: January 1, 2013</b>	<b>17.819</b>	-	<b>1.197</b>	<b>56.336</b>	<b>1.012</b>	<b>76.364</b>
Depreciation expense	4.565	-	334	18.275	669	23.843
Reversal of depreciation of the disposed assets	(547)	-	(108)	(3.528)	(273)	(4.456)
Transfers	-	-	-	-	-	-
<b>Ending balance: December 31, 2013</b>	<b>21.837</b>	-	<b>1.423</b>	<b>71.083</b>	<b>1.408</b>	<b>95.751</b>
<b>Total cost at the end of the year</b>	<b>262.486</b>	-	<b>2.077</b>	<b>155.578</b>	<b>56.224</b>	<b>476.365</b>
<b>Total accumulated depreciation at the end of the year</b>	<b>(21.837)</b>	-	<b>(1.423)</b>	<b>(71.083)</b>	<b>(1.408)</b>	<b>(95.751)</b>
<b>Closing net book value</b>	<b>240.649</b>	-	<b>654</b>	<b>84.495</b>	<b>54.816</b>	<b>380.614</b>

As of December 31, 2014, the Bank has revalued its immovables and revaluation fund of TL 153.179 (December 31, 2013: TL 96.712) net of deferred tax and depreciation, has been reflected in the financial statements. The carrying value of the aforesaid immovables would have been TL 106.810 (December 31, 2013: TL 107.289) if revaluation method had not been adopted.

## 13. Information on intangible assets:

## a) Opening and ending book values and accumulated depreciation balances:

	Current Period	Prior Period
Cost	50.447	29.865
Accumulated depreciation (-)	23.556	13.936
<b>Total (net)</b>	<b>26.891</b>	<b>15.929</b>

## b) Intangible assets movement between the beginning and end of the period:

	Current Period	Prior Period
Opening balance	15.929	7.052
Additions	20.565	13.973
Disposals (-) net	-	-
Depreciation expense (-)	9.603	5.096
<b>Closing net book value</b>	<b>26.891</b>	<b>15.929</b>

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### 14. Information on investment property:

None. (December 31, 2013: None)

### 15. Information related to deferred tax asset:

None. (December 31, 2013: TL 8.356)

### 16. 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 and are accounted in the unconsolidated financial statements in accordance with the Communiqué of "Principles and Procedures on Bank's Disposal of Precious Metals and Assets Held for Sale".

	Current Period	Prior Period
Opening Balance	28.407	10.714
Additions	34.403	42.628
Disposals	(12.634)	(16.374)
Transfers <sup>(1)</sup>	(23.045)	(8.045)
Impairment Provision (-)/Reversal of Impairment Provision	547	(516)
<b>Net closing balance</b>	<b>27.678</b>	<b>28.407</b>

<sup>(1)</sup> The balance has been transferred from assets held for sale tangible assets to assets to be sold.

TL 27.575 of the assets held for sale is comprised of real estates, TL 103 is comprised of other tangible assets.

The Bank has no discontinued operations and assets of discontinued operations.

### 17. Information on other assets:

As of the balance sheet date, the Bank's other assets balance is TL 76.411 (December 31, 2013: TL 58.367) 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
<b>I. Real Persons Current Accounts</b>									
Non-Trade TL	651.085	-	-	-	-	-	-	-	651.085
<b>II. Real Persons Participation Accounts Non-Trade TL</b>		3.221.702	2.450.686	129.932	-	38.739	433.932	-	6.274.991
<b>III. Current Account other-TL</b>	1.084.752	-	-	-	-	-	-	-	1.084.752
Public Sector	27.473	-	-	-	-	-	-	-	27.473
Commercial Institutions	1.027.822	-	-	-	-	-	-	-	1.027.822
Other Institutions	28.554	-	-	-	-	-	-	-	28.554
Commercial and Other Institutions	49	-	-	-	-	-	-	-	49
Banks and Participation Banks	854	-	-	-	-	-	-	-	854
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	801	-	-	-	-	-	-	-	801
Participation Banks	51	-	-	-	-	-	-	-	51
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	512.441	984.970	123.546	-	30.191	120.187	-	1.771.335
Public Sector	-	18.575	41	-	-	-	-	-	18.616
Commercial Institutions	-	446.099	883.116	24.953	-	8.209	115.749	-	1.478.126
Other Institutions	-	35.074	65.275	7.311	-	886	4.438	-	112.984
Commercial and Other Institutions	-	12.693	7.107	-	-	-	-	-	19.800
Banks and Participation Banks	-	-	29.431	91.282	-	21.096	-	-	141.809
<b>V. Real Persons Current Accounts Non- Trade FC</b>	764.756	-	-	-	-	-	-	-	764.756
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	1.711.026	1.199.277	151.563	-	26.657	422.339	-	3.510.862
<b>VII. Other Current Accounts FC</b>	743.223	-	-	-	-	-	-	-	743.223
Residents in Turkey-Corporate	576.703	-	-	-	-	-	-	-	576.703
Residents Abroad-Corporate	51.011	-	-	-	-	-	-	-	51.011
Banks and Participation Banks	115.509	-	-	-	-	-	-	-	115.509
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	115.091	-	-	-	-	-	-	-	115.091
Participation Banks	418	-	-	-	-	-	-	-	418
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other-FC</b>	-	408.717	922.390	43.286	-	117.148	11.558	-	1.503.099
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	327.919	679.277	5.108	-	92.161	951	-	1.105.416
Other institutions	-	26.777	7.295	9	-	-	-	-	34.081
Commercial and Other Institutions	-	25.756	10.315	-	-	2.379	10.607	-	49.057
Banks and Participation Banks	-	28.265	225.503	38.169	-	22.608	-	-	314.545
<b>IX. Precious Metals Deposits</b>	132.119	96.393	102.886	3.586	-	611	3.520	-	339.115
<b>X. Participation Accounts Special Fund Pools TL</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation Accounts Special Fund Pools – FC</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	<b>3.375.935</b>	<b>5.950.279</b>	<b>5.660.209</b>	<b>451.913</b>	<b>-</b>	<b>213.346</b>	<b>991.536</b>	<b>-</b>	<b>16.643.218</b>

## Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

## As at December 31, 2014

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(Currency - Thousand Turkish Lira)

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
<b>I. Real Persons Current Accounts Non-Trade TL</b>	<b>520.107</b>	-	-	-	-	-	-	-	<b>520.107</b>
<b>II. Real Persons Participation Accounts Non-Trade TL</b>	-	<b>3.366.875</b>	<b>809.658</b>	<b>86.932</b>	-	<b>28.740</b>	<b>420.175</b>	-	<b>4.712.380</b>
<b>III. Current Account other-TL</b>	<b>922.112</b>	-	-	-	-	-	-	-	<b>922.112</b>
Public Sector	18.029	-	-	-	-	-	-	-	18.029
Commercial Institutions	873.573	-	-	-	-	-	-	-	873.573
Other Institutions	27.147	-	-	-	-	-	-	-	27.147
Commercial and Other Institutions	2.434	-	-	-	-	-	-	-	2.434
Banks and Participation Banks	929	-	-	-	-	-	-	-	929
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	274	-	-	-	-	-	-	-	274
Participation Banks	655	-	-	-	-	-	-	-	655
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	<b>671.069</b>	<b>345.486</b>	<b>109.846</b>	-	<b>101.743</b>	<b>136.108</b>	-	<b>1.364.252</b>
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	629.331	196.949	108.418	-	101.734	122.917	-	1.159.349
Other Institutions	-	39.124	45.944	1.428	-	9	9.389	-	95.894
Commercial and Other Institutions	-	2.614	1.123	-	-	-	-	-	3.737
Banks and Participation Banks	-	-	101.470	-	-	-	3.802	-	105.272
<b>V. Real Persons Current Accounts Non- Trade FC</b>	<b>464.824</b>	-	-	-	-	-	-	-	<b>464.824</b>
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	<b>1.459.461</b>	<b>438.269</b>	<b>95.481</b>	-	<b>16.377</b>	<b>352.111</b>	-	<b>2.361.699</b>
<b>VII. Other Current Accounts FC</b>	<b>472.670</b>	-	-	-	-	-	-	-	<b>472.670</b>
Residents in Turkey-Corporate	406.538	-	-	-	-	-	-	-	406.538
Residents abroad-Corporate	25.388	-	-	-	-	-	-	-	25.388
Banks and Participation Banks	40.744	-	-	-	-	-	-	-	40.744
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	36.072	-	-	-	-	-	-	-	36.072
Participation Banks	4.672	-	-	-	-	-	-	-	4.672
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other-FC</b>	-	<b>534.021</b>	<b>676.219</b>	<b>69.386</b>	-	<b>25.317</b>	<b>62.298</b>	-	<b>1.367.241</b>
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	395.237	401.721	10.206	-	-	42.916	-	850.080
Other Institutions	-	29.930	2.255	7	-	-	-	-	32.192
Commercial and Other Institutions	-	49.307	64.945	5.851	-	1.102	3.085	-	124.290
Banks and Participation Banks	-	59.547	207.298	53.322	-	24.215	16.297	-	360.679
<b>IX. Precious Metals Deposits</b>	<b>188.350</b>	-	<b>149.530</b>	<b>1.589</b>	-	<b>712</b>	<b>746</b>	-	<b>340.927</b>
<b>X. Participation Accounts Special Fund Pools TL</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation Accounts Special Fund Pools -FC</b>	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	<b>2.568.063</b>	<b>6.031.426</b>	<b>2.419.162</b>	<b>363.234</b>	-	<b>172.889</b>	<b>971.438</b>	-	<b>12.526.212</b>

## Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

## As at December 31, 2014

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(Currency - Thousand Turkish Lira)

## b) Saving deposits and other deposits accounts insured by Saving Deposit Insurance Fund:

## b.1) 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		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	3.576.170	2.588.347	3.349.906	2.644.139
Foreign currency accounts	1.296.029	990.673	3.265.958	2.146.456
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 100 (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	29.444	9.774
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	7.451	5.640
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	-	-

## 2. Information on derivative financial liabilities held for trading:

None. (December 31, 2013 : TL 2.804)

## 3. Information on borrowings:

The Bank has obtained a Syndicated Murabaha Loan from international markets amounting to USD 151.000.000 and EUR 54.400.000 with maturity of one year, amounting to USD 135.000.000 and EUR 98.000.000 with maturity of two years, totaling to USD 286.000.000 and EUR 152.400.000.

As of December 31, 2014, the Bank has wakala borrowings in accordance with investment purpose wakala contracts from banks in the amounts of USD 359.955.589 and EUR 113.435.323 (31 December 2013: USD 345.022.089 and EUR 106.572.443).

The Bank has issued sukuk at June 30, 2014 in the amounts of USD 350.000.000 with five year maturity and 6.25% yearly profit rate determined to collect funds from various investors. The Bank has practised this transaction through its subsidiary Bereket Varlık Kiralama A.Ş. founded particularly for the related issue.

Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

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(Currency - Thousand Turkish Lira)

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	-	884.691	-	47.392
Loans from foreign banks, institutions and funds	-	2.331.307	-	1.988.424
<b>Total</b>	-	<b>3.215.998</b>	-	<b>2.035.816</b>

b) Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	-	1.746.725	-	1.414.563
Medium and Long-Term	-	1.469.273	-	621.253
<b>Total</b>	-	<b>3.215.998</b>	-	<b>2.035.816</b>

c) Additional disclosures on concentration areas of Bank's liabilities:

The Bank does not have concentration on customer or sector group providing funds.

4. 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, 2013: None)

5. Lease payables:

a) Information on finance lease transactions:

a.1) Information on financial lease agreements:

The Bank has no obligation from finance lease operations as of balance sheet date.

a.2) Explanations on the changes in agreements and new obligations originating from these changes:

None.

a.3) Explanations on the obligations originating from finance leases:

None.

b) Explanations on operational leases:

The Bank has rented some branches, warehouses, storage and some of the administrative vehicles through operational lease agreements. The Bank does not have any overdue liabilities arising on the existing operational lease agreements.

The rent payments resulting from the operational leases which the Bank will pay in future periods are as follows:

	Current Period	Prior Period
Less than a year	34.737	23.451
1 to 4 years	92.312	66.677
Over 4 years	95.845	62.254
<b>Total</b>	<b>222.894</b>	<b>152.382</b>

6. Information on hedging derivative financial liabilities:

None. (December 31, 2013: None)

## Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

## As at December 31, 2014

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(Currency - Thousand Turkish Lira)

## 7. Information on provisions:

## a) Information on general provisions:

	Current Period	Prior Period
<b>General provision for</b>	<b>153.910</b>	<b>113.708</b>
<b>I. Group loans and receivables (Total)</b>	<b>115.490</b>	<b>86.549</b>
Participation Accounts' Share	67.736	55.687
Bank's Share	47.754	30.862
Others	-	-
<b>Additional provision for loans and receivables with extended maturities for loans and receivables in Group I</b>	<b>49</b>	<b>-</b>
Participation Accounts' Share	44	-
Bank's Share	5	-
Others	-	-
<b>II. Group loans and receivables (Total)</b>	<b>23.414</b>	<b>15.598</b>
Participation Accounts' Share	15.227	10.643
Bank's Share	8.187	4.955
Others	-	-
<b>Additional provision for loans and receivables with extended maturities for loans and receivables in Group II</b>	<b>8.743</b>	<b>6.685</b>
Participation Accounts' Share	5.694	4.493
Bank's Share	3.049	2.192
Others	-	-
<b>Non-cash loans</b>	<b>15.006</b>	<b>11.561</b>
<b>Others</b>	<b>-</b>	<b>-</b>

## b) Information on provisions for foreign exchange losses on foreign currency indexed loans and financial lease receivables:

As of December 31, 2014, provision for foreign exchange losses on foreign currency indexed loans amounting to TL 15.086 (December 31, 2013: TL 129) has been offset against the loans included in the assets of the balance sheet.

## c) Information on specific provisions for non-cash loans that are not indemnified:

As of December 31, 2014, the Bank has provided specific provisions amounting to TL 15.328 (December 31, 2013: TL 12.629) for non-cash loans that are not indemnified.

## ç) Other provisions:

## ç.1) Information on general reserves for possible losses:

	Current Period	Prior Period
General Reserves for Possible Losses <sup>(*)</sup>	88	72
<b>Total</b>	<b>88</b>	<b>72</b>

(\*) The balance represents provision for the lawsuits against the Bank with high probability of realization and cash outflows.



Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements As at December 31, 2014

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)  
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ç.2) Information on nature and amount of other provisions exceeding 10% of total provisions:

	Current Period	Prior Period
Provisions allocated from profit shares to be distributed to profit sharing accounts <sup>(*)</sup>	23.117	33.033
Provision for unindemnified non-cash loans	15.328	12.629
Payment commitments for cheques	2.574	2.256
Provision for promotions related with credit cards and promotion of banking services	217	230
General reserves for possible losses	88	72
Financial assets at fair value through profit and loss	-	70
Other <sup>(**)</sup>	5.061	-
<b>Total</b>	<b>46.385</b>	<b>48.290</b>

<sup>(\*)</sup> Represents participation accounts' portion of specific provisions, general provisions and Saving Deposits Insurance Fund premiums provided in accordance with the article 14 of Communiqué "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for These Loans".

<sup>(\*\*)</sup> Indicates other provision amount for possible losses in loan portfolio

d) Information on provisions for employee rights:

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 26.201 (December 31, 2013: TL 16.526) and vacation pay liability amounting to TL 6.328 (December 31, 2013: TL 5.939) totaling to TL 32.529 (December 31, 2013: TL 39.465). Provisions for Performance Premium has not been allocated in the current term.(December 31,2013: TL 17.000) 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 (%)	8,40	10,34
Estimated increase rate of salary ceiling (%)	6,00	6,00
Rate used in relation to possibility of retirement <sup>(*)</sup> (%)	73,71	73,01

<sup>(\*)</sup> The rate has been calculated depending on the years of service of the employees; the rate presented in the table represents the average of such rates.

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

	Current Period	Prior Period
Prior period ending balance	16.526	14.850
Provisions made in the period	4.324	3.958
Actuarial gain/(loss)	6.958	(420)
Paid during the period	(1.607)	(1.862)
<b>Balance at the end of the period</b>	<b>26.201</b>	<b>16.526</b>

## Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

## As at December 31, 2014

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)

(Currency - Thousand Turkish Lira)

## 8. Information on taxes payable:

## a) Explanations on current tax liability:

a.1) As of December 31, 2014, the Bank's corporate tax payable is TL 24.034 (December 31, 2013: TL 22.749) after offsetting prepaid corporate tax.

## a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	24.034	22.749
Banking insurance transaction tax	11.050	7.444
Taxation on securities income	9.391	6.777
Value added tax payable	710	654
Taxation on real estate income	561	440
Foreign exchange transaction tax	-	-
Other	5.048	4.107
<b>Total</b>	<b>50.794</b>	<b>42.171</b>

## a.3) Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	2.190	1.705
Social security premiums-employer	2.380	1.832
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	154	120
Unemployment insurance-employer	308	240
Other	-	-
<b>Total</b>	<b>5.032</b>	<b>3.897</b>

## b) Information on deferred tax liability:

As of December 31, 2014, the Bank calculated deferred tax asset of TL 35.388 (December 31, 2013: TL 33.398) and deferred tax liability of TL 43.681 (December 31, 2013: TL 25.042) 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 and presented them as net in the accompanying financial statements. (December 31: 2013: TL 8.356 deferred tax asset)

Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

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	Tax Assessment	Deferred Tax Amount
Rediscount on profit share and prepaid fees and commission income and unearned revenues	137.820	27.564
Provisions for retirement and vacation pay liabilities	32.529	6.506
Difference between carrying value and tax base of tangible assets	4.105	821
Provision for impairment	2.215	443
Other	271	54
<b>Deferred tax asset</b>	<b>176.940</b>	<b>35.388</b>
Revaluation difference of property	191.475	38.295
Financial assets available for sale valuation difference	12.485	2.497
Trading securities valuation difference	1.930	386
Rediscount on profit share	125	25
Prepaid Expenses	12.390	2.478
<b>Deferred tax liability</b>	<b>218.405</b>	<b>43.681</b>
<b>Deferred tax liability (net)</b>	<b>41.465</b>	<b>8.293</b>

### 9. Liabilities for assets held for sale and discontinued operations:

None. (December 31, 2013: None)

### 10. 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
Loans from Domestic Banks	-	-	-	-
Loans from other Institutions	-	-	-	-
Loans from Foreign Banks	-	-	-	-
Loans from other Foreign Institutions	-	472.426	-	432.973
<b>Total</b>	<b>-</b>	<b>472.426</b>	<b>-</b>	<b>432.973</b>

The Bank obtained subordinated loan on May 7, 2013 from the investors not resident in Turkey through its structured entity Albaraka Türk Sukuk Limited amounting to USD 200.000.000 with 10 years maturity with a grace period of five years. The profit rate of the subordinated loan with grace period of five years with 10 years total maturity' was determined as 7,75%.

### 11. Information on shareholders' equity:

#### a) Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	900.000	900.000
Preferred stock	-	-

## Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes Related to Unconsolidated Financial Statements****As at December 31, 2014**

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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 Bank's application to the Capital Market Board on the same date was approved on March 7, 2013 and the registered capital ceiling was determined as TL 2.500.000 to be valid until December 31, 2017.

<b>Share Capital System</b>	<b>Paid-in Capital</b>	<b>Ceiling</b>
Registered Capital	900.000	2.500.000

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

There is no capital increase in the current period.

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

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

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

There are no capital commitments till 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 is no privilege given to stocks representing the capital.

g) **Information on marketable securities valuation reserve:**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference (*)	9.155	835	(211)	(4.531)
Foreign exchange difference	-	-	-	-
<b>Total</b>	<b>9.155</b>	<b>835</b>	<b>(211)</b>	<b>(4.531)</b>

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

Albaraka Türk Katılım Bankası Anonim Şirketi

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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	510.257	458.540
Payment commitments for cheques	353.093	297.235
Asset purchase and sale commitments	-	65.383
Loan granting commitments	59.439	45.428
Share capital commitment to associates and subsidiaries	-	5.000
Tax and funds liabilities arising from export commitments	1.506	1.445
Commitments for promotions related with credit cards and banking activities	523	369
Other irrevocable commitments	3.832	2.819
<b>Total</b>	<b>928.650</b>	<b>876.219</b>

##### 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
Guarantees	6.872.641	5.231.898
Acceptances	33.055	23.524
Letters of credit	589.270	482.011
Other guaranties and sureties	583.543	426.434
<b>Total</b>	<b>8.078.509</b>	<b>6.163.867</b>

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

	Current Period	Prior Period
Letters of guarantees	6.872.641	5.231.898
Long standing letters of guarantees	4.602.603	3.262.242
Temporary letters of guarantees	345.357	475.388
Advance letters of guarantees	289.778	269.201
Letters of guarantees given to customs	219.657	219.985
Letters of guarantees given for obtaining cash loans	1.415.246	1.005.082
Sureties and similar transactions	583.543	426.434
<b>Total</b>	<b>7.456.184</b>	<b>5.658.332</b>

##### 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	1.415.246	1.005.082
With original maturity of 1 year or less	903.720	426.048
With original maturity of more than 1 year	511.526	579.034
Other non-cash loans	6.663.263	5.158.785
<b>Total</b>	<b>8.078.509</b>	<b>6.163.867</b>

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

	Current period				Prior period			
	TP	(%)	FC	(%)	TP	(%)	FC	(%)
<b>Agricultural</b>	<b>99.639</b>	<b>2,41</b>	<b>25.056</b>	<b>0,64</b>	<b>76.864</b>	<b>2,60</b>	<b>18.382</b>	<b>0,58</b>
Farming and stockbreeding	54.739	1,32	23.906	0,61	59.391	2,01	9.779	0,30
Forestry	44.856	1,08	-	-	17.171	0,58	7.425	0,24
Fishery	44	0,01	1.150	0,03	302	0,01	1.178	0,04
<b>Manufacturing</b>	<b>1.119.292</b>	<b>26,98</b>	<b>1.955.461</b>	<b>49,77</b>	<b>907.448</b>	<b>30,69</b>	<b>1.510.004</b>	<b>47,08</b>
Mining	33.103	0,80	78.965	2,01	39.757	1,34	47.502	1,48
Production	772.471	18,62	1.335.795	34,00	605.447	20,48	867.028	27,03
Electricity, gas and water	313.718	7,56	540.701	13,76	262.244	8,87	595.474	18,57
<b>Construction</b>	<b>1.077.293</b>	<b>25,96</b>	<b>606.437</b>	<b>15,43</b>	<b>1.103.995</b>	<b>37,34</b>	<b>552.914</b>	<b>17,24</b>
<b>Services</b>	<b>1.662.751</b>	<b>40,06</b>	<b>1.076.420</b>	<b>27,40</b>	<b>757.413</b>	<b>25,62</b>	<b>850.419</b>	<b>26,52</b>
Wholesale and retail trade	276.452	6,66	97.533	2,48	169.243	5,72	114.228	3,56
Hotel, food and beverage services	8.320	0,20	77.802	1,98	6.174	0,21	49.552	1,55
Transportation and telecommunication	50.769	1,22	182.038	4,63	38.593	1,31	33.646	1,05
Financial Institutions	79.009	1,90	522.572	13,30	62.333	2,11	370.994	11,57
Real estate and renting services	134.764	3,25	39.300	1,00	72.623	2,46	34.811	1,09
Self-employment services	15.253	0,37	4.073	0,10	13.372	0,45	109.507	3,40
Education services	21.604	0,52	41	0,01	20.010	0,68	133	0,01
Health and social services	1.076.580	25,94	153.061	3,90	375.065	12,68	137.548	4,29
<b>Other</b>	<b>190.390</b>	<b>4,59</b>	<b>265.770</b>	<b>6,76</b>	<b>111.133</b>	<b>3,75</b>	<b>275.295</b>	<b>8,58</b>
<b>Total</b>	<b>4.149.365</b>	<b>100,00</b>	<b>3.929.144</b>	<b>100,00</b>	<b>2.956.853</b>	<b>100,00</b>	<b>3.207.014</b>	<b>100,00</b>

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

	I st Group		II nd Group	
	TL	FC	TL	FC
<b>Non-cash loans</b>	<b>4.079.950</b>	<b>3.842.176</b>	<b>69.415</b>	<b>86.968</b>
Letters of guarantee	4.053.476	2.664.249	69.326	85.590
Bank acceptances	-	33.055	-	-
Letters of credit	7.997	581.273	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	18.477	563.599	89	1.378

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### 2. Explanations on derivative transactions:

	Derivative transactions according to purpose	
	December 31,2014	December 31,2013
<b>Trading Derivatives</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	-	591.316
Currency Forwards-Purchases, sales	-	591.316
Currency Swaps-Purchases, sales	-	-
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
<b>Interest Rate Related Derivative Transactions (II)</b>	-	-
Interest rates forwards-Purchase, sales	-	-
Interest rates swaps-Purchases, sales	-	-
Interest rates options-Purchases, sales	-	-
Interest rates futures-Purchases, sales	-	-
<b>Other Trading Derivatives (III)</b>	-	-
<b>A. Total Trading Derivatives (I + II + III)</b>	-	591.316
<b>Hedging Derivatives</b>	-	-
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
<b>B. Total Hedging Derivatives</b>	-	-
<b>Total Derivatives Transactions (A+B)</b>	-	591.316

### 3. Explanations on contingent assets and liabilities:

The Bank has made a provision amounting to TL 88 (December 31,2013: TL 72), as presented under "Other Provisions" note in Section Five Note II.7.ç ,for the lawsuits opened by various real persons and legal entities against the Bank with high probability of realization and cash outflows. Although there are other ongoing lawsuits against the Bank, the Bank considers the probability of a negative result in ongoing litigations resulting in cash outflows as remote.

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

The Bank has no operations like money placements on behalf of real persons or legal entities, charitable foundations, retirement insurance funds and other institutions.

### IV. Explanations and notes related to the statement of income:

#### 1. Information on profit share income:

##### a) Information on profit share income received from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Profit share received from loans (*)</b>	<b>1.255.868</b>	<b>120.550</b>	<b>979.383</b>	<b>115.719</b>
Short Term Loans	552.910	13.494	382.732	17.882
Medium and Long Term Loans	695.778	107.045	586.784	95.919
Profit Share on Non-Performing Loans	7.180	11	9.867	1.918

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

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#### b) Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	492	-	-	-
Domestic Banks	-	-	-	-
Foreign Banks	-	1.882	-	1.680
Head Offices and Branches Abroad	-	-	-	-
<b>Total</b>	<b>492</b>	<b>1.882</b>	<b>-</b>	<b>1.680</b>

#### c) Information on profit share income received from marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
From financial assets held for trading	-	-	-	-
From financial assets at fair value through profit or loss	-	-	-	-
From financial assets available-for-sale	36.656	4.498	8.525	1.836
From held-to-maturity investments	53.982	-	41.596	28
<b>Total</b>	<b>90.638</b>	<b>4.498</b>	<b>50.121</b>	<b>1.864</b>

#### 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	-	920	-	-
<b>Total</b>	<b>-</b>	<b>920</b>	<b>-</b>	<b>-</b>

## 2. Explanations on profit share expenses:

#### a) Information on profit share expense paid to funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	-	39.791	-	38.262
CBRT	-	-	-	-
Domestic banks	-	473	-	246
Foreign banks	-	39.318	-	38.016
Head offices and branches abroad	-	-	-	-
Other institutions	-	60.245	-	20.904
<b>Total</b>	<b>-</b>	<b>100.036</b>	<b>-</b>	<b>59.166</b>



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b) 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	179	25.684	171	-
<b>Total</b>	<b>179</b>	<b>25.684</b>	<b>171</b>	<b>-</b>

c) Profit share expenses paid to marketable securities issued:

None.

ç) Distribution of profit share expense on funds collected based on maturity of funds collected:

Account name	Profit sharing accounts						Accumulated profit sharing account	Total
	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	More than 1 year		
<b>TL</b>								
Funds collected from banks through current and profit sharing accounts	-	4.526	3.972	-	1.096	236	-	<b>9.830</b>
Real persons' non-trading profit sharing accounts	279.966	115.958	8.282	-	1.963	35.295	-	<b>441.464</b>
Public sector profit sharing accounts	642	2	-	-	-	-	-	<b>644</b>
Commercial sector profit sharing accounts	47.046	26.857	7.496	-	6.204	10.777	-	<b>98.380</b>
Other institutions profit sharing accounts	3.614	4.234	947	-	51	704	-	<b>9.550</b>
<b>Total</b>	<b>331.268</b>	<b>151.577</b>	<b>20.697</b>	<b>-</b>	<b>9.314</b>	<b>47.012</b>	<b>-</b>	<b>559.868</b>
<b>FC</b>								
Banks	2.351	8.508	1.327	-	344	162	-	<b>12.692</b>
Real persons' non-trading profit sharing accounts	42.486	19.717	3.016	-	578	10.271	-	<b>76.068</b>
Public sector profit sharing accounts	-	-	-	-	-	-	-	<b>-</b>
Commercial sector profit sharing accounts	10.223	13.456	1.266	-	28	357	-	<b>25.330</b>
Other institutions profit sharing accounts	2.478	157	61	-	21	242	-	<b>2.959</b>
Precious metals deposits	1.118	2.822	67	-	13	42	-	<b>4.062</b>
<b>Total</b>	<b>58.656</b>	<b>44.660</b>	<b>5.737</b>	<b>-</b>	<b>984</b>	<b>11.074</b>	<b>-</b>	<b>121.111</b>
<b>Grand total</b>	<b>389.924</b>	<b>196.237</b>	<b>26.434</b>	<b>-</b>	<b>10.298</b>	<b>58.086</b>	<b>-</b>	<b>680.979</b>

3. Information on dividend income:

	Current Period		Prior Period	
	TP	YP	TP	YP
From trading financial assets	180	-	459	-
From financial assets at fair value through profit and loss	-	-	-	-
From available for sale financial assets	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>180</b>	<b>-</b>	<b>459</b>	<b>-</b>

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**4. Explanations on trading income/loss (net):**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Income</b>	<b>3.295.553</b>	<b>2.888.474</b>
Income from capital market transactions	1.484	18
Income from derivative financial instruments	21.681	-
Foreign exchange income	3.272.388	2.888.456
<b>Loss (-)</b>	<b>3.242.296</b>	<b>2.851.293</b>
Loss on capital market transactions	10	-
Loss on derivative financial instruments	540	2.804
Foreign exchange losses	3.241.746	2.848.489
<b>Trading income/loss (net)</b>	<b>53.257</b>	<b>37.181</b>

**5. Explanations related to other operating income:**

	<b>Current Period</b>	<b>Prior Period</b>
Reversal of prior year provisions	79.768	96.005
Income from sale of assets	9.863	15.562
Reimbursement for communication expenses	3.295	2.738
Reimbursement for bank statement expenses	980	1.332
Cheque book charges	754	725
Other income	2.159	2.452
<b>Total</b>	<b>96.819</b>	<b>118.814</b>

**6. Provisions for loan losses and other receivables of the Bank:**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Specific provisions for loans and other receivables</b>	<b>86.262</b>	<b>146.065</b>
Loans and receivables in III. Group	64.093	103.128
Loans and receivables in IV. Group	10.500	27.433
Loans and receivables in V. Group	6.530	11.604
Doubtful commission, fee and other receivables	5.139	3.900
<b>General provision expenses</b>	<b>45.361</b>	<b>10.588</b>
<b>Provision expenses for possible losses</b>	<b>31</b>	<b>28</b>
<b>Impairment losses on marketable securities</b>	<b>26</b>	<b>205</b>
Financial assets at fair value through profit and loss	26	205
Financial assets available for sale	-	-
<b>Impairment losses on associates, subsidiaries, joint ventures and held to maturity investments</b>	<b>-</b>	<b>-</b>
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Held to maturity investments	-	-
<b>Other (*)</b>	<b>17.896</b>	<b>33.997</b>
<b>Total</b>	<b>149.576</b>	<b>190.883</b>

(\*) Related amount includes participation accounts' portion of specific provisions, general provisions and Saving Deposits Insurance Fund premiums provided in accordance with the article 14 of Communiqué "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for These Loans", amounting to TL 6.906 (December 31, 2013: TL 28.370).

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TL 59.340 (December 31, 2013: TL 90.811) of the total specific provisions provided for loan and other receivables amounting to TL 86.262 (December 31, 2013: TL 146.065) is the participation accounts portion of specific provision provided for loans and other receivables.

TL 18.515 (December 31, 2013: TL 6.044) of the total general loan loss provisions provided for loan and other receivables amounting to TL 45.361 (December 31, 2013: TL 10.588) is the participation accounts portion of general loan loss provision provided for loans and other receivables.

### 7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	281.884	227.302
Provision for retirement pay liability	2.717	2.096
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	31.812	23.094
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	9.603	5.096
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	1.347	1.058
Depreciation expenses of assets to be disposed	1.257	669
Impairment expenses of assets held for sale and assets of discontinued operations	3	960
Other operating expenses	106.864	76.467
Operating lease expenses	41.220	30.432
Maintenance expenses	6.256	4.207
Advertisement expenses	8.166	5.143
Other expenses	51.222	36.685
Loss on sale of assets	351	524
Other <sup>(*)</sup>	66.600	67.135
<b>Total</b>	<b>502.438</b>	<b>404.401</b>

<sup>(\*)</sup> Details of other balance are provided as below:

	Current Period	Prior Period
Saving Deposit Insurance Fund	27.223	17.321
Taxes, Duties, Charges and Funds	19.445	15.923
Expertise and Information Expenses	9.170	6.247
Audit and Consultancy Fees	7.174	5.942
Other	3.588	21.702
<b>Total</b>	<b>66.600</b>	<b>67.135</b>

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

As the Bank does not have any discontinued operations, there is no explanation related to income/loss from discontinued operations before taxes.

The Bank's income before tax increased by 9 % compared to prior period and is realized as TL 325.552. Income before tax comprises net profit share income in the amount of TL 698.974 and fees and commission income in the amount of TL 128.336. Total other operating expenses amount to TL 502.438.

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#### 9. Explanations on tax provision for continued and discontinued operations:

Tax provision for continued operations:

	Current Period	Prior Period
Income before tax	325.552	299.543
Tax calculated with tax rate of 20%	65.110	59.909
Other additions and disallowable expenses	15.939	11.663
Deductions	(7.767)	(3.745)
Provision for current taxes	73.282	67.827
Provision for deferred taxes	(361)	(9.693)
Continuing Operations Tax Provision	72.921	58.134

Since the Bank does not have any discontinued operations, there is no tax provision for discontinued operations.

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

The Bank has no discontinued operations. Net income for the period has been realized as TL 325.552 (December 31,2013: TL 299.543) by deducting tax provision expense amounting to TL 72.921 (December 31,2013: TL 58.134) from profit from continued operations amounting to TL 252.631 (December 31,2013: TL 241.409).

#### 11. 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.

c) Income / loss of minority interest:

None.

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12. Components of other items 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	30.130	24.012
Clearing room fees and commissions	16.039	7.760
Commissions on money orders	8.323	6.938
Appraisal fees	7.389	5.332
Insurance and brokerage commissions	5.109	4.314
Other	12.230	10.585
<b>Total</b>	<b>79.220</b>	<b>58.941</b>
Other Fees and Commissions Paid	Current Period	Prior Period
Funds borrowed fees and commissions	11.526	7.051
Credit cards fees and commissions	6.092	6.180
Member firm-POS fees and commissions	7.469	5.694
Other	7.329	8.655
<b>Total</b>	<b>32.416</b>	<b>27.580</b>

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

a) There is no declaration of dividends made subsequent to the balance sheet date, and prior to the announcement of the financial statements.

Decision related to the dividend distribution will be taken in the General Assembly. General Assembly has not been held as of the date of finalization of the accompanying financial statements.

b) "Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are recognized in the "Marketable securities valuation reserve" account under equity, until the financial assets are sold, disposed of or impaired at which time they are transferred to the statement of income. TL 18.414 increase has occurred after the revaluation of available-for-sale securities (December 31, 2013: TL 7.419 decrease).

c) Revaluation funds related to tangible and intangible assets and foreign exchange differences arising from translation of tangible and intangible assets of foreign branch of the Bank are accounted under equity in revaluation reserve on tangible assets and revaluation reserve on intangible assets.

d) Foreign exchange differences arising from translation of income statement of foreign branch of the Bank are accounted in other capital reserves amounts to TL 1.305. (December 31, 2013: TL 502).

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

##### a) Components of cash and cash equivalents and accounting policy applied in their determination:

"Cash" is defined as cash in vault and foreign currency cash, money in transit, cheques purchased, unrestricted balance with the Central Bank and demand deposits at banks. "Cash equivalents" is defined as money market placements and time deposits at banks with original maturities less than three months.

##### (i). Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
<b>Cash</b>	<b>503.284</b>	<b>325.032</b>
Cash in TL/foreign currency	128.349	109.123
Cash in transit	-	-
CBRT	374.935	215.909
<b>Cash equivalents</b>	<b>1.378.708</b>	<b>1.037.112</b>
Domestic banks	1.050.995	790.868
Foreign banks	327.713	246.244
<b>Total cash and cash equivalents</b>	<b>1.881.992</b>	<b>1.362.144</b>

##### (ii). Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
<b>Cash</b>	<b>737.011</b>	<b>503.284</b>
Cash in TL/foreign currency	194.922	128.349
Cash in transit	-	-
CBRT	542.089	374.935
<b>Cash equivalents</b>	<b>1.646.921</b>	<b>1.378.708</b>
Domestic banks	1.242.626	1.050.995
Foreign banks	404.295	327.713
<b>Total cash and cash equivalents</b>	<b>2.383.932</b>	<b>1.881.992</b>

##### 2. Cash and cash equivalent items which are restricted for the usage of the Bank by legal or other limitations:

Restricted time deposits held at the Central Bank of Turkey are not considered as cash and cash equivalent items.

##### 3. Explanation about other cash flow items and the effect of the changes in foreign exchange rates on cash and cash equivalents:

The "Others" item under "Operating profit before changes in operating assets and liabilities" amounting to TL 122.835 (December 31, 2013: TL 259.771) mainly comprises other operating expenses excluding personnel expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 88.741 (December 31, 2013: TL 30.699) mainly comprises changes in miscellaneous payables, other liabilities and taxes and other duties payable.

Effect of the changes in foreign currency rates on cash and cash equivalents has been calculated approximately as TL 58.299 as of December 31, 2014 (December 31, 2013: TL 100.043).

Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

### As at December 31, 2014

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)

(Currency - Thousand Turkish Lira)

#### 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
<b>Loans and other receivables</b>						
Balance at the beginning of the period	-	-	28	-	1.476	15.514
Balance at the end of the period	-	-	5	-	50.238	69.492
<b>Profit share and commission income received</b>	535	-	-	-	437	257

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
<b>Loans and other receivables</b>						
Balance at the beginning of period	-	-	9	-	34.253	10.305
Balance at end of period	-	-	28	-	1.476	15.514
<b>Profit share and commission income received</b>	-	-	-	-	3.000	27

(\*) 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
<b>Current and profit sharing accounts</b>						
Balance at the beginning of period	5.703	33	3.224	1.647	185.192	229.835
Balance at the end of period	1.594	5.703	5.354	3.224	248.343	185.192
<b>Profit share expense</b>	500	-	152	300	7.368	7.242

(\*) As of December 31, 2014 wakala borrowings obtained from risk group of the Bank through investment purpose wakala contracts amount to USD 241.859.711 and EURO 100.017.980 (December 31, 2013: USD 214.182.338 and EURO 96.424.370). The profit share expense relating to such borrowings for the period between January 1, 2014 – December 31, 2014 is TL 16.656 (December 31, 2013: 11.582 TL).

The Bank has issued Sukuk in the amounts of USD 350.000.000 through "Bereket Varlık Kiralama A.Ş." which exists in the risk group of the Bank. The expense for the related issue is TL 25.684 as of December 31, 2014.

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

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

As of December 31, 2014; the Bank has paid TL 10.033 (December 31, 2013: TL 9.020) to top management.

Albaraka Türk Katılım Bankası Anonim Şirketi

## Notes Related to Unconsolidated Financial Statements

As at December 31, 2014

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)

(Currency - Thousand Turkish Lira)

### VIII. Explanations related to domestic, foreign and off-shore branches or investments and foreign representative offices:

#### 1. Information on the domestic and foreign branches and representative offices of the Bank:

	Number	Number of Personnel			
Domestic Branches	201	3.496			
Foreign Representation Office	-	-	Country	-	
				<b>Total Assets (thousand TL)</b>	<b>Statutory Share Capital</b>
Foreign Branches	1	14	Iraq	175.437	USD 7.000.000
Off-Shore Branches	-	-	-	-	-

#### 2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure:

In 2014, the Bank has opened 35 domestic branches.

### IX. Explanations related to subsequent events:

As per the press release by Central Bank of Turkey dated January 3, 2015 numbered 2015-1, starting from February 13, 2015 on the liabilities subject to legal reserves, the Banks will allocate legal reserves varying between 6% and 18 % according to nature of the deposits corresponding to foreign reserves.

#### Section six

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

None.

#### Section seven

##### Independent Auditors' report

##### I. Explanations on independent auditors' report:

The Bank's unconsolidated financial statements as of and for the period ended December 31, 2014 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a Member Firm of Ernst & Young Global Limited) and the independent auditors' report dated February 27, 2015 is presented at the beginning of the financial statements and related notes.

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

None.



## Directory

### Head Office

Dr. Adnan Büyükdeniz Cad.  
No: 6 34768 Ümraniye / İSTANBUL  
Tel: (90 216) 666 01 01  
Faks: (90 216) 666 16 00

### Region Representative Offices

#### Ankara Region Representative Offices

Kızılelma Mah. Anafartalar Cad.  
No: 59 Ulus / ANKARA  
Tel: (90 312) 311 00 43  
Faks: (90 216) 666 16 34

#### Ege Region Representative Offices

Aşık Veysel Mah. Yeşillik Cad.

No: 437-441A Kat: 2 Karabağlar / İZMİR  
Tel: (90 232) 254 54 00

#### Güney Anadolu Region Representative Offices

İncilipınar Mh. Nişantaşı Sok.  
No: 11 FH İşmerkezi Asma Kat No: 4  
Şehitkamil / GAZİANTEP  
Tel: (90 342) 215 04 32  
Faks: (90 216) 666 16 35

#### İç Anadolu Region Representative Offices

Musalla Bağları Mah. Kule Cad.  
No: 2 Kat: 17 İç Kapı No: 25 Kulesite,  
Selçuklu / KONYA  
Tel: (90 332) 235 00 44

#### İstanbul Anadolu Region Representative Offices

Kozyatağı Mah. Saniye Ermutlu Sok.  
No: 6 Şaşmaz Plaza Kat: 12 D: 24  
Kozyatağı / İSTANBUL  
Tel: (90 216) 464 81 00  
Faks: (90 216) 666 16 33

#### İstanbul Avrupa 1 Region Representative Offices

Büyükdere Cad. No: 78-80  
Akabe Ticaret Merkezi Kat: 10  
Mecidiyeköy - Şişli / İSTANBUL  
Tel: (90 212) 347 68 58  
Faks: (90 216) 666 16 31

#### İstanbul Avrupa 2 Region Representative Offices

Çoban Çeşme Sanayi Cad.  
No: 44 Nishistanbul Yenibosna / İSTANBUL  
Tel: (90 212) 603 60 18  
Faks: (90 216) 666 16 32

### İstanbul Branches

#### Akşemsettin/İstanbul Branch

Telsiz Mah. Seyit Nizam Cad. No: 160/B  
Zeytinburnu / İSTANBUL  
Tel: (90 212) 415 83 40  
Faks: (90 216) 666 18 78

#### Alibeyköy Branch

Atatürk Cad. No: 21  
34100 Eyüp / İSTANBUL  
Tel: (90 212) 627 43 33  
Faks: (90 216) 666 18 17

#### Altunizade Branch

Kısıklı Cad. Aköz İş Merkezi A-Blok  
No: 2 Altunizade, Üsküdar / İSTANBUL  
Tel: (90 216) 651 74 94  
Faks: (90 216) 666 17 92

#### Anadolu Kurumsal Branch

Kozyatağı Mah. Saniye Ermutlu Sok.  
No: 6 Şaşmaz Plaza Kat: 12 D: 25  
Kozyatağı / İSTANBUL  
Tel: (90 216) 445 05 50  
Faks: (90 216) 666 18 30

#### Arnavutköy Branch

Fatih Cad. Kadakal İş Merkezi No: 15/B  
34276 Arnavutköy / İSTANBUL  
Tel: (90 212) 597 67 57  
Faks: (90 216) 666 18 12

#### Avcılar Branch

Merkez Mah. Reşitpaşa Cad.  
No: 37/2B Avcılar / İSTANBUL  
Tel: (90 212) 509 05 24  
Faks: (90 216) 666 17 53

#### Avrupa Kurumsal Branch

Büyükdere Cad. No: 78-80  
Akabe Ticaret Merkezi Kat: 10  
Mecidiyeköy - Şişli / İSTANBUL  
Tel: (90 212) 347 13 53  
Faks: (90 216) 666 18 31

#### Bağcılar Branch

Osmangazi Cad. No: 23/B  
34560 Bağcılar / İSTANBUL  
Tel: (90 212) 434 23 28  
Faks: (90 216) 666 17 28

#### Bahçelievler Soğanlı Branch

Soğanlı Mah. Mustafa Kemal Paşa Cad.  
No: 176 B Bahçelievler / İSTANBUL  
Tel: (90 212) 643 16 72  
Faks: (90 216) 666 18 98

#### Bahçelievler Branch

Eski Edirne Asfaltı  
Ömür Sitesi B1-Blok No: 30  
34180 Bahçelievler / İSTANBUL  
Tel: (90 212) 642 00 44  
Faks: (90 216) 666 17 75

#### Bakırköy Çarşı Branch

Sakızağacı Mah. İstanbul Cad.  
No: 40/A Bakırköy / İSTANBUL  
Tel: (90 212) 583 66 33  
Faks: (90 216) 666 17 99

#### Balmumcu/İstanbul Branch

Gayrettepe Mah. Barbaros Bulvarı  
No: 157B D: 7 Beşiktaş / İSTANBUL  
Tel: (90 212) 216 74 01  
Faks: (90 216) 666 18 89

#### Basın Ekspres/İstanbul Branch

Yenibosna Merkez Mah.  
Değirmenbahçe Cad. No: 17-A1/10  
Yenibosna / Bahçelievler / İSTANBUL  
Tel: (90 212) 397 04 58  
Faks: (90 216) 666 18 52

#### Başakşehir Branch

İkitelli OSB Mah.  
Tümsan 1. Kısım 3. Blok Sok.  
No: 15/15 Başakşehir / İSTANBUL  
Tel: (90 212) 485 12 74  
Faks: (90 216) 666 19 00

#### Bayrampaşa Branch

Yenidoğan Mah. Abdi İpekçi Cad.  
No: 67 Bayrampaşa / İSTANBUL  
Tel: (90 212) 612 52 21  
Faks: (90 216) 666 17 13

#### Beşyüzevler Branch

Eski Edirne Asfaltı No: 349-351  
34045 Bayrampaşa / İSTANBUL  
Tel: (90 212) 477 61 90  
Faks: (90 216) 666 17 27

#### Beyazıt Branch

Mimar Kemalettin Mah. Yeniçeriler Cad.  
No: 59B Fatih / İSTANBUL  
Tel: (90 212) 516 17 13  
Faks: (90 216) 666 18 84

#### Beylikdüzü Organize Sanayi Branch

Beylikdüzü OSB Mah. Birlik Sanayi Sitesi  
3. Cad. No: 1 Beylikdüzü / İSTANBUL  
Tel: (90 212) 876 49 13  
Faks: (90 216) 666 18 54

#### Beylikdüzü Branch

Yavuz Sultan Selim Bulvarı  
Perla Vista AVM No: C-73  
34520 Beykent - Beylikdüzü / İST.  
Tel: (90 212) 871 00 45  
Faks: (90 216) 666 17 30

#### Büyükkçekmece Branch

Mimar Sinan Cad.  
Cami Sok. No: 1  
34500 Büyükkçekmece / İSTANBUL  
Tel: (90 212) 881 57 01  
Faks: (90 216) 666 18 21

#### Cennet Mahallesi/İstanbul Branch

Cennet Mah. Barbaros Cad. No: 73/B  
Küçükçekmece / İSTANBUL  
Tel: (90 212) 598 79 02  
Faks: (90 216) 666 18 50

## Directory

### Çağlayan Branch

Vatan Cad. No: 15/C  
34403 Çağlayan, Kağıthane / İSTANBUL  
Tel: (90 212) 246 06 11  
Faks: (90 216) 666 17 44

### Çakmak/İstanbul Branch

Armağanevler Mah. Alemdağ Cad.  
No: 414A Ümraniye / İSTANBUL  
Tel: (90 216) 335 04 64  
Faks: (90 216) 666 18 83

### Çekmeköy Branch

Meclis Mah. Aşkın Sok. No: 27/C  
Sancaktepe / İSTANBUL  
Tel: (90 216) 420 63 63  
Faks: (90 216) 666 18 22

### Esenler Branch

Atışalanı Cad. No: 46/B  
34220 Esenler / İSTANBUL  
Tel: (90 212) 508 49 99  
Faks: (90 216) 666 17 80

### Esenyurt Branch

Doğan Araslı Cad.  
Hanplas İş Merkezi No: 150  
34510 Esenyurt / İSTANBUL  
Tel: (90 212) 699 33 99  
Faks: (90 216) 666 18 13

### Eyüp Branch

Eyüp Merkez Mah. Fahri Korutürk Cad.  
No: 52/A Eyüp / İSTANBUL  
Tel: (90 212) 578 10 20  
Faks: (90 216) 666 18 92

### Fatih Branch

Macarkardeşler Cad. No: 30  
34080 Fatih / İSTANBUL  
Tel: (90 212) 635 48 96  
Faks: (90 216) 666 17 15

### Firuzköy/İstanbul Branch

M. Kemal Paşa Mah. Firuzköy Bulvarı  
No: 103 Avcılar / İSTANBUL  
Tel: (90 212) 428 68 36  
Faks: (90 216) 666 18 82

### Florya/İstanbul Branch

Şenlikköy Mah. Florya Cad.  
No: 88/1-2 Florya / Bakırköy / İSTANBUL  
Tel: (90 212) 574 20 41  
Faks: (90 216) 666 18 42

### Gaziosmanpaşa Branch

Çukurçeşme Cad. No: 5  
34245 Gaziosmanpaşa / İSTANBUL  
Tel: (90 212) 563 54 10  
Faks: (90 216) 666 17 93

### Güneşli Branch

Güneşli Mah. Koçman Cad.  
No: 4 Güneşli / Bağcılar / İSTANBUL  
Tel: (90 212) 474 03 03  
Faks: (90 216) 666 17 40

### Güngören Branch

Posta Cad. No: 109/1  
34164 Güngören / İSTANBUL  
Tel: (90 212) 539 03 80  
Faks: (90 216) 666 18 01

### Hadımköy Branch

Kıraç Tem Bağlantı Yolu No: 196  
34522 Kıraç, Esenyurt / İSTANBUL  
Tel: (90 212) 886 19 10  
Faks: (90 216) 666 17 98

### Hasanpaşa Branch

Hasanpaşa Mah.  
Fahrettin Kerim Gökay Cad.  
No: 7 Kadıköy / İST.  
Tel: (90 216) 336 55 40  
Faks: (90 216) 666 17 81

### Ihlamurkuyu/İstanbul Branch

Ihlamurkuyu Mah. Alemdağ Cad.  
No: 271/A Ümraniye / İSTANBUL  
Tel: (90 216) 614 00 77  
Faks: (90 216) 666 18 51

### İkitelli Branch

İkitelli Organize Sanayi Bölgesi  
Atatürk Cad. No: 72/C  
34306 Başakşehir/İSTANBUL  
Tel: (90 212) 671 28 10  
Faks: (90 216) 666 17 24

### İmes Branch

İmes Sanayi Sitesi, A-Blok  
104.Sok. No: 2 34776  
Y.Dudullu, Ümraniye / İSTANBUL  
Tel: (90 216) 590 09 90  
Fax: (90 216) 666 17 37

### İncirli Branch

İncirli Cad. No: 106  
34740 Bakırköy / İSTANBUL  
Tel: (90 212) 542 02 22  
Faks: (90 216) 666 17 12

### İstoç Branch

İstoç Ticaret Merkezi, 3. Ada  
No: 77 34218 Mahmutbey, Bağcılar / İSTANBUL  
Tel: (90 212) 659 68 70  
Faks: (90 216) 666 17 83

### Kadıköy Branch

Rıhtım Cad. No: 44  
34716 Kadıköy / İSTANBUL  
Tel: (90 216) 414 31 63  
Faks: (90 216) 666 17 11

### Karaköy Branch

Haraççı Ali Sok. No: 2  
Karaköy Meydanı  
34420 Beyoğlu / İSTANBUL  
Tel: (90 212) 252 56 87  
Faks: (90 216) 666 17 05

### Kartal Branch

Ankara Cad. No: 92  
34860 Kartal / İSTANBUL  
Tel: (90 216) 473 60 05  
Faks: (90 216) 666 17 56

### Kavacık Branch

Fatih Sultan Mehmet Cad.  
Beşler Plaza, B-Blok No: 38/1  
34810 Kavacık / İSTANBUL  
Tel: (90 216) 680 27 33  
Faks: (90 216) 666 17 57

### Kaynarca Branch

Cemal Gürsel Cad. No: 175  
Kaynarca, Pendik / İSTANBUL  
Tel: (90 216) 397 07 10  
Faks: (90 216) 666 18 27

### Kocamustafapaşa Branch

Kocamustafapaşa Cad. No: 186  
Kocamustafapaşa, Fatih / İSTANBUL  
Tel: (90 212) 587 89 89  
Faks: (90 216) 666 18 29

### Kozyatağı Branch

Üsküdar Cad. Saniye Ermutlu Sok.  
Şaşmaz Plaza No: 6  
34742 Kozyatağı, Kadıköy / İST.  
Tel: (90 216) 384 28 22  
Faks: (90 216) 666 17 85

### Kurtköy Branch

Ankara Cad. No: 322  
Kurtköy, Pendik / İSTANBUL  
Tel: (90 216) 378 14 39  
Faks: (90 216) 666 18 20

### Küçükbakkalköy Branch

Küçükbakkalköy Mah.  
Fevziye Paşa Cad. No: 45  
Ataşehir / İSTANBUL  
Tel: (90 216) 576 89 99  
Faks: (90 216) 666 18 33

### Küçükköy Branch

Hekimsuyu Cad. No: 7 Küçükköy  
34180 Gaziosmanpaşa / İSTANBUL  
Tel: (0212) 618 11 80  
Faks: (90 216) 666 18 24

### Laleli Branch

Ordu Cad. No: 56  
34130 Laleli, Fatih / İSTANBUL  
Tel: (90 212) 528 70 70  
Faks: (90 216) 666 17 71

**Levent Sanayi Branch**

Eski Büyükdere Cad. No: 49/A  
34416 4.Levent, Kağıthane / İSTANBUL  
Tel: (90 212) 278 25 00  
Faks: (90 216) 666 17 49

**Maltepe Branch**

Bağlarbaşı Mah. Bağdat Cad.  
No: 418A Maltepe / İSTANBUL  
Tel: (90 216) 370 14 70  
Faks: (90 216) 666 17 43

**Masko/İstanbul Branch**

İkitelli OSB Mah.  
Süleyman Demirel Bulvarı  
Esot Sanayi Sitesi Esot İş Merkezi  
No: 6/1B Başakşehir / İST.  
Tel: (90 212) 549 37 77  
Faks: (90 216) 666 18 37

**Maslak Branch**

Büyükdere Cad. No: 257-G  
Maslak / İSTANBUL  
Tel: (90 212) 276 01 11  
Faks: (90 216) 666 18 09

**Mecidiyeköy Branch**

Büyükdere Cad. No: 80  
34460 Mecidiyeköy, Şişli / İSTANBUL  
Tel: (90 212) 347 16 10  
Faks: (90 216) 666 18 10

**Mega Center/İstanbul Branch**

Kocatepe Mah. Yağ Iskelesi Cad.  
No: 29/C Bayrampaşa / İSTANBUL  
Tel: (90 212) 437 38 04  
Faks: (90 216) 666 18 75

**Merkez Şube**

Dr. Adnan Büyükdeniz Cad.  
No: 6 34768 Ümraniye / İSTANBUL  
Tel: (90 216) 666 02 02  
Faks: (90 216) 666 17 01

**Merter Branch**

Keresteciler Sitesi Fatih Cad. No: 24  
34169 Merter, Güngören / İSTANBUL  
Tel: (90 212) 637 84 10  
Faks: (90 216) 666 17 26

**Metrokent/İstanbul Branch**

Başak Mah. Yeşil Vadi Cad.  
Metrokent Sitesi D2 Blok  
No: 3/1Z Başakşehir/İSTANBUL  
Tel: (90 212) 777 98 53  
Faks: (90 216) 666 18 99

**Osmanbey Branch**

Meşrutiyet Mah. Halaskargazi Cad.  
No: 100A Şişli / İSTANBUL  
Tel: (90 212) 231 81 65  
Faks: (90 216) 666 17 86

**Pendik E5 Branch**

Çınardere Mah. Gönenli Mehmet Efendi Cad.  
No: 71/F-G Pendik / İSTANBUL  
Tel: (90 216) 379 49 00  
Faks: (90 216) 666 18 74

**Pendik Branch**

23 Nisan Cad. No: 16/A  
34890 Pendik/İSTANBUL  
Tel: (90 216) 483 65 05  
Faks: (90 216) 666 17 25

**Sahrayıcedit Branch**

Şemsettin Günaltay Cad. No: 250/A  
34735 Kadıköy / İSTANBUL  
Tel: (90 216) 302 16 32  
Faks: (90 216) 666 17 36

**Sancaktepe Branch**

Eski Ankara Cad. No: 50/A  
34785 Sancaktepe / İSTANBUL  
Tel: (90 216) 622 55 00  
Faks: (90 216) 666 18 04

**Sefaköy Branch**

Ahmet Kocabıyık Sok. No: 13/A  
34295 Sefaköy / İSTANBUL  
Tel: (90 212) 580 32 00  
Faks: (90 216) 666 17 58

**Silivri Branch**

Piri Mehmet Paşa Mah.  
Fevzi Çakmak Cad.  
No: 3B Silivri / İSTANBUL  
Tel: (90 212) 728 78 00  
Faks: (90 216) 666 18 66

**Sultanbeyli Branch**

Abdurrhman Gazi Mah.  
Bosna Bulvarı No: 4  
Sultanbeyli / İSTANBUL  
Tel: (90 216) 419 37 00  
Faks: (90 216) 666 17 41

**Sultançiftliği Branch**

Eski Edirne Asfaltı No: 672/B  
34270 Sultangazi / İSTANBUL  
Tel: (90 212) 475 53 40  
Faks: (90 216) 666 17 94

**Sultanhamam Branch**

Marpuççular Sok. No: 26  
34110 Eminönü/İSTANBUL  
Tel: (90 212) 519 64 30  
Faks: (90 216) 666 17 23

**Şehremini/İstanbul Branch**

Şehremini Mah. Turgut Özal Millet Cad.  
No: 163/A Fatih / İSTANBUL  
Tel: (90 212) 585 00 13  
Faks: (90 216) 666 18 69

**Şirinevler Branch**

Mahmutbey Cad. No: 15  
34191 Şirinevler, Bahçelievler / İSTANBUL  
Tel: (90 212) 551 81 51  
Faks: (90 216) 666 17 48

**Terazidere/İstanbul Branch**

Terazidere Mah. Güneş Cad.  
No: 5-7 Bayrampaşa / İSTANBUL  
Tel: (90 212) 501 28 76  
Faks: (90 216) 666 18 97

**Topçular Branch**

Rami Kışla Cad. Vaytaşlar Plaza No: 58  
34055 Topçular, Eyüp / İSTANBUL  
Tel: (90 212) 613 85 74  
Faks: (90 216) 666 17 84

**Topkapı/İstanbul Branch**

Maltepe Mah. Gümüşsuyu Cad.  
No: 28 Dk: 156 Zeytinburnu / İSTANBUL  
Tel: (90 212) 565 95 03  
Faks: (90 216) 666 18 38

**Trakya Kurumsal Branch**

Evran Mah. Koçman Cad.  
No: 54 B Blok 2. Kat İşyeri No: 22  
Güneşli / Bağcılar İSTANBUL  
Tel: (90 212) 550 16 65  
Faks: (90 216) 666 18 36

**Tuzla Sanayi/İstanbul Branch**

Mescit Mah. Demokrası Cad.  
No: 3 A11 Tuzla / İSTANBUL  
Tel: (90 216) 394 86 54  
Faks: (90 216) 666 18 44

**Ümraniye Çarşısı Branch**

İstiklal Mah. Alemdağ Cad. No: 176A  
Ümraniye/İSTANBUL  
Tel: (90 216) 523 44 14  
Faks: (90 216) 666 18 95

**Ümraniye Branch**

Alemdağ Cad. No: 10-12 Ümraniye  
34764 Ümraniye / İSTANBUL  
Tel: (90 216) 443 66 35  
Faks: (90 216) 666 17 18

**Üsküdar Branch**

Mimar Sinan Mah. Hakimiyet-i Milliye Cad.  
Molla Eşref Sok. No: 17 - 17 / A  
Üsküdar / İSTANBUL  
Tel: (90 216) 532 89 39  
Faks: (90 216) 666 17 35

**Yavuzselim/İstanbul Branch**

Ali Kuşçu Mah. Fevzipaşa Cad.  
No: 60 Fatih / İSTANBUL  
Tel: (90 212) 532 92 52  
Faks: (90 216) 666 18 93

## Directory

### Zeytinburnu Branch

Semiha Şakir Cad. No: 15  
34025 Zeytinburnu / İSTANBUL  
Tel: (90 212) 510 10 22  
Faks: (90 216) 666 17 39

### Branches in Other Cities and Towns

#### Adana Barkal Branch

Turhan Cemal Beriker Bulvarı  
Adana İş Merkezi A-Blok No: 25  
01100 Seyhan / ADANA  
Tel: (90 322) 429 78 78  
Faks: (90 216) 666 17 79

#### Adana Organize Sanayi Branch

Adana Hacı Sabancı Organize Sanayi Bölgesi  
OSB Turgut Özal Bulvarı No: 17  
Sarıçam / ADANA  
Tel: (90 322) 394 53 29  
Faks: (90 216) 666 18 39

#### Adana Branch

İnönü Cad. No: 85  
01060 Seyhan / ADANA  
Tel: (90 322) 363 11 00  
Faks: (90 216) 666 17 08

#### Adapazarı Branch

Atatürk Bulvarı No: 39 ADAPAZARI  
Tel: (90 264) 277 91 41  
Faks: (90 216) 666 17 20

#### Adıyaman Branch

Gölbaşı Cad. Sıddık Efendi Pasajı  
No: 13 ADIYAMAN  
Tel: (90 416) 213 60 84  
Faks: (90 216) 666 18 26

#### Afyon Branch

Milli Egemenlik Cad.  
No: 14/A 03100  
AFYONKARAHİSAR  
Tel: (90 272) 214 10 14  
Faks: (90 216) 666 17 62

#### Aksaray Branch

Bankalar Cad. No: 32  
68100 AKSARAY  
Tel: (90 382) 212 12 71  
Faks: (90 216) 666 17 91

#### Ankara Branch

Atatürk Bulvarı No: 57/A  
06410 Sıhhiye /ANKARA  
Tel: (90 312) 430 53 20  
Faks: (90 216) 666 17 02

#### Antakya Branch

Haraparası Mah. Yavuz Sultan Selim Cad.  
No: 27/B-C-D-E Antakya / HATAY  
Tel: (90 326) 225 12 26  
Faks: (90 216) 666 18 47

### Antalya Branch

Milli Egemenlik Cad. No: 36/5-6  
07100 Muratpaşa / ANTALYA  
Tel: (90 242) 247 46 12  
Faks: (90 216) 666 17 21

### Aydın Branch

Hükümet Bulvarı  
No: 11 09100 Efeler / AYDIN  
Tel: (90 256) 213 48 38  
Faks: (90 216) 666 17 66

### Bakanlıklar Branch

Tunus Cad. No: 6/A  
06800 Kavaklıdere, Çankaya / ANKARA  
Tel: (90 312) 417 70 33  
Faks: (90 216) 666 18 03

### Balgat Branch

Ceyhun Atif Kansu Cad.  
No: 100/Ü 06520  
Balgat, Çankaya / ANKARA  
Tel: (90 312) 472 40 30  
Faks: (90 216) 666 17 42

### Balıkesir Branch

Anafartalar Cad. No: 15  
10100 Altıeylül/BALIKESİR  
Tel: (90 266) 243 73 33  
Faks: (90 216) 666 17 22

### Bandırma Branch

Dere Mah. İsmet İnönü Cad.  
No: 4 Bandırma / BALIKESİR  
Tel: (90 266) 714 43 30  
Faks: (90 216) 666 18 88

### Başkent Kurumsal Branch

Ceyhun Atif Kansu Cad. Başkent Plaza  
No: 106 Kat: 12 D: 42-45  
Balgat - Çankaya / ANKARA  
Tel: (90 312) 474 09 09  
Faks: (90 216) 666 18 32

### Batman Branch

Diyarbakır Cad. No: 58  
72070 BATMAN  
Tel: (90 488) 215 26 42  
Faks: (90 216) 666 17 72

### Bolu Branch

İzzet Baysal Cad. No: 85  
14100 BOLU  
Tel: (90 374) 218 12 92  
Faks: (90 216) 666 18 23

### Bornova Branch

Mustafa Kemal Cad. No: 20/E  
35040 Bornova / İZMİR  
Tel: (90 232) 342 43 23  
Faks: (90 216) 666 17 97

### Bucak/Burdur Branch

Yeni Mahalle Süleyman Demirel Bulvarı  
No: 21/3-4 Bucak / BURDUR  
Tel: (90 248) 325 23 01  
Faks: (90 216) 666 18 86

### Bursa Demirtaş Branch

Yeni Yalova Yolu Cad.  
No: 496 Demirtaş - Osmangazi / BURSA  
Tel: (90 224) 211 26 11  
Faks: (90 216) 666 18 56

### Bursa Branch

İnönü Cad. No: 27  
16010 BURSA  
Tel: (90 224) 220 97 60  
Faks: (90 216) 666 17 04

### Büsan Konya Branch

Kosgeb Cad. No: 1/F  
Büsan Özel Organize Sanayi Bölgesi  
42050 Karatay / KONYA  
Tel: (90 332) 345 40 40  
Faks: (90 216) 666 17 51

### Cebeci/Ankara Branch

Demirlibahçe Mah. Talatpaşa Bulvarı  
No: 173/B Mamak / ANKARA  
Tel: (90 312) 363 30 11  
Faks: (90 216) 666 18 64

### Çallı Branch

Namık Kemal Bulvarı No: 7  
Kepez / ANTALYA  
Tel: (90 242) 344 45 05  
Faks: (90 216) 666 18 15

### Çanakale Branch

Çarşı Cad. No: 135  
17100 ÇANAKKALE  
Tel: (90 286) 214 40 82  
Faks: (90 216) 666 18 08

### Çankırı Branch

Cumhuriyet Mah.  
Necip Fazıl Kısakürek Sok.  
No: 32/C Merkez / ÇANKIRI  
Tel: (90 376) 212 72 51  
Faks: (90 216) 666 18 63

### Çerkezköy Branch

Gazi Mustafa Kemal Paşa Mah.  
Atatürk Cad. No: 6-8B  
Çerkezköy / TEKİRDAĞ  
Tel: (90 282) 725 00 22  
Faks: (90 216) 666 18 60

### Çiğli Branch

Anadolu Cad. No: 780  
35640 Çiğli / İZMİR  
Tel: (90 232) 386 10 13  
Faks: (90 216) 666 18 14

**Çorlu Branch**

Salih Omurtak Cad. No: 34/C  
59850 Çorlu / TEKİRDAĞ  
Tel: (90 282) 673 66 10  
Faks: (90 216) 666 17 82

**Çorum Branch**

İnönü Cad. No: 23  
19000 ÇORUM  
Tel: (90 364) 224 19 11  
Faks: (90 216) 666 17 63

**Çukurambar Branch**

Kızılırmak Mah. Muhsin Yazıcıoğlu Cad.  
No: 17/8 Çukurambar/ANKARA  
Tel: (90 312) 287 44 02  
Faks: (90 216) 666 18 91

**Çukurova/Adana Branch**

Mahfesiğmaz Mah. Turgut Özal Bulvarı  
No: 131/A Çukurova / ADANA  
Tel: (90 322) 233 23 51  
Faks: (90 216) 666 18 61

**Denizli Sanayi Branch**

İlbade Mah. Örnek Cad.  
No: 167/A Merkezefendi / DENİZLİ  
Tel: (90 258) 372 01 25  
Faks: (90 216) 666 18 79

**Denizli Branch**

2. Ticari Yol No: 43  
20100 Merkezefendi/DENİZLİ  
Tel: (90 258) 242 00 25  
Faks: (90 216) 666 17 33

**Diyarbakır Branch**

İnönü Cad. No: 19  
21300 Sur / DİYARBAKIR  
Tel: (90 412) 224 75 30  
Faks: (90 216) 666 17 32

**Düzce Branch**

İstanbul Cad. No: 3/A  
81010 DÜZCE  
Tel: (90 380) 512 08 51  
Faks: (90 216) 666 17 61

**Elazığ Branch**

Hürriyet Cad. No: 35/B  
23100 ELAZIĞ  
Tel: (90 424) 212 47 24  
Faks: (90 216) 666 17 60

**Erzurum Branch**

Orhan Şerifsoy Cad.  
Özlem İş Merkezi A-Blok No: 2  
25100 ERZURUM  
Tel: (90 442) 213 24 76  
Faks: (90 216) 666 17 54

**ESkişehir Branch**

Sakarya Cad. No: 45/A  
26130 Tepebaşı / ESKİŞEHİR  
Tel: (90 222) 231 36 66

Faks: (90 216) 666 17 50

**Etimesgut/Ankara Branch**

Kazım Karabekir Mah. İstasyon Cad.  
No: 49/C-D Etimesgut / ANKARA  
Tel: (90 312) 245 57 00  
Faks: (90 216) 666 18 68

**Etlık Branch**

Yunus Emre Cad.  
No: 5/A-B 06010 Etlık / ANKARA  
Tel: (90 312) 325 91 91  
Faks: (90 216) 666 17 59

**Fatsa Branch**

Mustafa Kemal Paşa Mah. Sakarya Cad.  
No: 13/B Fatsa / ORDU  
Tel: (90 452) 400 46 46  
Faks: (90 216) 666 18 90

**GATEM/Gaziantep Branch**

Sanayi Mah. Erdoğan Ergönül Cad.  
No: 41 Şehitkamil / GAZİANTEP  
Tel: (90 342) 238 17 33  
Faks: (90 216) 666 18 87

**Gaziantep Organize Sanayi Branch**

2. Organize Sanayi Bölgesi  
Celal Doğan Bulvarı No: 71  
Şehitkamil / GAZİANTEP  
Tel: (90 342) 337 87 87  
Faks: (90 216) 666 18 71

**Gaziantep Branch**

Suburcu Cad. No: 4  
27400 Şahinbey / GAZİANTEP  
Tel: (90 342) 230 91 68  
Faks: (90 216) 666 17 09

**Gebze Org. San. Branch**

Gebze Güzeller Organize Sanayi Bölgesi  
Atatürk Bulvarı No: 2/B  
Gebze / KOCAELİ  
Tel: (90 262) 751 20 28  
Faks: (90 216) 666 18 18

**Gebze Branch**

Hacı Halil Mah. Körfez Cad. No: 18 Gebze /  
KOCAELİ  
Tel: (90 262) 641 15 82  
Faks: (90 216) 666 17 34

**Giresun Branch**

Hacı Miktat Mah. Fatih Cad.  
No: 28 GİRESUN  
Tel: (90 454) 213 30 01  
Faks: (90 216) 666 18 35

**Isparta Branch**

Cumhuriyet Cad. No: 11  
32100 İSPARTA  
Tel: (90 246) 223 47 42  
Faks: (90 216) 666 17 74

**İşikkent/İzmir Branch**

Egemenlik Mah. 6129 Sok.  
No: 49 Ayküsan Sanayi Sitesi,  
İşikkent / Bornova / İZMİR  
Tel: (90 232) 436 47 72  
Faks: (90 216) 666 18 77

**İnegöl/Bursa Branch**

Kemalpaşa Mah. Atatürk Bulvarı  
No: 12 İnegöl / BURSA  
Tel: (90 224) 716 04 90  
Faks: (90 216) 666 18 55

**İskenderun Branch**

Mareşal Fevzi Çakmak Cad.  
No: 4 31200 İskenderun / HATAY  
Tel: (90 326) 614 68 60  
Faks: (90 216) 666 18 00

**İvedik Branch**

İvedik Organize Sanayi Bölgesi  
Melih Gökçek Bulvarı No: 18/3  
06378 Yenimahalle / ANKARA  
Tel: (90 312) 394 70 05  
Faks: (90 216) 666 18 07

**İzmir Gıda Çarşısı Branch**

1203/1 Sok. No: 21 Gıda Çarşısı  
Yenişehir - Konak / İZMİR  
Tel: (90 232) 469 14 03  
Faks: (90 216) 666 18 53

**İzmir Branch**

Fevzipaşa Bulvarı No: 51  
35210 Konak / İZMİR  
Tel: (90 232) 441 21 61  
Faks: (90 216) 666 17 03

**İzmit E5 Branch**

Körfez Mah. D-100 Karayolu  
(Ankara Karayolu) No: 123  
İzmit / KOCAELİ  
Tel: (90 262) 324 78 06  
Faks: (90 216) 666 18 45

**İzmit Branch**

Alemdar Cad. No: 17  
41100 KOCAELİ  
Tel: (90 262) 323 37 72  
Faks: (90 216) 666 17 19

**Kahramanmaraş Branch**

Yusuflar Mah. Hacı Arifoğlu Cad.  
No: 28/A Onikişubat/KAHRAMANMARAŞ  
Tel: (90 344) 225 49 26  
Faks: (90 216) 666 17 17

**Karabağlar Branch**

Aşık Veysel Mah. Yeşillik Cad.  
No: 437-441A Karabağlar / İZMİR  
Tel: (90 232) 237 27 81  
Faks: (90 216) 666 17 47

## Directory

### Karabük Branch

Hürriyet Cad. Beyaz Saray İşhanı  
No: 151/A 78100 KARABÜK  
Tel: (90 370) 415 66 33  
Faks: (90 216) 666 18 05

### Karadeniz Ereğli Branch

Müftü Mah. Devrim Bulvarı  
No: 9/A Kdz.Ereğli / ZONGULDAK  
Tel: (90 372) 322 84 14  
Faks: (90 216) 666 17 76

### Karaman Branch

İsmetpaşa Cad. No: 22/B  
KARAMAN  
Tel: (90 338) 213 91 00  
Faks: (90 216) 666 18 25

### Kastamonu Branch

Cumhuriyet Cad.  
No: 46/B 37100 KASTAMONU  
Tel: (90 366) 212 88 37  
Faks: (90 216) 666 17 73

### Kayapınar Branch

Kayapınar Cad. Yeni Sebze Hali Kavşağı  
Rema Sitesi A-Blok No: 30  
Kayapınar / DİYARBAKIR  
Tel: (90 412) 251 31 33  
Faks: (90 216) 666 18 16

### Kayseri Org. Sanayi Branch

Organize Sanayi Bölgesi 12 Cad.  
OSB Ticaret Merkezi No: 5/22  
38070 Anbar, Melikgazi / KAYSERİ  
Tel: (90 352) 321 42 82  
Faks: (90 216) 666 18 11

### Kayseri Sanayi Branch

Osman Kavuncu Cad. No: 112/A  
38010 KAYSERİ  
Tel: (90 352) 336 63 66  
Faks: (90 216) 666 17 45

### Kayseri Branch

Vatan Cad. No: 26  
38040 Melikgazi / KAYSERİ  
Tel: (90 352) 222 67 91  
Faks: (90 216) 666 17 07

### Keçiören Branch

Kızılarpınarı Cad. No: 104/A  
Keçiören / ANKARA  
Tel: (90 312) 314 14 14  
Faks: (90 216) 666 18 28

### Kemalpaşa/İzmir Branch

Sekiz Eylül Mah. İzmir Cad.  
No: 22/A Kemalpaşa / İZMİR  
Tel: (90 232) 878 31 38  
Faks: (90 216) 666 18 57

### Kestel/Bursa Branch

Kestel OSB Bursa Cad. No: 75  
B Blok 2 nolu işyeri Kestel / BURSA  
Tel: (90 224) 372 75 87  
Faks: (90 216) 666 18 40

### Konya Ereğli Branch

Namık Kemal Mah. Atatürk Cad.  
No: 19/A Ereğli / KONYA  
Tel: (90 332) 712 00 71  
Faks: (90 216) 666 18 94

### Konya Organize Sanayi Branch

Konya Org. Sanayi Bölgesi  
Kırım Cad. No: 20 Selçuklu / KONYA  
Tel: (90 332) 239 21 76  
Faks: (90 216) 666 18 34

### Konya Sanayi Branch

Musalla Bağları Mah. Ankara Cad.  
No: 101 Selçuklu / KONYA  
Tel: (90 332) 238 21 25  
Faks: (90 216) 666 17 29

### Konya Branch

Mevlana Cad. No: 5  
42030 Karatay / KONYA  
Tel: (90 332) 350 19 77  
Faks: (90 216) 666 17 06

### Konyaaltı/Antalya Branch

Arapşuyu Mah. Atatürk Bulvarı  
M. Gökay Plaza A Blok No: 23/C-D  
Konyaaltı / ANTALYA  
Tel: (90 242) 290 99 19  
Faks: (90 216) 666 18 49

### Körfez/Kocaeli Branch

Kuzey Mah. Cahit Zarifoğlu Cad.  
No: 65 Körfez / KOCAELİ  
Tel: (90 262) 526 62 75  
Faks: (90 216) 666 18 59

### Küçüksaat/Adana Branch

Sefaözler Cad. No: 3/E  
01060 Seyhan / ADANA  
Tel: (90 322) 351 20 00  
Faks: (90 216) 666 17 96

### Kütahya Branch

Balıkli Mah. Pekmez Pazarı Cad.  
No: 12/A KÜTAHYA  
Tel: (90 274) 223 75 00  
Faks: (90 216) 666 18 41

### Malatya Branch

Hamidiye Mah. İnönü Cad.  
No: 49/A Battalgazi/MALATYA  
Tel: (90 422) 326 04 20  
Faks: (90 216) 666 17 16

### Manavgat/Antalya Branch

Bahçelievler Mah. Demokrasi Bulvarı  
No: 40/A Manavgat / ANTALYA  
Tel: (90 242) 742 00 40  
Faks: (90 216) 666 18 67

### Manisa Branch

Mustafa Kemal Paşa Cad. No: 14  
45020 Şehzadeler/MANİSA  
Tel: (90 236) 238 93 00  
Faks: (90 216) 666 17 67

### Mardin Branch

13 Mart Mah. Vali Ozan Cad.  
No: 82/1- 84/A-B-C-D Artuklu/MARDİN  
Tel: (90 482) 213 22 50  
Faks: (90 216) 666 18 46

### Mersin Branch

İstiklal Cad No: 33  
33060 MERSİN  
Tel: (90 324) 237 85 60  
Faks: (90 216) 666 17 70

### Mevlana Branch

Taşkapı Medrese Cad.  
No: 2/A-2/B-2/202  
Meram / KONYA  
Tel: (90 332) 350 00 42  
Faks: (90 216) 666 18 02

### Muş Branch

Kültür Mah. Atatürk Bulvarı  
No: 46/A/70 Merkez / Muş  
Tel: (90 436) 212 80 10  
Faks: (90 216) 666 18 70

### Nazilli Branch

Altıntaş Mah. Türkocağı Cad.  
No: 51/A Nazilli / AYDIN  
Tel: (90 256) 315 01 02  
Faks: (90 216) 666 18 96

### Nevşehir Branch

Kapucubaşı Mah. Atatürk Bulvarı  
No: 105 NEVŞEHİR  
Tel: (90 384) 212 12 16  
Faks: (90 216) 666 18 43

### Nilüfer Branch

Nilüfer Cad. İzmir Yolu Üzeri  
Küçük Sanayi Girişi No: 4 BURSA  
Tel: (90 224) 443 74 00  
Faks: (90 216) 666 17 95

### Ordu Branch

Süleyman Felek Cad. No: 73  
52100 Altınordu/ORDU  
Tel: (90 452) 214 73 51  
Faks: (90 216) 666 17 88

**Osmaniye Branch**

Atatürk Cad. No: 164  
80010 OSMANİYE  
Tel: (90 328) 813 71 71  
Faks: (90 216) 666 17 68

**Ostim Branch**

100. Yıl Bulvarı No: 1  
06370 Ostim,  
Yenimahalle / ANKARA  
Tel: (90 312) 385 79 01  
Faks: (90 216) 666 17 31

**Pursaklar/Ankara Branch**

Merkez Mah. Yunus Emre Cad.  
No: 15/A Pursaklar / ANKARA  
Tel: (90 312) 527 00 93  
Faks: (90 216) 666 18 73

**Rize Branch**

Cumhuriyet Cad. No: 105H  
53100 RİZE  
Tel: (90 464) 214 27 67  
Faks: (90 216) 666 17 77

**Samsun Sanayi Branch**

Şabanoğlu Mah. Atatürk Bulvarı  
No: 229/2 Tekkeköy / SAMSUN  
Tel: (90 362) 266 62 52  
Faks: (90 216) 666 18 62

**Samsun Branch**

Kaptanağa Cad. No: 12  
55030 İlkadım / SAMSUN  
Tel: (90 362) 435 10 92  
Faks: (90 216) 666 17 10

**Siirt Branch**

Bahçelievler Mah.  
Mizbah Çalapaçıkay Cad.  
No: 12C Merkez / SİİRT  
Tel: (90 484) 223 41 40  
Faks: (90 216) 666 18 80

**Sincan Branch**

Ankara Cad. No: 23/2  
06930 Sincan / ANKARA  
Tel: (90 312) 270 99 88  
Faks: (90 216) 666 17 64

**Siteler Branch**

Karacakaya Cad. No: 73/1  
06160 Siteler / ANKARA  
Tel: (90 312) 353 49 50  
Faks: (90 216) 666 17 14

**Sivas Cad./Kayseri Branch**

Mimarsinan Mah. Sivas Bulvarı  
No: 145-B Kocasinan / KAYSERİ  
Tel: (90 352) 235 18 00  
Faks: (90 216) 666 18 85

**Sivas Branch**

Sirer Cad. No: 22/A 58070 SİVAS  
Tel: (90 346) 224 00 90  
Faks: (90 216) 666 17 52

**Şanlıurfa Branch**

Kadri Eroğan Cad. No: 22  
63100 Haliliye/ŞANLIURFA  
Tel: (90 414) 313 01 58  
Faks: (90 216) 666 17 46

**Şaşmaz Branch**

2488 Cad. (Eski 6.Cad.)  
No: 16 3/C 06790  
Şaşmaz, Etimesgut / ANKARA  
Tel: (90 312) 278 32 42  
Faks: (90 216) 666 18 06

**Şehitkamil Branch**

Prof. Muammer Aksoy Bulvarı  
No: 19/E 27090 Şehitkamil / GAZİANTEP  
Tel: (90 342) 215 36 51  
Faks: (90 216) 666 18 19

**Tatvan Branch**

Aydınlar Mah. Cumhuriyet Cad.  
No: 78-2 Tatvan / BİTLİS  
Tel: (90 434) 827 46 41  
Faks: (90 216) 666 18 72

**Tavşanlı/Kütahya Branch**

Yeni Mahalle Ada Cad. No: 7  
Tavşanlı / KÜTAHYA  
Tel: (90 274) 614 77 61  
Faks: (90 216) 666 18 65

**Tekirdağ Branch**

Yavuz Mah. Hükümet Cad.  
No: 133 Süleymanpaşa / TEKİRDAĞ  
Tel: (90 282) 260 16 88  
Faks: (90 216) 666 18 81

**Tokat Branch**

Gaziosmanpaşa Bulvarı  
No: 167 60100 TOKAT  
Tel: (90 356) 214 69 66  
Faks: (90 216) 666 17 78

**Trabzon Değirmendere Branch**

Sanayi Mah. Devlet Karayolu Cad. No: 89  
Değirmendere Ortahisar/ TRABZON  
Tel: (90 462) 325 00 23  
Faks: (90 216) 666 18 48

**Trabzon Branch**

Kahramanmaraş Cad. No: 35/B  
Ortahisar/TRABZON  
Tel: (90 462) 321 66 06  
Faks: (90 216) 666 17 55

**Turan Güneş Branch**

Turan Güneş Bulvarı  
No: 54/B 06500 Çankaya / ANKARA  
Tel: (90 312) 443 07 65  
Faks: (90 216) 666 17 90

**Turgutlu/Manisa Branch**

Turan Mah. Atatürk Bulvarı  
No: 180/A Turgutlu / MANİSA  
Tel: (90 236) 312 75 00  
Faks: (90 216) 666 18 58

**Uludağ Branch**

Ankarayolu Cad. No: 73  
Yıldırım / BURSA  
Tel: (90 224) 272 59 00  
Faks: (90 216) 666 17 38

**Ulus Branch**

Anafartalar Cad. No: 59  
06250 Altındağ, Ulus / ANKARA  
Tel: (90 312) 324 65 70  
Faks: (90 216) 666 17 89

**Ümitköy Branch**

Seyfi Saltoğlu Cad. No: 35/7  
06810 Çayyolu, Yenimahalle / ANKARA  
Tel: (90 312) 241 60 00  
Faks: (90 216) 666 17 87

**Van Branch**

Cumhuriyet Cad.  
No: 124 65100 İpekyolu/VAN  
Tel: (90 432) 212 17 12  
Faks: (90 216) 666 17 65

**Yalova Branch**

Yalı Cad. No: 19/A  
77100 YALOVA  
Tel: (90 226) 812 23 80  
Faks: (90 216) 666 17 69

**Yeni Töptancılar/Konya Branch**

Fevzi Çakmak Mah. Karakayış Cad.  
No: 289-(1 İşyeri) Karatay / KONYA  
Tel: (90 332) 342 00 72  
Faks: (90 216) 666 18 76

**Zafer Sanayi/Konya Branch**

Horozluhan Mah. Selçuklu Cad.  
No: 2 / B Zafer Sanayi Sitesi  
Selçuklu / KONYA  
Tel: (90 332) 248 84 30  
Faks: (90 216) 666 19 01

## Directory

### International Branch

#### Erbil Branch

Heva Grup Ofisi Karşısı  
60. Cadde İskan/ERBİL/IRAK  
60Mt. Street. Across to Hewa Group  
İskan/ARBIL/IRAQ  
Tel: +964.750.370.98.90  
Mobil: +964.750.163.96.59

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