



**Albaraka Türk Katılım Bankası
Anonim Şirketi**

Consolidated financial statements
and related disclosures at September 30, 2016
together with limited review report
*(Convenience translation of the limited review report and
financial statements originally issued in Turkish -
see section three Note XXIV)*

11 November 2016

*This report contains "Limited Review Report"
comprising 2 pages and; "Consolidated Financial
Statements and Related Disclosures and Footnotes"
comprising 87 pages.*



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Convenience Translation of the Limited Review Report Originally prepared and
Issued in Turkish to English (See Note XXIV in Section Three)

LIMITED REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the consolidated statement of financial position of Albaraka Türk Katılım Bankası A.Ş. (the "Bank") and its consolidated financial subsidiaries (together the "Group") at 30 September 2016 and the related consolidated income statement, consolidated statement of income and expense items under shareholders' equity, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 "Interim Financial Reporting" principles for those matters not regulated by the aforementioned legislations. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true view of the financial position of Albaraka Türk Katılım Bankası A.Ş. at 30 September 2016 and of the results of its operations and its cash flows for the nine-month-period then ended in all aspects in accordance with the BRSA Accounting and Reporting Legislation.

Other Matter

The consolidated financial statements of the Group as at and for year ended 31 December 2015 and as at and for the nine months period ended 30 September 2015 were audited and reviewed by another auditor who expressed an unmodified opinion/conclusion on those statements on 7 March 2016 and 18 November 2015, respectively.

Report on Other Legal and Regulatory Requirements

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

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of KPMG International Cooperative

Alper Güvenç
Partner, SMMM

November 11, 2016
Istanbul, Turkey

Additional paragraph for convenience translation to English:

The accounting principles summarized in Note XXIV Section Three, differ from the accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with accounting principles generally accepted in such countries of users of the consolidated financial statements and IFRS.

**CONSOLIDATED INTERIM FINANCIAL REPORT OF ALBARAKA TÜRK KATILIM BANKASI A.Ş.
AS OF AND FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2016**

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

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

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

Investments in associates, subsidiaries and joint ventures whose financial statements have been consolidated in this consolidated financial report are as follows.

	Subsidiaries	Associates	Joint Ventures
1.	-	-	Katılım Emeklilik ve Hayat A.Ş.
2.	Bereket Varlık Kiralama A.Ş.	-	-
3.	Albaraka Gayrimenkul Portföy Yönetimi A.Ş.	-	-

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

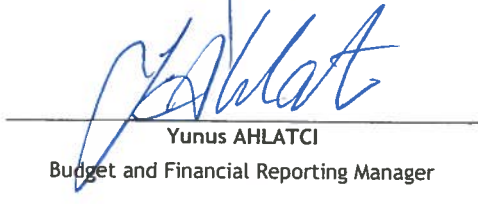
The consolidated financial statements and related disclosures and footnotes; presented in thousands of Turkish Lira unless otherwise indicated; have been prepared in accordance with the Communiqué on Accounting Applications of Banks and Safeguarding of Documents, Banking Regulation and Supervision Agency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


November 11, 2016


Adnan Ahmed Yusuf ABDULMALEK
Chairman of the Board of Directors



Melikşah UTKU
Acting General Manager



Turgut SİMİTÇİOĞLU
Assistant General Manager


Yunus AHLATCI
Budget and Financial Reporting 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


Muhammad Zarrug M. RAJAB
Member of the Audit Committee

Contact information of the personnel in charge of the addressing of questions about this financial report:
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ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2016
(Thousand of Turkish Lira (TL) unless otherwise stated)

SECTION ONE

GENERAL INFORMATION

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

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

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

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

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

The Parent Bank's head office is located in Istanbul and is operating through 212 (December 31, 2015: 212) local branches and 1 (December 31, 2015: 1) foreign branch and with 3.795 (December 31, 2015: 3.736) staff as of September 30, 2016. The Group has 3.798 staff as of September 30, 2016.

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

As of September 30, 2016, 54,06% (December 31, 2015: 54,06%) of the Parent Bank's shares are owned by Albaraka Banking Group located in Bahrain. 24,84% (December 31, 2015: 24,80%) of the shares are publicly traded and quoted at Borsa İstanbul.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2016
(Thousand of Turkish Lira (TL) unless otherwise stated)

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

Title	Name and Surname	Administrative Function and Responsibility	Educational Degree	Ownership Percentage (%)
Chairman of the Board of Directors (BOD)	Adnan Ahmed Yusuf ABDULMALEK	Chairman of BOD	Master	(*) 0,0000
Members of BOD	Yalçın ÖNER	Vice Chairman of BOD	Master	-
	İbrahim Fayeze Humaid ALSHAMSI	Member of BOD	Bachelor	(*) 0,0000
	Osman AKYÜZ	Executive Member of BOD	Bachelor	-
	Bekir PAKDEMİRLİ	Member of BOD	Master	-
	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
	Muhammad Zarrug M. RAJAB	Member of BOD	Bachelor	-
	Prof. Dr. Kemal VAROL	Independent Member of BOD	Doctorate	-
	Dr. Fahrettin YAHŞİ	Executive Member of BOD	Doctorate	-
Acting General Manager (**)	Melikşah UTKU	Member of BOD / Acting General Manager	Master	-
Assistant General Managers	Mehmet Ali VERÇİN	Corporate Marketing, Treasury Marketing, Investment Projects, Financial Institutions, Investor Relations,	Bachelor	-
	Nihat BOZ	Legal Advisory, Legal Follow-up	Bachelor	-
	Temel HAZIROĞLU	Human Values, Training & Organisation, Performance & Career Management, Administrative Affairs, Construction and Real Estate, Corporate Communication	Master	0,0342
	Bülent TABAN	Alternative Distribution Channels, Retail Marketing, Retail Products Management, Commercial Marketing, Commercial Products Management, Regional Offices	Master	-
	Turgut SİMİTÇİOĞLU	Credit Operations, Banking Services Operations, Foreign Affairs Operations, Payment Systems Operations, Risk Follow-up, Financial Affairs, Budget & Financial Reporting,	Master	-
	Ali TUĞLU	Core Banking Applications Development, Customer & Channel and Analytical Applications, IT Support, IT Strategy & Governance	Master	-
	Mahmut Esfa EMEK	Corporate Credits, Commercial Credits, Retail Credits	Bachelor	-
Audit Committee	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
	Muhammad Zarrug M. RAJAB	Member of Audit Committee	Bachelor	-

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

(**) Appointed in the Board Meeting dated on October 19, 2016 instead of Dr. Fahrettin Yahşi

Chairman and members of BOD, members of audit committee, general manager and assistant general managers own 0,0342% of the Parent Bank's share capital (December 31, 2015: 0,0342%).

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

The Parent 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:

Name/Commercial Name	Share amount (nominal)	Share ratio	Paid shares	Unpaid shares
Albaraka Banking Group	486.523	54,06%	486.523	-

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

The Parent Bank operates in accordance with the principles of interest-free banking as a participation bank. The Parent Bank mainly collects funds through current 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 Parent 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, semi-annual and annual profit share payment).

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

In addition to its ordinary banking activities, the Parent Bank operates as an insurance agency on behalf of Işık Sigorta, Anadolu Sigorta, Güneş Sigorta, Allianz Sigorta, Unico Sigorta, Neova 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 Parent 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 Parent Bank are not limited to the clauses listed above. If any activities other than those mentioned are considered as beneficial to the Parent Bank, the application must be recommended by the Board of Directors, approved by the General Assembly and authorized by relevant legal authorities which then needs to be approved by the Ministry of 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 Parent Bank did not consolidate its associate Kredi Garanti Fonu A.Ş. through equity method considering the materiality principle and its insignificant influence over the associate, the related associate is carried at cost in the accompanying financial statements. The Parent Bank consolidated Katılım Emeklilik ve Hayat A.Ş., an entity under common control, and Bereket Varlık Kiralama A.Ş., Albaraka Gayrimenkul Portföy Yönetimi A.Ş. the subsidiaries of the Parent Bank, through equity method and full consolidation method, respectively. Moreover, ABT Sukuk Limited and Albaraka Sukuk Limited, which are not subsidiaries of the Parent Bank but over which the Parent Bank has 100% controlling power, have been included in the consolidation due to the reason that these companies are "Structured Entity".

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

There is no immediate transfer of equity between the parent bank and its subsidiaries.

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

Section two

The consolidated financial statements

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 SEPTEMBER 2016
(Thousand of Turkish Lira (TL) unless otherwise stated)

ASSETS	Notes (Section Five-I)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		September 30, 2016			December 31, 2015		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	573.233	3.917.443	4.490.676	894.204	4.010.594	4.904.798
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (net)	(2)	1.523	5.553	7.076	1.427	20.856	22.283
2.1 Trading Financial Assets		1.523	5.553	7.076	1.427	20.856	22.283
2.1.1 Public Sector Debt Securities		-	-	-	-	-	-
2.1.2 Equity Securities		837	-	837	790	-	790
2.1.3 Derivative Financial Assets Held for Trading		406	5.526	5.932	-	20.822	20.822
2.1.4 Other Marketable Securities		280	27	307	637	34	671
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		-	-	-	-	-	-
III. BANKS	(3)	649.327	601.488	1.250.815	599.970	1.882.644	2.482.614
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
V. FINANCIAL ASSETS-AVAILABLE FOR SALE (net)	(4)	915.956	267.128	1.183.084	755.337	265.290	1.020.627
5.1 Equity Securities		15	5.380	5.395	15	12.850	12.865
5.2 Public Sector Debt Securities		903.286	261.748	1.165.034	737.783	149.374	887.157
5.3 Other Marketable Securities		12.655	-	12.655	17.539	103.066	120.605
VI. LOANS AND RECEIVABLES	(5)	15.812.512	3.623.029	19.435.541	15.352.083	3.205.882	18.557.965
6.1 Loans and Receivables		15.337.472	3.621.591	18.959.063	15.165.345	3.205.054	18.370.399
6.1.1 Loans to Risk Group of The Bank		7.346	28.807	36.153	9.424	38.523	47.947
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Other		15.330.126	3.592.784	18.922.910	15.155.921	3.166.531	18.322.452
6.2 Non-performing loans		938.807	2.560	941.367	467.256	1.157	468.413
6.3 Specific Provisions (-)		463.767	1.122	464.889	280.518	329	280.847
VII. INVESTMENTS HELD TO MATURITY (net)	(6)	580.236	-	580.236	762.890	-	762.890
VIII. INVESTMENTS IN ASSOCIATES (net)	(7)	4.719	-	4.719	4.719	-	4.719
8.1 Accounted for under Equity Method		-	-	-	-	-	-
8.2 Unconsolidated Associates		4.719	-	4.719	4.719	-	4.719
8.2.1 Financial Associates		4.719	-	4.719	4.719	-	4.719
8.2.2 Non-Financial Associates		-	-	-	-	-	-
IX. SUBSIDIARIES (net)	(8)	-	-	-	-	-	-
9.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
9.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
X. JOINT VENTURES (net)	(9)	12.238	-	12.238	7.161	-	7.161
10.1 Accounted for under Equity Method		12.238	-	12.238	7.161	-	7.161
10.2 Unconsolidated		-	-	-	-	-	-
10.2.1 Financial Joint Ventures		-	-	-	-	-	-
10.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XI. LEASE RECEIVABLES (net)	(10)	895.714	-	895.714	947.427	-	947.427
11.1 Finance Lease Receivables		1.015.492	-	1.015.492	1.090.063	-	1.090.063
11.2 Operational Lease Receivables		-	-	-	-	-	-
11.3 Other		-	-	-	-	-	-
11.4 Unearned Income (-)		119.778	-	119.778	142.636	-	142.636
XII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	-	-	-	-	-	-
12.1 Fair Value Hedge		-	-	-	-	-	-
12.2 Cash Flow Hedge		-	-	-	-	-	-
12.3 Hedge of Net Investment Risks in Foreign Operations		-	-	-	-	-	-
XIII. TANGIBLE ASSETS (net)	(12)	475.952	809	476.761	499.803	1.336	501.139
XIV. INTANGIBLE ASSETS (net)	(13)	38.615	313	38.928	43.807	476	44.283
14.1 Goodwill		-	-	-	-	-	-
14.2 Other		38.615	313	38.928	43.807	476	44.283
XV. INVESTMENT PROPERTY (net)	(14)	-	-	-	-	-	-
XVI. TAX ASSET	(15)	20.458	-	20.458	20.424	-	20.424
16.1 Current Tax Asset		3.531	-	3.531	5.334	-	5.334
16.2 Deferred Tax Asset		16.927	-	16.927	15.090	-	15.090
XVII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (net)	(16)	103.326	239	103.565	22.574	245	22.819
17.1 Assets Held for Sale		103.326	239	103.565	22.574	245	22.819
17.2 Assets of Discontinued Operations		-	-	-	-	-	-
XVIII. OTHER ASSETS	(17)	76.908	10.085	86.993	216.054	2.244	218.298
TOTAL ASSETS		20.160.717	8.426.087	28.586.804	20.127.880	9.389.567	29.517.447

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 SEPTEMBER 2016
(Thousand of Turkish Lira (TL) unless otherwise stated)

LIABILITIES	Notes (Section Five-II)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		September 30, 2016			December 31, 2015		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED	(1)	11.536.711	8.567.450	20.104.161	11.331.293	9.010.002	20.341.295
1.1 Funds from Risk Group of The Bank		9.235	367.435	376.670	121.984	152.607	274.591
1.2 Other		11.527.476	8.200.015	19.727.491	11.209.309	8.857.395	20.066.704
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	15	8.261	8.276	-	-	-
III. FUNDS BORROWED	(3)	-	2.720.633	2.720.633	-	3.096.343	3.096.343
IV. BORROWINGS FROM MONEY MARKETS		-	-	-	770.959	-	770.959
V. SECURITIES ISSUED (net)	(4)	182.138	1.030.960	1.213.098	-	977.001	977.001
VI. MISCELLANEOUS PAYABLES		658.313	48.927	707.240	633.315	53.074	686.389
VII. OTHER LIABILITIES	(5)	-	-	-	-	-	-
VIII. LEASE PAYABLES	(6)	-	-	-	-	-	-
8.1 Finance Lease Payables		-	-	-	-	-	-
8.2 Operational Lease Payables		-	-	-	-	-	-
8.3 Other		-	-	-	-	-	-
8.4 Deferred Finance Lease Expenses (-)		-	-	-	-	-	-
IX. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(7)	-	-	-	-	-	-
9.1 Fair Value Hedge		-	-	-	-	-	-
9.2 Cash Flow Hedge		-	-	-	-	-	-
9.3 Net Foreign Investment Hedge		-	-	-	-	-	-
X. PROVISIONS	(8)	214.844	47.163	262.007	216.055	35.810	251.865
10.1 General Provisions		146.701	32.231	178.932	140.016	30.869	170.885
10.2 Restructuring Reserves		-	-	-	-	-	-
10.3 Reserve for Employee Benefits		39.616	-	39.616	53.039	-	53.039
10.4 Insurance Technical Reserves (net)		-	-	-	-	-	-
10.5 Other Provisions		28.527	14.932	43.459	23.000	4.941	27.941
XI. TAX LIABILITY	(9)	40.288	36	40.324	55.247	2.763	58.010
11.1 Current Tax Liability		40.288	36	40.324	55.247	2.763	58.010
11.2 Deferred Tax Liability		-	-	-	-	-	-
XII. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (net)	(10)	-	-	-	-	-	-
12.1 Assets Held for Sale		-	-	-	-	-	-
12.2 Assets of Discontinued Operations		-	-	-	-	-	-
XIII. SUBORDINATED LOANS	(11)	-	1.318.291	1.318.291	-	1.239.557	1.239.557
XIV. SHAREHOLDERS' EQUITY	(12)	2.214.436	(1.662)	2.212.774	2.089.216	6.812	2.096.028
14.1 Paid-In Capital		900.000	-	900.000	900.000	-	900.000
14.2 Capital Reserves		194.717	(1.662)	193.055	194.422	6.812	201.234
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Marketable Securities Valuation Reserve		9.487	(1.662)	7.825	4.203	6.812	11.015
14.2.4 Revaluation Reserve on Tangible Assets		181.562	-	181.562	189.092	-	189.092
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		3.668	-	3.668	1.127	-	1.127
14.3 Profit Reserves		946.332	-	946.332	696.531	-	696.531
14.3.1 Legal Reserves		97.815	-	97.815	84.774	-	84.774
14.3.2 Status Reserves		-	-	-	-	-	-
14.3.3 Extraordinary Reserves		848.517	-	848.517	611.757	-	611.757
14.3.4 Other Profit Reserves		-	-	-	-	-	-
14.4 Profit or Loss		173.387	-	173.387	298.263	-	298.263
14.4.1 Prior Years Profit/(Loss)		(5.511)	-	(5.511)	(2.580)	-	(2.580)
14.4.2 Current Year Profit/(Loss)		178.898	-	178.898	300.843	-	300.843
14.5 Minority Interest		-	-	-	-	-	-
TOTAL LIABILITIES		14.846.745	13.740.059	28.586.804	15.096.085	14.421.362	29.517.447

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET
AS OF 30 SEPTEMBER 2016
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF OFF-BALANCE SHEET	Notes (Section Five-III)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		September 30, 2016			December 31, 2015		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)	(1)	5.546.716	5.430.423	10.977.139	5.494.071	4.916.466	10.410.537
I. GUARANTEES AND SURETIES		4.253.403	4.307.518	8.560.921	4.275.402	4.388.655	8.664.057
1.1. Letters of Guarantees		4.235.085	3.510.710	7.745.795	4.269.478	3.460.810	7.730.288
1.1.1. Guarantees Subject to State Tender Law		363.754	27.248	391.002	259.046	23.832	282.878
1.1.2. Guarantees Given for Foreign Trade Operations		18.411	783.592	802.003	436	816.444	816.880
1.1.3. Other Letters of Guarantee		3.852.920	2.699.870	6.552.790	4.009.996	2.620.534	6.630.530
1.2. Bank Loans		-	33.390	33.390	-	28.324	28.324
1.2.1. Import Letter of Acceptances		-	33.390	33.390	-	28.324	28.324
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letter of Credits		2.073	581.179	583.252	-	639.592	639.592
1.3.1. Documentary Letter of Credits		-	-	-	-	-	-
1.3.2. Other Letter of Credits		2.073	581.179	583.252	-	639.592	639.592
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		1.185	176.798	177.983	1.877	245.719	247.596
1.7. Other Collaterals		15.060	5.441	20.501	4.047	14.210	18.257
II. COMMITMENTS	(1)	1.291.468	114.549	1.406.017	1.218.669	110.806	1.329.475
2.1. Irrevocable Commitments		1.291.468	114.549	1.406.017	1.218.669	110.806	1.329.475
2.1.1. Asset Purchase and Sale Commitments		89.679	114.549	204.228	76.526	110.806	187.332
2.1.2. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3. Loan Granting Commitments		115.789	-	115.789	116.862	-	116.862
2.1.4. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6. Payment Commitment for Cheques		555.209	-	555.209	500.882	-	500.882
2.1.7. Tax And Fund Liabilities from Export Commitments		2.665	-	2.665	2.035	-	2.035
2.1.8. Commitments for Credit Card Expenditure Limits		496.251	-	496.251	521.562	-	521.562
2.1.9. Commitments for Promotions Related with Credit Cards and Banking Activities		810	-	810	599	-	599
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		31.065	-	31.065	203	-	203
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	1.845	1.008.356	1.010.201	-	417.005	417.005
3.1. Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2. Held for Trading Transactions		1.845	1.008.356	1.010.201	-	417.005	417.005
3.2.1. Forward Foreign Currency Buy/Sell Transactions		1.845	918.596	920.441	-	417.005	417.005
3.2.1.1. Forward Foreign Currency Transactions-Buy		923	457.388	458.311	-	219.089	219.089
3.2.1.2. Forward Foreign Currency Transactions-Sell		922	461.208	462.130	-	197.916	197.916
3.2.2. Other Forward Buy/Sell Transactions		-	89.760	89.760	-	-	-
3.3. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		44.042.675	6.288.915	50.331.590	38.754.719	5.866.824	44.621.543
IV. ITEMS HELD IN CUSTODY		1.883.852	1.063.310	2.947.162	1.671.504	932.158	2.603.662
4.1. Assets Under Management		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		72	-	72	72	-	72
4.3. Cheques Received for Collection		1.268.975	134.768	1.403.743	1.135.253	140.774	1.276.027
4.4. Commercial Notes Received for Collection		583.395	25.552	608.947	509.767	23.015	532.782
4.5. Other Assets Received for Collection		103	-	103	103	-	103
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		1.497	159.409	160.906	999	280.573	281.572
4.8. Custodians		29.810	743.581	773.391	25.310	487.796	513.106
V. PLEDGED ITEMS		42.158.823	5.225.605	47.384.428	37.083.215	4.934.666	42.017.881
5.1. Marketable Securities		2.524.783	1.471.762	3.996.545	2.526.159	1.260.176	3.786.335
5.2. Guarantee Notes		1.493.063	183.222	1.676.285	1.792.505	166.731	1.959.236
5.3. Commodity		1.816.193	817.606	2.633.799	1.671.688	750.681	2.422.369
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		34.846.051	1.434.092	36.280.143	29.631.293	1.227.662	30.858.955
5.6. Other Pledged Items		1.331.008	1.315.973	2.646.981	1.372.083	1.526.355	2.898.438
5.7. Pledged Items-Depository		147.725	2.950	150.675	89.487	3.061	92.548
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		49.589.391	11.719.338	61.308.729	44.248.790	10.783.290	55.032.080

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2016
(Thousand of Turkish Lira (TL) unless otherwise stated)

INCOME AND EXPENSE ITEMS	Notes (Section Five-IV)	Reviewed	Reviewed	Reviewed	Reviewed
		CURRENT PERIOD January 1- September 30, 2016	PRIOR PERIOD January 1- September 30, 2015	CURRENT PERIOD July 1 - September 30, 2016	PRIOR PERIOD July 1 - September 30, 2015
I. PROFIT SHARE INCOME	(1)	1.634.055	1.408.110	540.695	497.939
1.1 Profit Share on Loans		1.449.412	1.254.498	477.364	443.016
1.2 Income Received from Reserve Deposits		14.773	5.579	4.068	2.548
1.3 Income Received from Banks		312	36	281	(50)
1.4 Income Received from Money Market Placements		-	-	-	-
1.5 Income Received from Marketable Securities Portfolio		115.517	95.907	41.630	33.814
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		63.686	48.617	24.238	17.276
1.5.4 Investments Held to Maturity		51.831	47.290	17.392	16.538
1.6 Finance Lease Income		53.128	51.201	17.343	18.574
1.7 Other Profit Share Income		913	889	9	37
II. PROFIT SHARE EXPENSE	(2)	876.679	765.346	297.610	265.081
2.1 Expense on Profit Sharing Accounts		648.185	604.039	216.499	209.407
2.2 Profit Share Expense on Funds Borrowed		127.574	73.301	45.251	27.281
2.3 Profit Share Expense on Money Market Borrowings		43.649	34.221	14.606	11.971
2.4 Profit Share Expense on Securities Issued		53.951	44.620	20.794	16.422
2.5 Other Profit Share Expense		3.320	9.165	460	-
III. NET PROFIT SHARE INCOME (I - II)		757.376	642.764	243.085	232.858
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		105.191	94.198	34.896	22.326
4.1 Fees and Commissions Received		150.630	130.490	50.713	36.076
4.1.1 Non-Cash Loans		76.319	66.423	26.288	16.710
4.1.2 Other	(12)	74.311	64.067	24.425	19.366
4.2 Fees and Commissions Paid		45.439	36.292	15.817	13.750
4.2.1 Non-Cash Loans		225	162	73	3
4.2.2 Other	(12)	45.214	36.130	15.744	13.747
V. DIVIDEND INCOME	(3)	-	10	-	-
VI. TRADING INCOME/LOSS(net)	(4)	51.750	30.971	20.314	(10.424)
6.1 Capital Market Transaction Income/(Loss)		71	2.222	15	(2)
6.2 Income/(Loss) from Derivative Financial Instruments		(21.258)	50.184	12.182	35.650
6.3 Foreign Exchange Income/(Loss)		72.937	(21.435)	8.117	(46.072)
VII. OTHER OPERATING INCOME	(5)	82.120	94.174	17.109	32.535
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		996.437	862.117	315.404	277.295
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	227.124	123.102	82.944	35.098
X. OTHER OPERATING EXPENSES (-)	(7)	548.076	473.974	172.096	154.766
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		221.237	265.041	60.364	87.431
XII. EXCESS AMOUNT RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII. INCOME/(LOSS) ON EQUITY METHOD		445	(2.149)	741	(608)
XIV. INCOME/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XV. INCOME/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	221.682	262.892	61.105	86.823
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	42.784	52.859	10.278	15.968
16.1 Provision for Current Taxes		46.902	55.418	6.628	13.202
16.2 Provision for Deferred Taxes		(4.118)	(2.559)	3.650	2.766
XVII. NET INCOME/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	178.898	210.033	50.827	70.855
XVIII. INCOME FROM DISCONTINUED OPERATIONS	(10)	-	-	-	-
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		-	-	-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
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		-	-	-	-
XX. INCOME/(LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)		-	-	-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
21.1 Provision for Current Taxes		-	-	-	-
21.2 Provision for Deferred Taxes		-	-	-	-
XXII. NET INCOME/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII. NET INCOME/LOSS (XVII+XXII)	(11)	178.898	210.033	50.827	70.855
23.1 Group's Income/Loss		178.898	210.033	50.827	70.855
23.2 Minority Shares (-)		-	-	-	-
Earnings Per Share (Full TL)		0,199	0,233	0,056	0,079

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF INCOME&EXPENSE ITEMS ACCOUNTED
UNDER SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2016
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	Reviewed	Reviewed	Reviewed	Reviewed
	CURRENT PERIOD January 1- September 30,2016	PRIOR PERIOD January 1- September 30,2015	CURRENT PERIOD July 1- September 30,2016	PRIOR PERIOD July 1- September 30,2015
I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS	(3.988)	(4.215)	(2.029)	(177)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	218	5.981	1.574	4.735
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	-	-	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED UNDER EQUITY IN ACCORDANCE WITH TAS	-	-	-	-
IX. DEFERRED TAX ON VALUATION DIFFERENCES	798	843	406	35
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(2.972)	2.609	(49)	4.593
XI. PROFIT/LOSS	178.898	210.033	50.827	70.855
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	178.898	210.033	50.827	70.855
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	175.926	212.642	50.778	75.448

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016
(Thousand of Turkish Lira (TL) unless otherwise stated)

CHANGES IN SHAREHOLDERS' EQUITY (Reviewed)	Notes (Section Five-V)	Paid-In Capital	Effect of Inflation Accounting on Capital	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period 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
PRIOR PERIOD																	
January 1- September 30, 2015																	
I.		(V)	900.000	-	-	71.744	-	398.393	(2.973)	248.147	7.480	10.035	153.179	-	-	-	1.786.005
	Changes In Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/Decrease Related to Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Hedging Funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	(3.372)	-	-	-	-	(3.372)
4.1	Cash-Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge Of Net Investment in Foreign Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible Assets Revoluotion Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes Related to the Disposal Of Assets	-	-	-	-	-	-	-	5.981	-	-	-	-	-	-	-	5.981
X.	Changes Related to the Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The Effect of Change in Associate's Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share Issue Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation Adjustment to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period Net Income/(Loss)	-	-	-	-	-	-	-	19	-	1.538	-	(4.521)	-	-	-	(2.964)
XVIII.	Profit Distribution	-	-	-	-	-	-	-	-	210.033	-	-	-	-	-	-	210.033
18.1	Dividends Distributed	-	-	-	-	13.030	-	213.364	-	(248.147)	(12.447)	-	-	-	-	-	(34.200)
18.2	Transfers To Reserves	-	-	-	-	-	-	-	-	-	(34.200)	-	-	-	-	-	(34.200)
18.3	Other	-	-	-	-	13.030	-	213.364	-	-	(226.394)	-	-	-	-	-	-
	Closing Balance	900.000	-	-	-	84.774	-	611.757	3.027	210.033	(3.429)	6.663	148.658	-	-	-	1.961.483

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016
(Thousand of Turkish Lira (TL) unless otherwise stated)

(THOUSAND TURKISH LIRA)

CHANGES IN SHAREHOLDERS' EQUITY (Reviewed)																
Notes (Section Five-V)	Paid-In Capital	Effect of Inflation Accounting on Capital	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves ⁽¹⁾	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
CURRENT PERIOD																
January 1- September 30, 2016																
I. Beginning balance	900.000	-	-	-	84.774	-	611.757	1.127	300.843	(2.580)	11.015	189.092	-	-	-	2.096.028
II. Changes In Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Increase/Decrease Related to Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Hedging Funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	(3.190)	-	-	-	-	(3.190)
4.1 Cash-Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedge Of Net Investment in Foreign Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes Related to the Disposal Of Assets	-	-	-	-	-	-	-	218	-	-	-	-	-	-	-	218
X. Changes Related to the Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The Effect of Change in Associate's Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Issue Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation Adjustment to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	(2.872)	-	(3.450)	-	-	2.699	-	(7.530)	-	-	-	-
XVII. Period Net Income/(Loss)	-	-	-	-	-	-	240.210	2.323	178.898	(5.630)	-	-	-	-	-	(8.780)
XVIII. Profit Distribution	-	-	-	-	15.863	-	-	-	(300.843)	(50.400)	-	-	-	-	-	178.898
18.1 Dividends Distributed	-	-	-	-	-	-	-	-	-	(50.400)	-	-	-	-	-	(50.400)
18.2 Transfers To Reserves	-	-	-	-	15.863	-	240.210	-	(300.843)	(256.073)	-	-	-	-	-	(50.400)
18.3 Other	-	-	-	-	-	-	-	-	-	300.843	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)	900.000	-	-	-	97.815	-	848.517	3.668	178.898	(5.511)	7.825	181.562	-	-	-	2.212.774

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF CASH FLOWS	Notes (Section Five-VI)	Reviewed	Reviewed
		CURRENT PERIOD January 1- September 30, 2016	PRIOR PERIOD January 1- September 30, 2015
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes In Operating Assets And Liabilities		817.371	933.205
1.1.1 Profit Share Income Received		1.426.709	1.217.165
1.1.2 Profit Share Expense Paid		(788.124)	(705.715)
1.1.3 Dividend Received		-	10
1.1.4 Fees and Commissions Received		150.630	130.490
1.1.5 Other Income		42.057	87.440
1.1.6 Collections from Previously Written Off Loans		120.147	50.486
1.1.7 Payments to Personnel and Service Suppliers		(309.440)	(263.586)
1.1.8 Taxes Paid		(73.942)	(100.440)
1.1.9 Others		249.334	517.355
1.2 Changes In Operating Assets And Liabilities		(1.227.655)	(283.237)
1.2.1 Net (Increase) Decrease in Available For Sale Financial Assets		15.207	(15.490)
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		(91.015)	(675.861)
1.2.4 Net (Increase) Decrease in Loans		(1.091.347)	(2.658.670)
1.2.5 Net (Increase) Decrease in Other Assets		87.333	(262.600)
1.2.6 Net Increase (Decrease) in Funds Collected From Banks		1.251.231	397.310
1.2.7 Net Increase (Decrease) in Other Funds Collected		(1.754.999)	2.312.916
1.2.8 Net Increase (Decrease) in Funds Borrowed		(10.034)	111.778
1.2.9 Net Increase (Decrease) in Payables		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities		365.969	507.380
I. Net Cash Flow From Banking Operations		(410.284)	649.968
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Flow From Investing Activities		18.547	(260.580)
2.1 Cash Paid for Acquisition of Jointly Controlled Operations, Associates and Subsidiaries		(4.500)	(5.000)
2.2 Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.3 Fixed Assets Purchases		(21.738)	(46.242)
2.4 Fixed Assets Sales		51.410	6.741
2.5 Cash Paid for Purchase of Financial Assets Available for Sale		(680.696)	(452.177)
2.6 Cash Obtained from Sale of Financial Assets Available for Sale		439.586	151.081
2.7 Cash Paid for Purchase of Investment Securities		(184.555)	(391.427)
2.8 Cash Obtained from Sale of Investment Securities		419.040	476.444
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Flow From Financing Activities		(1.548.237)	1.002.209
3.1 Cash Obtained from Funds Borrowed and Securities Issued		1.088.647	5.402.275
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(2.586.484)	(4.365.866)
3.3 Issued Capital Instruments		-	-
3.4 Dividends Paid		(50.400)	(34.200)
3.5 Payments for Finance Leases		-	-
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		61.909	250.792
V. Net (Decrease) Increase in Cash and Cash Equivalents		(1.878.065)	1.642.389
VI. Cash and Cash Equivalents at the Beginning of the Period		3.808.054	2.383.932
VII. Cash and Cash Equivalents at the End of the Period		1.929.989	4.026.321

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

SECTION THREE

ACCOUNTING POLICIES

I. Explanations on basis of presentation:

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

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

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

- b) Accounting policies and valuation principles applied in the preparation of consolidated 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 for the year ended December 31, 2015. Consolidated financial statements as of September 30, 2016 have been prepared by accounting for Katılım Emeklilik ve Hayat A.Ş. using equity method and Bereket Varlık Kiralama A.Ş. and Albaraka Gayrimenkul Portföy Yönetimi A.Ş. using full consolidation method. The accounting policies and valuation principles used in the preparation of consolidated financial statements are explained between in Notes II and XXIII below.

TAS/TFRS changes which are effective from January 1, 2016 do not have a significant effect on the Group's accounting policies, financial position or performance. As of the date of financial statements, TAS/TFRS changes which are announced but not yet effective, except TFRS 9 financial instruments, do not have a significant effect on the Group's accounting policies, financial position or performance.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2016
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I. Explanations on basis of presentation (continued):

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

“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 April 7, 2015 numbered 29319, the effective date of the mentioned Communiqué has been changed as December 31, 2014 which is planned to be applied after December 31, 2017). “Financial Instruments” before January 1, 2018. Since the Parent 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 preparation of the consolidated financial statements according to BRSA Reporting and Accounting Legislation requires the Group’s management to make estimates and assumptions related to assets and liabilities in the balance sheet and contingent issues as of the balance sheet date. Such estimates and assumptions include the fair value calculations of the financial instruments, provisions for the lawsuits, deferred tax assets and liabilities, impairment of the financial assets and revaluation of immovables and reviewed periodically and when adjustments are considered necessary they are reflected in the financial statements. The assumptions and estimates used are explained in the related notes.

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

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

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.

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NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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II. Explanations on strategy of using financial instruments and foreign currency transactions (continued):

Since the Parent Bank provides full specific provision (except foreign branch) for the Parent 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 Group.

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

Precious metals (gold) 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 Parent Bank and resulting evaluation differences are reflected as foreign exchange gain or loss.

There are no foreign currency differences capitalized by the Group.

III. Information on consolidated associates:

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

a) Consolidation principles on joint ventures:

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

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

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

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2016
(Thousand of Turkish Lira (TL) unless otherwise stated)

III. Information on consolidated associates (continued):

b) Consolidation principles on subsidiaries:

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

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

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

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

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

Title	Operation Center (City/Country)	Main Activities	Effective Rates (%)	Direct and Indirect Rates (%)
Bereket Varlık Kiralama A.Ş.	Istanbul/Turkey	Sukuk Issue	100,00	100,00
Albaraka Gayrimenkul Portföy Yönetimi A.Ş.	Istanbul/Turkey	Real Estates Investment Fund Foundation and Management	100,00	100,00

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

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

When the cost of associates and subsidiaries is higher than the net realizable value, the carrying amount is reduced to the net realizable or fair value considering whether the value decrease is temporary or permanent and the ratio of the value decrease.

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

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

The Group's derivative transactions, even though they provide effective economic hedges under the Group'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.

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

VI. Explanations on fees, commission income and expenses:

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

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

VII. Explanations on financial assets:

The Group 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 Group is determined at the time of purchase by the Parent 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 Parent 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 September 30, 2016, the Parent Bank has not any financial assets classified as financial assets at fair value through profit or loss except for trading financial assets (December 31, 2015: None).

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.

VII. Explanations on financial assets (continued):

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.

VIII. Explanations on impairment of financial assets:

At each balance sheet date, the Group 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 Group 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.

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.

IX. Explanations on offsetting of financial instruments:

Financial instruments are offset when the Group has a legally enforceable right to net off the recognized amounts, and there is an intention to settle on net basis or realize the asset and settle the liability simultaneously. The sukuk investments issued by the Group which are repurchased have been offset in available for sale and subordinated loan accounts.

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

The Group has not any securities lending transactions.

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

Assets held for sale (or disposal group) are measured at the lower of the carrying amount of assets and fair value less any cost to be incurred for disposal. In order to classify an asset as held for sale, the possibility of sale should be highly probable and the asset (or disposal group) should be available for immediate sale in its present condition. Highly saleable condition requires a plan designed by an appropriate level of management regarding the sale of the asset to be disposed of together with an active program for the determination of buyers as well as for the completion of the plan. Also the asset shall be actively marketed in conformity with its fair value. In addition, the sale is expected to be recognized as a completed sale within one year after the classification date and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes in the plan or cancellation of the plan.

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

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

XII. Explanations on goodwill and other intangible assets:

Goodwill and other intangible assets are recorded at cost in accordance with TAS 38 "Intangible Assets". As of the balance sheet date, there is no goodwill in the financial statements of the Parent Bank. The Parent Bank's intangible assets consist of softwares and intangible rights. The Parent Bank has started to use the new core banking system on June 19, 2015 after waiving the prior core banking system and useful live of the new banking system has been determined as 3 years.

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

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

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XIII. Explanations on tangible assets:

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

As of March 31, 2009, the Parent Bank has made a change in accounting policy and adopted revaluation model for real estates in accordance (TAS 16) and reflected the results of appraisal reports prepared by an authorized real estate appraisal firm to the financial statements. As of December 31, 2015, the Parent 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 five years. After January 1, 2010 in cases where leasing period is more than five years, the useful life is determined as five years.

If there is an indication for impairment, the Group estimates the recoverable amount of the tangible asset in accordance with (TAS 36) "Turkish Accounting Standard for Impairment of Assets" and if the recoverable amount is less than its carrying value, provides for an impairment loss.

Fixed assets which are carried at fair value in the financial statements are revalued by independent 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.

XIV. 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.

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 Parent Bank, as a participation bank, acts as a lessor in finance leasing transactions. The Parent Bank presents finance leased assets as a receivable equal to the net investment in the lease. Financial income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

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

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

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

XVI. Explanations on liabilities regarding employee rights:

i) Defined benefit plans:

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

In accordance with the existing social legislation in Turkey, the Group is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the group over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Group.

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

The Group has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to TAS 19, The Group recognizes all actuarial gains and losses immediately through other comprehensive income.

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

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

As of September 30, 2016, actuarial loss amounts to TL 6.896 (December 31, 2015: TL 6.896 actuarial loss).

ii) Defined contribution plans:

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

iii) Short term benefits to employees:

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

XVII. Explanations on taxation:

Current tax:

The Group 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%.

Turkish tax Legislation does not enable parent company to file tax returns on the basis of consolidated financial statement including subsidiaries and associates. Therefore, tax provisions presented in the related financial statements are calculated separately for all companies subject to full consolidation.

Dividends paid to the resident institutions are not subject to withholding tax in Turkey. Withholding tax rate on the dividend payments other than these is 15%. Appropriation of the retained earnings to capital is not considered as profit distribution and accordingly is not subject to withholding tax.

The prepaid taxes are calculated based on quarterly profits of the Bank using 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.

XVII. Explanations on taxation (continued):

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

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

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

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

Deferred tax:

The Group calculates and accounts for deferred income taxes for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with ("TAS 12") "Turkish Accounting Standard for Income Taxes". Deferred tax asset is calculated on all temporary differences 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.

In accordance with TAS 12, deferred tax assets and liabilities arising from subsidiaries subject to consolidation are netted off in the subsidiaries' financial statements and presented in the assets and liabilities separately.

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

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

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XVIII. Additional explanations on borrowings:

The Group 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 Parent Bank. The Parent Bank has issued borrowings through its subsidiary Bereket Varlık Kiralama A.Ş. and its structured entities ABT Sukuk Limited and Albaraka Sukuk Limited.

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

XIX. Explanations on issued share certificates:

None.

XX. Explanations on acceptances and availed drafts:

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

XXI. Explanations on government grants:

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

XXII. Explanations on segment reporting:

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

Segment reporting is disclosed in Section Four, Note X.

XXIII. Explanations on other matters:

None.

XXIV. Additional paragraph for convenience translation:

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

SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations on consolidated capital adequacy standard ratio:

Total capital and Capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". As of September 30, 2016 the Group's total capital has been calculated as TL 2.900.230, capital adequacy standard ratio is 12,72%. As of December 31, 2015, the Group's total capital amounted to TL 3.149.413, capital adequacy ratio was 15,16% calculated as per former regulations. This ratio is above the minimum ratio required by the legislation.

BRSA has accepted the proposal of Participation Banks' Association of Turkey regarding reducing alfa ratio from 70% to 50% being calculated in credit risk for participation funds based loans. Related application will enter into force from October 1, 2016.

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

a) Information on Consolidated Capital:

	Current Period 30 September 2016	Amounts related to treatment before 1 January 2014 ⁽¹⁾
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	900.000	
Share issue premiums	-	
Reserves	946.332	
Gains recognized in equity as per TAS	202.522	
Profit	173.387	
Current Period Profit	178.898	
Prior Period Profit	(5.511)	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	
Minority Share	-	
Common Equity Tier 1 Capital Before Deductions	2.222.241	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1 st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	9.467	
Improvement costs for operating leasing	30.164	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	22.027	36.713
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4 th clause of the 56 th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	61.658	
Total Common Equity Tier 1 Capital	2.160.583	

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

ADDITIONAL TIER I CAPITAL	
Preferred Stock not Included in Common Equity and the Related Share Premiums	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-
Third parties' share in the Additional Tier I capital	-
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-
Additional Tier I Capital before Deductions	
Deductions from Additional Tier I Capital	
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
Transition from the Core Capital to Continue to deduce Components	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	14.686
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	2.145.897
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA	676.192
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Third parties' share in the Tier II Capital	-
Third parties' share in the Tier II Capital (Temporary Article 3)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	84.131
Tier II Capital Before Deductions	760.323
Deductions From Tier II Capital	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	760.323
Total Capital (The sum of Tier I Capital and Tier II Capital)	2.906.220
Deductions from Total Capital	
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	2.444
Other items to be defined by the BRSA	3.546

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

a) Information on Consolidated Capital (Continued):

In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-
TOTAL CAPITAL	
Total Capital (Total Core Capital and Supplementary Capital)	2.900.230
Total risk weighted amounts	22.802.234
Capital Adequacy Ratios (%)	
Consolidated Core Capital Adequacy Ratio (%)	9,48
Consolidated Tier 1 Capital Adequacy Ratio (%)	9,41
Consolidated Capital Adequacy Ratio (%)	12,72
BUFFERS	
Total buffer requirement (%)	0,63
Capital conservation buffer requirement (%)	0,63
Bank specific counter-cyclical buffer requirement (%)	0,00
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	4,98
Amounts below the Excess Limits as per the Deduction Principles	
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Amount arising from deferred tax assets based on temporary differences	-
Limits related to provisions considered in Tier II calculation	28.338
Limits related to provisions considered in Tier II calculation	
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	84.131
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Debt instruments subjected to Article 4	
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

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

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

a) Information on Consolidated Capital (Continued):

	December 31, 2015 ⁽¹⁾
Tier I capital	
Paid-in Capital to be Entitled for Compensation after All Creditors	900.000
Share Premium	-
Share Cancellation Profits	-
Reserves	696.531
Other Comprehensive Income according to TAS	206.751
Profit	298.263
Current Period Profit	300.843
Prior Period Profit	(2.580)
General Reserves for Possible Losses	88
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-
Minority Interest	-
Tier I capital before deductions	2.101.633
Deductions from tier I capital	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	5.517
Leasehold Improvements on Operational Leases (-)	36.383
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	16.747
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 (-)	-
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 (-)	-
Total deductions from tier I capital	58.647
Total tier I capital	2.042.986
Additional core capital	
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)	-
Additional core capital before deductions	-
Deductions from additional core capital	-
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 (-)	-
Total deductions from additional core capital	-
Total additional core capital	-

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

a) Information on Consolidated Capital (Continued):

Deductions from core capital

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 (-)	25.119
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 (-)	-
Total core capital	2.017.867

Tier II capital

Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	642.166
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	420.300
Pledged Assets of the Shareholders to be used for the Bank's Capital Increases	-
General Provisions	74.819
Third parties' share in the Tier II Capital	-
Tier II capital before deductions	1.137.285

Deductions from tier ii capital

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 (-)	-
Total deductions from tier II capital	-

Total tier II capital

Capital	1.137.285
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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 (-)	2.459
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 (-)	3.280
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 (-)	-
Equity	3.149.413

Amounts lower than excesses as per deduction rules

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	18.922

(¹) Total capital has been calculated in accordance with the "Regulations regarding to changes on Regulation on Equity of Banks" effective from date March 31, 2016, the information given in the prior period column has been calculated as per former regulation.

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

b) Information on reconciliation of consolidated total capital and consolidated equity

The difference between Total Capital and Equity in the consolidated balance sheet mainly arises from the general provisions and debt instruments and share issue premiums deemed suitable by the BRSA. In the calculation of Total Capital, general provision up to 1,25% of the credit risk is taken into consideration as Tier II Capital. On the other hand, in the calculation of the Total Capital, improvement costs for operating leases followed under tangible assets in the balance sheet, intangible assets and related deferred tax liabilities, net book value of immovables that are acquired against overdue receivables and retained more than five years, other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

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

c) Details on Subordinated Liabilities:

Issuer	Albaraka Sukuk Ltd.
Unique Identifier	XS1301525207
Governing Law(s) of the Instrument	English Law
Special Consideration in the Calculation of Equity	
As of January 1, 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Sukuk Wakala
Amount recognized in regulatory capital (as of most recent reporting date)	TL 676.192
Par Value of Instrument	TL 676.192
Accounting Classification	Subordinated Loan
Original date of Issuance	November 30, 2015
Perpetual or dated	Dated
Maturity date	November 30, 2025
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date : 30.11.2020 Total Repayment Amount of Profit Share : USD 131.250.000, Repayment Period: 6 months Principal Payment: USD 250.000.000
Subsequent call dates	-
Profit Share/Dividends	
Fixed or floating profit share/dividend	Fixed
Profit share rate and any related index	10,50%
Existence of a dividend stopper	As per BRSA regulations and Communiqués it is payable
Fully discretionary, partially discretionary or mandatory	Mandatory
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or Non-convertible	
If convertible, conversion trigger	As per BRSA regulations and Communiqués it is convertible
If convertible, fully or partially	As per BRSA approval it is convertible fully or partially
If convertible, conversion rate	As per BRSA approval it is convertible and the rate may be determined.
If convertible, mandatory or optional conversion	Subject to BRSA's approval.
If convertible, specify instrument type convertible into	Share certificate
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
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 incompliance with article number 7 and 8 of "Own fund regulation"	No

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II. Explanations on consolidated credit risk:

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

III. Explanations on consolidated currency risk:

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

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

	USD	EUR
As of September 30, 2016 - Balance sheet evaluation rate	2,992	3,359
As of September 29, 2016	2,990	3,359
As of September 28, 2016	2,978	3,334
As of September 27, 2016	2,977	3,332
As of September 26, 2016	2,975	3,348
As of September 23, 2016	2,949	3,304

- The simple arithmetical average of the major foreign exchange buying rates of the Parent Bank for the thirty days before the balance sheet date is TL 2,960 for 1 USD (December 2015: TL 2,883), TL 3,317 for 1 EUR (December 2015: TL 3,145).

Foreign currency sensitivity:

The Group is mainly exposed to EUR and USD currency risks.

The following table details the Group's sensitivity to a 10% change in the USD and EUR rates. A negative amount indicates a decrease effect in profit/loss or equity of the 10% value change of USD and EUR against TL.

% Change in foreign currency rate		Effect on profit/loss		Effect on equity	
		Current Period	Prior Period	Current Period	Prior Period
USD	10% increase	(5.036)	1.587	(166)	(177)
USD	10% decrease	5.036	(1.587)	166	177
EUR	10% increase	2.715	4.264	-	859
EUR	10% decrease	(2.715)	(4.264)	-	(859)

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III. Explanations on consolidated currency risk (continued):

Information on currency risk of the Group:

Current Period	EUR	USD	Other FC ⁽¹⁾	Total
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	703.051	2.468.890	745.502	3.917.443
Banks	277.452	244.077	79.959	601.488
Financial assets at fair value through profit and loss	-	5.553	-	5.553
Money market placements	-	-	-	-
Available-for-sale financial assets	139	266.989	-	267.128
Loans and financial lease receivables ⁽²⁾	3.016.530	6.032.988	1.994	9.051.512
Subsidiaries, associates and joint ventures	-	-	-	-
Held-to-maturity investments	-	-	-	-
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	809	809
Intangible assets	-	-	313	313
Other assets ⁽³⁾	1.433	8.009	1.471	10.913
Total assets	3.998.605	9.026.506	830.048	13.855.159
Liabilities				
Current account and funds collected from banks via participation accounts	876.543	242.845	3.874	1.123.262
Other current and profit sharing accounts	2.060.269	5.029.816	354.103	7.444.188
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	997.320	3.041.604	-	4.038.924
Marketable securities issued	-	1.030.960	-	1.030.960
Miscellaneous payables	8.612	40.061	254	48.927
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	1.711	13.194	63	14.968
Total liabilities	3.944.455	9.398.480	358.294	13.701.229
Net balance sheet position	54.150	(371.974)	471.754	153.930
Net off balance sheet position	(26.998)	321.616	(461.219)	(166.601)
Derivative financial instruments assets ⁽⁴⁾	3.863	468.599	5.690	478.152
Derivative financial instruments liabilities ⁽⁵⁾	30.861	146.983	466.909	644.753
Non-cash loans ⁽⁶⁾	1.448.596	2.826.773	32.149	4.307.518
Prior Period				
Total assets	3.432.222	10.395.889	630.020	14.458.131
Total liabilities	3.372.658	10.590.896	420.127	14.383.681
Net balance sheet position	59.564	(195.007)	209.893	74.450
Net off balance sheet position	(16.929)	210.880	(191.644)	2.307
Derivative financial instruments assets	8.320	249.140	7.599	265.059
Derivative financial instruments liabilities	25.249	38.260	199.243	262.752
Non-cash loans ⁽⁷⁾	1.298.973	3.054.388	35.294	4.388.655

⁽¹⁾ TL 733.569 (December 31, 2015: TL 446.121) 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 7.939 (December 31, 2015: TL 39.682) of the balance in Banks in other FC column represent precious metals accounts with banks, TL 285.425 (December 31, 2015: TL 294.008) of the balance in Other current and profit sharing accounts in other FC column represent precious metals deposits accounts.

⁽²⁾ The balance includes foreign currency indexed loans and financial lease receivables of TL 5.428.483 (December 31, 2015: TL 5.068.133).

⁽³⁾ Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 589 (December 31, 2015: TL 431) is included in other assets.

⁽⁴⁾ In the current period, derivative financial instruments assets include foreign currency purchase commitment in the amount of TL 20.764 (December 31, 2015: TL 45.969) and derivative financial instruments liabilities include foreign currency sale commitment in the amount of TL 93.785 (December 31, 2015: TL 64.837).

⁽⁵⁾ Does not have any effect on the net off-balance sheet position.

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

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

V. Explanations on consolidated liquidity risk:

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

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

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

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

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

The Parent Bank's funding management is carried out in compliance with the ALCO decisions. Funding and placement strategies are developed by assessing liquidity of the Parent Bank.

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

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

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

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

The results of liquidity risk stress testing are taken into consideration in the assessment of liquidity adequacy and identification of strategy, policy and procedures regarding liquidity risk and contingency funding plan is prepared within this framework.

There exists "Liquidity Risk Management Contingency Funding Plan" in the Parent Bank including mechanisms to prevent increase in liquidity risk during normal and liquidity crisis scenarios for different conditions and levels. Available liquidity sources are determined by considering the liquidity squeezes. Within the framework of this plan, the Parent Bank monitors liquidity risk in terms of early warning indicators in each stress.

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V. Explanations on consolidated liquidity risk (continued):

Consolidated Liquidity Coverage Ratio:

		Rate of "Percentage to be taken into account" not Implemented Total value ⁽¹⁾		Rate of "Percentage to be taken into account" Implemented Total value ⁽¹⁾	
	Current Period	TL+FC	FC	TL+FC	FC
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1	High quality liquid assets			4.791.124	3.230.643
	CASH OUTFLOWS				
2	Retail and Small Business Funds Collected	11.568.070	4.277.710	1.008.013	427.771
3	Stable Funds Collected	2.975.880	-	148.794	-
4	Less stable Funds Collected	8.592.190	4.277.710	859.219	427.771
5	Unsecured Funding other than Retail and Small Business Customers Deposits	5.264.676	2.932.359	3.458.445	1.815.877
6	Operational Funds Collected	287.840	286.736	71.960	71.684
7	Non-Operational Funds Collected	2.613.465	1.053.236	1.207.380	481.467
8	Other Unsecured Funding	2.363.371	1.592.387	2.179.105	1.262.726
9	Secured funding			-	-
10	Other Cash Outflows	261.438	258.373	261.438	258.373
	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	261.438	258.373	261.438	258.373
11	Debts related to the structured financial products	-	-	-	-
12	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
13	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
14	Other irrevocable or conditionally revocable commitments	9.356.910	4.212.780	730.783	350.490
15	TOTAL CASH OUTFLOWS			5.458.679	2.852.511
	CASH INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	2.693.810	1.196.979	2.174.114	1.146.815
19	Other contractual cash inflows	261.960	6.669	261.960	6.669
20	TOTAL CASH INFLOWS	2.955.770	1.203.648	2.436.074	1.153.484
				Upper limit applied amounts	
21	TOTAL HQLA			4.791.124	3.230.643
22	TOTAL NET CASH OUTFLOWS			3.022.605	1.699.027
23	Liquidity Coverage Ratio (%)			158,51	190,15

⁽¹⁾ Average of the last three months of liquidity coverage ratios calculated considering weekly simple arithmetic averages

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

Liquidity Coverage Ratio (%)	Current Period	
	TL+FC	FC
Lowest	158,51	165,39
Date	September 30, 2016	July 31, 2016
Highest	173,50	190,15
Date	July 31, 2016	August 31, 2016
Average	163,51	181,90

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V. Explanations on consolidated liquidity risk (continued):

Consolidated Liquidity Coverage Ratio (continued):

		Rate of "Percentage to be taken into account" not Implemented Total value ⁽¹⁾		Rate of "Percentage to be taken into account" Implemented Total value ⁽¹⁾	
		TL+FC	FC	TL+FC	FC
	Prior Period				
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1	High quality liquid assets			4.646.672	3.219.811
	CASH OUTFLOWS				
2	Retail and Small Business Funds Collected	11.185.760	4.553.060	1.118.576	455.306
3	Stable Funds Collected	-	-	-	-
4	Less stable Funds Collected	11.185.760	4.553.060	1.118.576	455.306
	Unsecured Funding other than Retail and Small Business				
5	Customers Deposits	5.457.231	2.634.109	2.807.463	1.411.013
6	Operational Funds Collected	138.796	137.828	34.699	34.457
7	Non-Operational Funds Collected	2.740.796	1.270.374	1.467.273	782.629
8	Other Unsecured Funding	2.577.639	1.225.907	1.305.491	593.927
9	Secured funding			-	-
10	Other Cash Outflows	93.544	64.836	93.544	64.836
	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	93.544	64.836	93.544	64.836
11	Debts related to the structured financial products	-	-	-	-
12	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
13	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
14	Other irrevocable or conditionally revocable commitments	8.582.626	3.943.011	753.816	370.595
15	Other irrevocable or conditionally revocable commitments	8.582.626	3.943.011	753.816	370.595
16	TOTAL CASH OUTFLOWS			4.773.399	2.301.750
	CASH INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	3.881.434	2.240.888	2.982.449	1.874.782
19	Other contractual cash inflows	155.463	102.406	155.463	102.406
20	TOTAL CASH INFLOWS	4.036.897	2.343.294	3.137.912	1.977.188
				Upper limit applied amounts	
21	TOTAL HQLA			4.646.672	3.219.811
22	TOTAL NET CASH OUTFLOWS			1.635.487	575.438
23	Liquidity Coverage Ratio (%)			284,12	559,54

⁽¹⁾ Average of the last three months of liquidity coverage ratios calculated considering weekly simple arithmetic averages.

As per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette numbered 28948, dated March 21, 2014, the weeks on which the minimum and maximum liquidity coverage ratios have been calculated for the last three months for 2015 are as follows:

Liquidity Coverage Ratio (%)	Prior Period	
	TL+FC	FC
Lowest	276,20	314,95
Date	November 11, 2015	October 06, 2015
Highest	387,85	570,73
Date	December 18, 2015	November 30, 2015
Average	327,59	460,32

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V. Explanations on consolidated liquidity risk (continued):

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated (**)(***)	Total
Current Period								
Assets								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	1.356.966	3.133.710	-	-	-	-	-	4.490.676
Banks	571.001	610.484	69.330	-	-	-	-	1.250.815
Financial Assets at Fair Value Through Profit and Loss	837	713	-	5.526	-	-	-	7.076
Money Market Placements	-	-	-	-	-	-	-	-
Available For Sale Financial Assets	5.395	-	13.252	341.092	790.657	32.688	-	1.183.084
Loans ^(*)	-	1.873.615	2.609.686	5.982.731	8.012.396	1.211.846	640.981	20.331.255
Held To Maturity	-	-	-	395.840	184.396	-	-	580.236
Investments	-	-	9	2.328	2.663	-	738.662	743.662
Other Assets	-	-	-	-	-	-	-	-
Total Assets	1.934.199	5.618.522	2.692.277	6.727.517	8.990.112	1.244.534	1.379.643	28.586.804
Liabilities								
Current account and funds collected from banks via participation accounts	342.534	445.723	316.416	20.168	-	-	-	1.124.841
Other current and profit sharing accounts	3.662.307	11.325.301	2.800.595	1.185.162	5.955	-	-	18.979.320
Funds provided from other financial institutions and subordinated loans	-	534.398	302.769	1.758.430	168.735	1.274.592	-	4.038.924
Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	105.204	76.934	-	1.030.960	-	-	1.213.098
Miscellaneous payables	-	174.315	45.116	13.064	-	-	474.745	707.240
Other liabilities	-	32.408	11.075	-	-	-	2.479.898	2.523.381
Total Liabilities	4.004.841	12.617.349	3.552.905	2.976.824	1.205.650	1.274.592	2.954.643	28.586.804
Net Liquidity Gap	(2.070.642)	(6.998.827)	(860.628)	3.750.693	7.784.462	(30.058)	(1.575.000)	-
Net Off-balance sheet								
Position	-	(93.519)	(5.476)	5.416	-	-	-	(93.579)
Financial Derivative Assets	-	72.433	126.488	259.390	-	-	-	458.311
Financial Derivative Liabilities	-	165.952	131.964	253.974	-	-	-	551.890
Non-cash Loans	7.880.609	17.024	117.888	267.377	261.556	16.467	-	8.560.921
Prior period								
Total Assets	3.834.227	5.332.964	2.533.007	6.987.596	8.489.952	1.177.188	1.162.513	29.517.447
Total Liabilities	4.261.040	12.761.275	3.781.129	2.085.824	2.540.918	1.226.880	2.860.381	29.517.447
Net Liquidity Gap	(426.813)	(7.428.311)	(1.248.122)	4.901.772	5.949.034	(49.692)	(1.697.868)	-
Net Off-balance sheet								
Position	-	-	-	21.173	-	-	-	21.173
Financial Derivative Assets	-	-	-	219.089	-	-	-	219.089
Financial Derivative Liabilities	-	-	-	197.916	-	-	-	197.916
Non-cash Loans	4.533.680	596.383	935.430	1.471.883	1.086.885	39.796	-	8.664.057

(*) Leasing receivables are included under loans. Unallocated amount represents the amount arising from advances granted for uninvoiced leasing receivables and net non-performing loans transactions.

(**) 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 column consists of equity, provisions and deferred tax liabilities.

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VI. Explanations on consolidated leverage ratio:

As of September 30, 2016, consolidated leverage ratio of the Group calculated from the arithmetic average of the last three months is 5,44% (December 31, 2015: 5,01%). Leverage ratio is required to remain minimum 3% as per Communiqué on Measurement and Evaluation for Leverage Ratios of Banks. The reason for the difference in leverage ratio between current and previous period is the average increase ratio of core capital is more than the average increase ratio of total risk amount.

Disclosure of consolidated leverage ratio:

	Current Period September 30, 2016 ^(*)	Prior Period December 31, 2015 ^(*)
Balance sheet assets		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	28.999.747	28.891.918
2 (Assets deducted from Core capital)	(68.905)	(79.064)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	28.930.842	28.812.854
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	1.990	20.043
5 Potential credit risk amount of derivative financial assets and credit derivatives	1.635	4.913
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	3.625	24.956
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	161.417	139.204
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	161.417	139.204
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	9.995.385	9.880.604
11 (Correction amount due to multiplication with credit conversion rates)	-	-
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	9.995.385	9.880.604
Capital and total risk		
13 Core Capital	2.126.707	1.947.891
14 Total risk amount (sum of lines 3, 6, 9 and 12)	39.091.269	38.857.618
Leverage ratio		
15 Leverage ratio (%)	5,44	5,01

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

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

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

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

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

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IX. Consolidated explanations On Risk Management:

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

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

Overview of Risk Weight Amount (RWA):

		Risk Weighted Amount		Minimum capital requirement
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	21.035.595	19.109.075	1.682.848
2	Standardised approach (SA)	21.035.595	19.109.075	1.682.848
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	6.541	11.507	523
5	Standardised approach for counterparty credit risk (SA-CCR)	6.541	11.507	523
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies - look-through approach	-	-	-
9	Investments made in collective investment companies - mandate-based approach	-	-	-
10	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	39.477	91.343	3.158
17	Standardised approach (SA)	39.477	91.343	3.158
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	1.720.621	1.566.122	137.650
20	Basic Indicator Approach	1.720.621	1.566.122	137.650
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	22.802.234	20.778.047	1.824.179

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X. Explanations on consolidated business segments:

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

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	2.952.059	18.557.058	2.214.811	4.862.876	28.586.804
Total Liabilities	13.097.918	7.740.905	5.186.235	348.972	26.374.030
Total Equity	-	-	-	2.212.774	2.212.774
Net profit share income/(expense) ^{(1)(*)}	(232.651)	1.086.117	(96.416)	326	757.376
Net fees and commissions income/(expense)	13.502	114.418	(20.815)	(1.914)	105.191
Other operating income/(expense)	(82)	(144.995)	(65.444)	(203.240)	(413.761)
Provision for loan losses and other receivables	(23.416)	(147.202)	-	(56.506)	(227.124)
Profit/(loss) before tax	(242.647)	908.338	(182.675)	(261.334)	221.682
Provision for tax	-	-	-	(42.784)	(42.784)
Net profit/(loss) for the period	(242.647)	908.338	(182.675)	(304.118)	178.898
Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	2.772.567	17.672.285	2.232.251	6.840.344	29.517.447
Total Liabilities	13.119.733	8.362.364	5.539.490	399.832	27.421.419
Total Equity	-	-	-	2.096.028	2.096.028
Net profit share income/(expense) ^{(1)(*)}	(250.096)	791.228	101.494	138	642.764
Net fees and commissions income/(expense)	10.536	99.784	(10.647)	(5.475)	94.198
Other operating income/(expense)	2.533	16.972	12.989	(383.462)	(350.968)
Provision for loan losses and other receivables	(2.697)	(55.495)	-	(64.910)	(123.102)
Profit/(loss) before tax	(239.724)	852.489	103.836	(453.709)	262.892
Provision for tax	-	-	-	(52.859)	(52.859)
Net profit/(loss) for the period	(239.724)	852.489	103.836	(506.568)	210.033

⁽¹⁾ The distribution difference in the retail, commercial and corporate segments stems from fund allocation and fund collection methods of the Parent Bank.

^(*) Since the Parent Bank 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

CONSOLIDATED EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

I. Consolidated 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	115.218	129.133	124.648	283.565
CBRT	406.215	3.503.092	698.140	3.371.781
Other ⁽¹⁾	51.800	285.218	71.416	355.248
Total	573.233	3.917.443	894.204	4.010.594

⁽¹⁾ As of September 30, 2016, includes precious metals amounting to TL 58.145 (December 31, 2015: TL 12.370) and cash in transit amounting to TL 278.873 (December 31, 2015: TL 414.294).

b) Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	405.097	370.500	695.445	377.110
Unrestricted time deposit	-	-	-	-
Restricted time deposit ⁽¹⁾	1.118	3.132.592	2.695	2.994.671
Total	406.215	3.503.092	698.140	3.371.781

⁽¹⁾ As of September 30, 2016, the reserve requirement held in standard gold is TL 675.424 (December 31, 2015: TL 433.751).

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 EUR and standard gold.

As of September 30, 2016, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 4% to 10,5% depending on maturity of deposits and the compulsory rates for the foreign currency liabilities are within an interval from 5% to 25% depending on maturity of deposits.

The Central Bank of Republic of Turkey has launched to pay income on TL reserves since November 2014 and on USD reserves, reserve options and unrestricted deposits since May 2015.

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1. Consolidated explanations and notes related to assets (continued):

2. a) Information on financial assets at fair value through profit/loss subject to repurchase agreements and given as collateral/blocked:

None (December 31, 2015: None).

b) Table of positive differences related to derivative financial assets held for trading:

As of September 30, 2016 positive differences related to derivative financial assets held for trading amount to TL 5.932 (December 31, 2015: TL 20.822).

3. a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic ^(*)	649.327	355.884	599.970	1.456.406
Abroad	-	245.604	-	426.238
Foreign head offices and branches	-	-	-	-
Total	649.327	601.488	599.970	1.882.644

^(*) Includes blockaged amount TL 619.647 (December 31, 2015: TL 569.474) booked under TL accounts arising from POS transactions.

b) Information on foreign bank accounts:

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

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:

The Parent Bank does not have any financial assets available for sale subject to repurchase transactions (December 31, 2015: TL 226.102).

As of September 30, 2016, available for sale investments given as a guarantee or blocked amount to TL 222.488 (December 31, 2015: TL 34.132).

b) Information on financial assets available-for-sale:

	Current Period	Prior Period
Debt securities	1.178.124	1.009.985
Quoted on a stock exchange ^(*)	1.178.124	1.009.985
Unquoted	-	-
Share certificates	5.395	12.865
Quoted on a stock exchange	-	-
Unquoted	5.395	12.865
Impairment provision (-)	435	2.223
Total	1.183.084	1.020.627

^(*) Includes debt securities quoted on a stock exchange which are not traded at the related period ends.

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I. Consolidated explanations and notes related to assets (continued):

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	283	75.275	80.048	62.209
Corporate shareholders	-	74.925	79.771	61.859
Real person shareholders	283	350	277	350
Indirect loans granted to shareholders	35.157	21.668	47.906	65.512
Loans granted to employees	10.071	28	8.985	28
Total	45.511	96.971	136.939	127.749

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
Loans	17.544.779	297.621	16.259	1.414.284	84.629	3.046
Export loans	464.275	16.076	-	25.681	-	-
Import loans	1.348.840	13.626	938	27.192	1.956	-
Business loans	9.276.460	222.499	11.601	1.029.225	67.539	789
Consumer loans	2.848.097	6.785	3.616	50.997	4.908	271
Credit cards	194.577	-	-	8.502	-	-
Loans given to financial sector	16.021	-	-	-	-	-
Other ^(*)	3.396.509	38.635	104	272.687	10.226	1.986
Other receivables	-	-	-	-	-	-
Total	17.544.779	297.621	16.259	1.414.284	84.629	3.046

(*) Details of other loans are provided below:

Commercial loans with installments	1.835.289
Other investment credits	723.359
Loans given to abroad	483.483
Profit and loss sharing investments ^(**)	404.004
Loans for purchase of marketable securities for customer	197.426
Other	25.635
Total	3.669.196

(**) As of September 30, 2016, 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 Parent 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 Parent Bank's share of loss is limited with the funds invested in the project by the Parent Bank. In the current period the Parent Bank recognized TL 62.108 (September 30, 2015: TL 31.335) income in the accompanying financial statements in relation to such loans and presented in the profit share on loans in the income statement.

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I. Consolidated explanations and notes related to assets (continued):

	Extension of Repayment Plan	
	Standard loans and other receivables	Loans and other receivables under close monitoring
1 or 2 times	296.639	84.629
3, 4 or 5 times	982	-
Over 5 times	-	-

Extension Periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 months	40.362	20.115
6 - 12 months	54.790	29.647
1 - 2 years	74.624	22.191
2 - 5 years	77.021	12.676
5 years and over	50.824	-

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, tourism and energy sector :

As of September 30, 2016, the Parent Bank has loan receivables amounting to TL 9.983 arising from rescheduled loans from maritime sector within the scope of related Communiqué.

As of September 30, 2016, the Parent Bank does not have any loan receivables from tourism sector within the scope of related Communiqué.

As of September 30, 2016, the Bank has loan receivables amounting to TL 1.132 arising from rescheduled loans from energy sector within the scope of related Communiqué.

c) Maturity analysis of cash loans:

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

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I. Consolidated explanations and notes related to assets (continued):

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

	Short-term	Medium and long-term	Total
Consumer loans-TL	29.360	2.863.970	2.893.330
Housing loans	4.428	2.610.121	2.614.549
Vehicle loans	3.626	106.146	109.772
Consumer loans	21.306	147.703	169.009
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	63.575	-	63.575
With installment	24.056	-	24.056
Without installment	39.519	-	39.519
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	3.867	1.897	5.764
Housing loans	35	176	211
Vehicle loans	170	1.241	1.411
Consumer loans	3.662	480	4.142
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	4.307	-	4.307
With installment	2.055	-	2.055
Without installment	2.252	-	2.252
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL(real person)	-	-	-
Overdraft account-FC(real person)	-	-	-
Total	101.109	2.865.867	2.966.976

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I. Consolidated explanations and notes related to assets (continued):

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

	Short-term	Medium and long-term	Total
Commercial installment loans-TL	115.574	1.128.145	1.243.719
Business loans	1.645	315.469	317.114
Vehicle loans	12.995	258.463	271.458
Consumer loans	100.934	554.213	655.147
Other	-	-	-
Commercial installment loans-FC indexed	2.464	537.028	539.492
Business loans	128	234.809	234.937
Vehicle loans	2.336	79.368	81.704
Consumer loans	-	222.851	222.851
Other	-	-	-
Commercial installment Loans-FC	-	52.078	52.078
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	52.078	52.078
Other	-	-	-
Corporate credit cards-TL	135.197	-	135.197
With installment	33.750	-	33.750
Without installment	101.447	-	101.447
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (legal entity)	-	-	-
Overdraft account-FC (legal entity)	-	-	-
Total	253.235	1.717.251	1.970.486

e) Allocation of loans by customers:

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

f) Breakdown of domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	18.475.580	17.879.660
Foreign loans	483.483	490.739
Total	18.959.063	18.370.399

g) Loans granted to subsidiaries and associates:

As of the balance sheet date, there are no cash loans granted to subsidiaries and associates.

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I. Consolidated explanations and notes related to assets (continued):

ğ) Specific provisions for loans:

	Current Period	Prior Period
Loans and receivables with limited collectability	47.811	20.420
Loans and receivables with doubtful collectability	99.176	56.714
Uncollectible loans and receivables	302.371	192.801
Total	449.358	269.935

In addition to specific provision for loans amounting TL 449.358 (December 31, 2015: TL 269.935), provision amounting to TL 15.531 (December 31, 2015: TL 10.912) have been provided for fees and commissions and other receivables with doubtful collectability which sums up to total TL 464.889 (December 31, 2015: TL 280.847). Specific provision for loans amounting to TL 255.708 (December 31, 2015: TL 179.220) 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
Current period			
(Gross amount before specific provisions)	-	2.441	15.018
Restructured loans and other receivables	-	2.441	15.018
Rescheduled loans and other receivables	-	-	-
Prior period			
(Gross amounts before specific provisions)	155	633	14.712
Restructured loans and other receivables	155	633	14.712
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	123.599	112.602	221.300
Additions in the current period (+)	546.275	10.309	29.104
Transfers from other categories of non-performing loans (+)	-	346.167	161.829
Transfers to other categories of non-performing loans (-)	346.167	161.829	-
Transfers to standard loans (-)	-	-	-
Collections in the current period (-)	41.914	27.758	47.635
Write offs (-)	37	1	8
Corporate and commercial loans	34	-	8
Retail loans	3	1	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	281.756	279.490	364.590
Specific provisions (-)	47.811	99.176	302.371
Net balance at the balance sheet	233.945	180.314	62.219

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I. Consolidated explanations and notes related to assets (continued):

Non-performing loans and receivables in the amount of TL 925.836 (December 31, 2015: TL 457.501) comprise TL 497.957 (December 31, 2015: TL 281.719) 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 15.531 (December 31, 2015: TL 10.912). In the current period, collections from fees, commissions and other receivables with doubtful collectability amounted to TL 2.840.

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
Current period:			
Period end balance	41.075	2.016	25.408
Specific provision (-)	4.383	729	18.644
Net balance on balance sheet	36.692	1.287	6.764
Prior period:			
Period end balance	1.219	17.175	8.872
Specific provision (-)	337	7.525	8.378
Net balance on balance sheet	882	9.650	494

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
Current period (net)	233.945	180.314	62.219
Loans to individuals and corporates (gross)	281.756	279.490	364.485
Specific provision (-)	47.811	99.176	302.266
Loans to individuals and corporates (net)	233.945	180.314	62.219
Banks (gross)	-	-	105
Specific provision (-)	-	-	105
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-
Prior period (net)	103.179	55.888	28.499
Loans to individuals and corporates (gross)	123.494	112.602	221.300
Specific provision (-)	20.399	56.714	192.801
Loans to individuals and corporates (net)	103.095	55.888	28.499
Banks (gross)	105	-	-
Specific provision (-)	21	-	-
Banks (net)	84	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-

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I. Consolidated explanations and notes related to assets (continued):

1) 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:

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

6. Information on held-to-maturity investments:

a) Information on held-to-maturity investments subject to repurchase transactions, given as a guarantee or blocked:

As of September 30, 2016, The Bank does not have any held to maturity investments given as a guarantee/blocked/subject to repurchase transactions (December 31, 2015: Held to maturity investments given as a guarantee or blocked amount to TL 80.576, held to maturity investments subject to repurchase agreements amount to TL 553.490).

b) Information related to government securities held to maturity:

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities ^(*)	580.236	762.890
Total	580.236	762.890

^(*) Consists of Sukuk certificates issued by Under Secretariat of Treasury of Turkey.

c) Information on held-to-maturity investments:

	Current Period	Prior Period
Debt Securities	580.236	762.890
Quoted on a stock exchange ^(*)	580.236	762.890
Unquoted	-	-
Impairment provision (-)	-	-
Total	580.236	762.890

^(*) Includes debt securities quoted on a stock exchange which are not traded at the related period ends.

d) Movement of held-to-maturity investments:

	Current Period	Prior Period
Balance at beginning of period	762.890	783.309
Foreign currency differences on monetary assets	-	-
Purchases during period	184.555	391.427
Disposals through sales and redemptions	(419.040)	(476.442)
Impairment provision (-)	-	-
Income accruals	51.831	64.596
Closing balance	580.236	762.890

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I. Consolidated explanations and notes related to assets (continued):

7. Associates (net):

a) Information on unconsolidated associates:

Kredi Garanti Fonu A.Ş. in the accompanying financial tables, since the Parent Bank does not have the necessary shareholding percentage to become a qualified shareholder and have significant influence over this associate, has not been consolidated.

Name	Address (City/ Country)	Parent Bank's share percentage-If different voting percentage (%)	Parent Bank's risk group share percentage (%)
Kredi Garanti Fonu A.Ş.	Ankara/Turkey	1,69	-

The balances of Kredi Garanti Fonu A.Ş. presented in the table below have been obtained from the audited financial statements as of December 31, 2015.

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
303.701	299.527	5.692	-	-	5.483	-	-

b) Information on consolidated associates:

As of balance sheet date, the Group does not have any consolidated associates.

8. Information on subsidiaries (net):

a) Information on unconsolidated subsidiaries:

As of balance sheet date, the Group does not have any unconsolidated subsidiary.

b) Information on consolidated subsidiaries:

i) Bereket Varlık Kiralama A.Ş., subject to consolidation by the Parent Bank founded on October 14, 2011, the purpose of which is to obtain rental income by taking over the assets of the source institution and leasing them back to the source institution, issue rent certificates based on said rental income and pass on the related assets to source institution by the end of the rental period. Bereket Varlık Kiralama A.Ş. has been founded to operate according to rulings of Turkish Trade Law about foundations of incorporations and complying with Communiqué on "Principles Related to Rent Certificates and Asset Leasing Companies" dated April 1, 2010 and numbered 27539 serial: 3 no:43 published in Official Gazette by Capital Market Board of Turkey and other related regulations, upon BRSA's opinion dated September 22, 2011, numbered B.02,1.BDK.0.13.00.0-91.11-20564 and permission of Capital Markets Board of Turkey dated October 6, 2011 numbered 32/923. The founding capital of the Company is TL 50. As of September 30, 2016 the capital of the Company is TL 250. Bereket Varlık Kiralama A.Ş. is consolidated using full consolidation method as of September 30, 2016.

The balances of Bereket Varlık Kiralama A.Ş. presented in the table below have been obtained from the limited reviewed financial statements as of September 30, 2016.

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I. Consolidated explanations and notes related to assets (continued):

b) Information on consolidated subsidiaries (continued):

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

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income/loss	Prior period income/loss	Fair value
1.247.584	56	4	-	-	(50)	(144)	-

ii) In the Board of Directors meeting dated February 25, 2015, the Parent Bank has taken a resolution on establishment a real estate portfolio management company with the name of "Albaraka Gayrimenkul Portföy Yönetimi A.Ş. whose capital is TL 5.000. The company is registered on June 3, 2015 and the foundation of the company is published on Trade Registry Gazette dated June 9, 2015 numbered 8837. Albaraka Gayrimenkul Portföy Yönetimi A.Ş. is consolidated using full consolidation method as of September 30, 2016.

The balances of Albaraka Gayrimenkul Portföy Yönetimi A.Ş. presented in the table below have been obtained from the limited reviewed financial statements as of September 30, 2016.

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

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income/loss	Prior period income/loss	Fair value
4.449	4.381	8	-	-	(364)	(255)	-

9. Information on investments in joint- ventures:

a) Information on unconsolidated investments in joint-ventures:

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

b) Information on consolidated investments in joint- ventures:

The Parent 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. The Company is registered on December 17, 2013 and noticed in Trade registry gazette dated December 23, 2013 and numbered 8470. As of September 30, 2016, Katılım Emeklilik ve Hayat A.Ş. has been consolidated by the Parent Bank using equity method. The financials from limited reviewed financial statements as of September 30, 2016 are presented below.

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I. Consolidated explanations and notes related to assets (continued):

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	49.709	504.913	509.631	28.806	28.129

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	370.927	302.646	325.587	257.672
1 to 4 years	519.584	472.701	577.191	523.390
More than 4 years	124.981	120.367	187.285	166.365
Total	1.015.492	895.714	1.090.063	947.427

b) Information on net investments through finance lease:

	Current Period	Prior Period
Gross finance lease receivables	1.015.492	1.090.063
Unearned finance lease receivable (-)	119.778	142.636
Net receivable from finance leases	895.714	947.427

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)	770.698	32.572	9.888	125.016	69.546	-

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I. Consolidated explanations and notes related to assets (continued):

11. Information on derivative financial assets for hedging purposes:

None (December 31, 2015: None).

12. Information on tangible assets:

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

13. Information on intangible assets:

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

14. Information on investment property:

None (December 31, 2015: None).

15. Information related to deferred tax asset:

As of September 30, 2016, the Group calculated net deferred tax asset of TL 16.927 (December 31, 2015: TL 15.090) by netting off deferred tax asset of TL 45.015 (December 31, 2015: TL 44.887) and deferred tax liability of TL 28.088 (December 31, 2015: TL 29.797) on all tax deductible/ taxable temporary differences arising between the carrying amounts and the tax base of assets and liabilities in the financial statements that will be considered in the calculation of taxable earnings in the future periods.

	Current Period	Prior Period
Rediscount on profit share and prepaid fees and commission income and unearned revenues	33.591	33.064
Provisions for retirement and vacation pay liabilities	7.921	10.607
Difference between carrying value and tax base of tangible assets	2.670	736
Provision for impairment	772	414
Other	61	66
Deferred tax asset	45.015	44.887
Revaluation difference of property	17.320	18.130
Financial assets available for sale valuation difference	1.956	2.754
Trading securities valuation difference	-	-
Rediscount on profit share	4.881	1.404
Other	3.931	7.509
Deferred tax liability	28.088	29.797
Deferred tax asset (net)	16.927	15.090

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I. Consolidated explanations and notes related to assets (continued):

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 consolidated 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	22.819	27.678
Additions	114.434	37.242
Disposals	(25.889)	(18.246)
Transfers ⁽¹⁾	(8.094)	(23.549)
Impairment Provision(-)/Reversal of Impairment Provision	295	(306)
Net closing balance	103.565	22.819

⁽¹⁾ The balance has been transferred to assets to be disposed included in tangible assets.

As of September 30, 2016, TL 99.751 (December 31, 2015: TL 22.539) of the assets held for sale is comprised of real estates, TL 3.814 (December 31, 2015: TL 280) is comprised of other tangible assets.

The Group has not any discontinued operations and assets of discontinued operations (December 31, 2015: None).

17. Information on other assets:

As of the balance sheet date, the Group's other assets balance is TL 86.993 (December 31, 2015: TL 218.298) and does not exceed 10% of balance sheet total excluding off balance sheet commitments.

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II. Consolidated explanations and notes related to liabilities:

1. Information on funds collected:

a) Information on maturity structure of funds collected:

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	857.279	-	-	-	-	-	-	-	857.279
II. Real Persons Participation Accounts Non-Trade TL	-	1.422.137	5.004.830	81.435	-	88.680	546.859	920	7.144.861
III. Current Account other-TL	1.180.042	-	-	-	-	-	-	-	1.180.042
Public Sector	32.321	-	-	-	-	-	-	-	32.321
Commercial Institutions	1.080.669	-	-	-	-	-	-	-	1.080.669
Other Institutions	65.095	-	-	-	-	-	-	-	65.095
Commercial and Other Institutions	868	-	-	-	-	-	-	-	868
Banks and Participation Banks	1.089	-	-	-	-	-	-	-	1.089
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	13	-	-	-	-	-	-	-	13
Foreign Banks	1.046	-	-	-	-	-	-	-	1.046
Participation Banks	30	-	-	-	-	-	-	-	30
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	292.889	1.940.801	51.277	-	14.466	55.095	1	2.354.529
Public Sector	-	1	14	-	-	-	-	-	15
Commercial Institutions	-	273.949	1.743.280	39.456	-	12.849	53.654	1	2.123.189
Other Institutions	-	17.017	158.083	11.821	-	1.617	1.441	-	189.979
Commercial and Other Institutions	-	1.922	38.934	-	-	-	-	-	40.856
Banks and Participation Banks	-	-	490	-	-	-	-	-	490
V. Real Persons Current Accounts Non-Trade FC	793.773	-	-	-	-	-	-	-	793.773
VI. Real Persons Participation Accounts Non-Trade FC	-	799.521	2.463.403	86.224	-	152.806	568.878	-	4.070.832
VII. Other Current Accounts FC	1.069.289	-	-	-	-	-	-	-	1.069.289
Residents in Turkey-Corporate	630.582	-	-	-	-	-	-	-	630.582
Residents Abroad-Corporate	97.262	-	-	-	-	-	-	-	97.262
Banks and Participation Banks	341.445	-	-	-	-	-	-	-	341.445
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	341.280	-	-	-	-	-	-	-	341.280
Participation Banks	165	-	-	-	-	-	-	-	165
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other- FC	-	192.242	1.920.312	136.588	-	48.675	50.314	-	2.348.131
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	157.873	941.858	10.637	-	46.971	7.110	-	1.164.449
Other Institutions	-	4.246	51.972	1.816	-	14	-	-	58.048
Commercial and Other Institutions	-	185	295.722	3.016	-	1.690	43.204	-	343.817
Banks and Participation Banks	-	29.938	630.760	121.119	-	-	-	-	781.817
IX. Precious Metals Deposits	104.458	30.534	138.045	3.090	-	3.829	5.469	-	285.425
X. Participation Accounts Special Fund Pools TL	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools - FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+...+IX+X+XI)	4.004.841	2.737.323	11.467.391	358.614	-	308.456	1.226.615	921	20.104.161

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II. Consolidated explanations and notes related to liabilities (continued):

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts									
Non-Trade TL	771.214	-	-	-	-	-	-	-	771.214
II. Real Persons Participation									
Accounts Non-Trade TL	-	418.623	5.626.945	84.267	-	91.904	533.772	-	6.755.511
III. Current Account other-TL	1.235.919	-	-	-	-	-	-	-	1.235.919
Public Sector	38.481	-	-	-	-	-	-	-	38.481
Commercial Institutions	1.138.159	-	-	-	-	-	-	-	1.138.159
Other Institutions	52.254	-	-	-	-	-	-	-	52.254
Commercial and Other									
Institutions	6.056	-	-	-	-	-	-	-	6.056
Banks and Participation Banks	969	-	-	-	-	-	-	-	969
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	947	-	-	-	-	-	-	-	947
Participation Banks	20	-	-	-	-	-	-	-	20
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	128.900	2.248.305	62.236	-	22.997	106.211	-	2.568.649
Public Sector	-	-	2.114	-	-	-	-	-	2.114
Commercial Institutions	-	127.370	1.895.081	48.471	-	21.761	102.397	-	2.195.080
Other Institutions	-	1.528	162.999	13.765	-	1.236	3.814	-	183.342
Commercial and Other									
Institutions	-	2	170.828	-	-	-	-	-	170.830
Banks and Participation Banks	-	-	17.283	-	-	-	-	-	17.283
V. Real Persons Current Accounts									
Non- Trade FC	1.005.988	-	-	-	-	-	-	-	1.005.988
VI. Real Persons Participation									
Accounts Non-Trade FC	-	259.827	3.269.145	85.684	-	176.141	558.294	-	4.349.091
VII. Other Current Accounts FC	1.142.114	-	-	-	-	-	-	-	1.142.114
Residents in Turkey-Corporate	796.423	-	-	-	-	-	-	-	796.423
Residents abroad-Corporate	207.863	-	-	-	-	-	-	-	207.863
Banks and Participation Banks	137.828	-	-	-	-	-	-	-	137.828
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	106.227	-	-	-	-	-	-	-	106.227
Participation Banks	31.601	-	-	-	-	-	-	-	31.601
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-									
FC	-	109.229	1.805.612	164.175	-	55.447	84.338	-	2.218.801
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	77.065	1.087.442	84.549	-	34.474	16.457	-	1.299.987
Other Institutions	-	901	231.702	-	-	2.980	-	-	235.583
Commercial and Other									
Institutions	-	995	237.658	4.087	-	2.201	67.881	-	312.822
Banks and Participation Banks	-	30.268	248.810	75.539	-	15.792	-	-	370.409
IX. Precious Metals Deposits	105.805	41.027	132.729	7.025	-	3.736	3.686	-	294.008
X. Participation Accounts Special									
Fund Pools TL	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special									
Fund Pools -FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	4.261.040	957.606	13.082.736	403.387	-	350.225	1.286.301	-	20.341.295

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II. Consolidated explanations and notes related to liabilities (continued):

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	4.438.875	4.031.698	3.563.266	3.495.029
Foreign currency accounts	1.522.994	1.556.831	3.590.181	4.115.302
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	21.655	21.595
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	8.166	8.825
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Turkey in order to engage solely in Off-Shore Banking Activities	-	-

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II. Consolidated explanations and notes related to liabilities (continued):

2. Information on derivative financial liabilities held for trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	15	8.261	-	-
Swap transactions	-	-	-	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	15	8.261	-	-

3. Information on borrowings:

The Bank has obtained a Syndicated Murabaha Loan from international markets amounting to USD 458.500.000 and EUR 56.250.000 with maturity of more than one year (December 31, 2015: one year maturity: USD 87.500.000 and EUR 98.250.000, more than one year maturity: USD 458.500.000 and EUR 56.250.000).

As of September 30, 2016, the Parent Bank has wakala borrowings in accordance with investment purpose wakala contracts from banks in the amounts of USD 56.883.528 and EUR 184.927.528 (December 31, 2015: USD 161.448.187 and EUR 112.419.953).

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	-	249.965	-	149.903
Loans from foreign banks, institutions and funds	-	2.470.668	-	2.946.440
Total	-	2.720.633	-	3.096.343

b) Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	-	987.721	-	884.552
Medium and Long-Term	-	1.732.912	-	2.211.791
Total	-	2.720.633	-	3.096.343

c) Additional disclosures on concentration areas of Bank's liabilities:

The Parent Bank does not have concentration on customer or sector group providing funds.

4. Information on Securities Issued :

The table below represents the sukuk issued by the parent bank through its subsidiary Bereket Varlık Kiralama A.Ş. to collect funds from various investors:

Issue Date	Amount ⁽¹⁾	FC	Maturity	Profit Share (Yearly) %	Profit Share (for 179 days) %
June 30, 2014	350.000.000	USD	5 Years	6,25	
April 08, 2016	100.000.000	TL	179 Days		5,30
June 28, 2016	75.000.000	TL	179 Days		5,07

⁽¹⁾ Full amount

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II. Consolidated explanations and notes related to liabilities (continued):

a) Breakdown of sukuk issued :

	Current Period		Prior Period	
	TL	FC	TL	FC
Sukuk issued	182.138	1.030.960	-	977.001
Total	182.138	1.030.960	-	977.001

5. 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, 2015: None).

6. Lease payables:

a) Information on finance lease transactions:

a.1) Information on financial lease agreements:

The Group has not any 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 Parent Bank has rented some branches, warehouses, storage and some of the administrative vehicles through operational lease agreements. The Parent Bank does not have any overdue liabilities arising on the existing operational lease agreements.

The rent payments resulting from the operational leases which the Parent Bank will pay in future periods are as follows:

	Current Period	Prior Period
Less than a year	42.832	40.057
1 to 4 years	115.626	103.291
Over 4 years	107.968	96.642
Total	266.426	239.990

7. Information on hedging derivative financial liabilities:

None (December 31, 2015: None).

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II. Consolidated explanations and notes related to liabilities (continued):

8. Information on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General provisions	178.932	170.885
I. Group loans and receivables (Total)	133.034	142.268
Participation Accounts' Share	78.859	87.710
Bank's Share	54.175	54.558
Others	-	-
Additional provision for loans and receivables with extended maturities for loans and receivables in Group I	3.409	8.270
Participation Accounts' Share	1.889	3.586
Bank's Share	1.520	4.684
Others	-	-
II. Group loans and receivables (Total)	29.616	14.436
Participation Accounts' Share	15.942	8.356
Bank's Share	13.674	6.080
Others	-	-
Additional provision for loans and receivables with extended maturities for loans and receivables in Group II	2.930	3.494
Participation Accounts' Share	1.044	2.692
Bank's Share	1.886	802
Others	-	-
Non-cash loans	16.282	14.181
Others	-	-

b) Information on provisions for foreign exchange losses on foreign currency indexed loans and financial lease receivables:

As of September 30, 2016, provision for foreign exchange losses on foreign currency indexed loans and lease receivables amounting to TL 3.226 (December 31, 2015: TL 27.874) has been offset against the loans and financial lease receivables included in the assets of the balance sheet.

c) Information on specific provisions for non-cash loans that are not indemnified:

As of September 30, 2016, the Parent Bank has provided specific provisions amounting to TL 30.122 (December 31, 2015: TL 22.394) 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 ^(*)	15	88
Total	15	88

^(*) The balance represents provision for the lawsuits against the Parent Bank with high probability of realization and cash outflows.

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II. Consolidated explanations and notes related to liabilities (continued):

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 ^(*)	8.371	40
Provision for unindemnified letter of guarantees	23.835	18.469
Payment commitments for cheques	6.287	3.925
Provision for promotions related with credit cards and promotion of banking services	-	80
General reserves for possible losses	14	88
Financial assets at fair value through profit and loss	44	429
Other ^(**)	4.908	4.910
Total	43.459	27.941

^(*) 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".

^(**) Indicates other provision amount for possible losses in loan portfolio

d) Information on provisions for employee rights:

The Group's Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 33.848 (December 31, 2015: TL 30.241), vacation pay liability amounting to TL 5.768 (December 31, 2015: TL 7.048) totaling to TL 39.616 (December 31, 2015: TL 53.039). Provisions for performance premium has not been allocated in the current period (December 31, 2015: TL 15.750) The Group has calculated the reserve for employee termination benefits using actuarial valuation methods as indicated in TAS 19. Accordingly, following actuarial assumptions were used in the calculation of the total liability.

	Current Period	Prior Period
Discount rate (%)	8,40	8,40
Estimated increase rate of salary ceiling (%)	6,90	6,90
Rate used in relation to possibility of retirement ^(*)	62,26	62,26

^(*) 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	30.241	26.201
Provisions made in the period	7.213	6.486
Actuarial gain/(loss)	-	358
Paid during the period	(3.606)	(2.804)
Balance at the end of the period	33.848	30.241

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II. Consolidated explanations and notes related to liabilities (continued):

9. Information on taxes payable:

a) Explanations on current tax liability:

a.1) Explanations on Tax Provisions:

As of September 30, 2016, the Group's corporate tax payable is TL 6.508 after offsetting prepaid corporate tax (December 31, 2015: TL 20.714).

a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	6.508	20.714
Banking insurance transaction tax	8.575	11.775
Taxation on securities income	11.384	11.747
Value added tax payable	537	895
Taxation on real estate income	772	665
Foreign exchange transaction tax	-	-
Other	5.615	6.130
Total	33.391	51.926

a.3) Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	3.027	2.646
Social security premiums-employer	3.265	2.878
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	214	187
Unemployment insurance-employer	427	373
Other	-	-
Total	6.933	6.084

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II. Consolidated explanations and notes related to liabilities (continued):

b) Information on deferred tax liability of the group:

None (December 31, 2015: None).

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

None (December 31, 2015: None).

11. 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	-	1.318.291	-	1.239.557
Total	-	1.318.291	-	1.239.557

The Parent 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%.

The Parent Bank obtained subordinated loan on November 30, 2015 from the investors not resident in Turkey through its structured entity Albaraka Sukuk Limited amounting to USD 250.000.000 with 10 years maturity with a grace period of 5 years. The profit rate of the subordinated loan with grace period of 5 years with 10 years total maturity was determined as 10,50%. The Parent Bank has repurchased the sukuk issued in the amount of USD 24.000.000 and this amount is offset in available for sale assets and subordinated loans.

12. Information on shareholders' equity:

a) Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	900.000	900.000
Preferred stock	-	-

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

In the Board of Directors meeting dated February 28, 2013, the Parent Bank has taken a resolution on transition to registered capital system. The Parent'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.

Share Capital System	Paid-in Capital	Ceiling
Registered Capital	900.000	2.500.000

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II. Consolidated explanations and notes related to liabilities (continued):

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:

The Parent Bank does not have any capital commitments till the end of the last fiscal year and following interim period.

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

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

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

There is no privilege given to stocks representing the capital.

g) Information on marketable securities valuation reserve:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference ⁽¹⁾	9.487	(1.662)	4.203	6.812
Foreign exchange difference	-	-	-	-
Total	9.487	(1.662)	4.203	6.812

⁽¹⁾ The amount represents the net balance after deferred tax liability.

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III. Consolidated explanations and notes related to off-balance sheet commitments:

1. Consolidated explanations on off-balance sheet commitments:

a) Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for credit card limits	496.251	521.562
Payment commitments for cheques	555.209	500.882
Asset purchase and sale commitments	204.228	187.332
Loan granting commitments	115.789	116.862
Tax and funds liabilities arising from export commitments	2.665	2.035
Commitments for promotions related with credit cards and banking activities	810	599
Other irrevocable commitments	31.065	203
Total	1.406.017	1.329.475

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	7.745.795	7.730.288
Bank loans	33.390	28.324
Letters of credit	583.252	639.592
Other guaranties and sureties	198.484	265.853
Total	8.560.921	8.664.057

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

	Current Period	Prior Period
Letters of guarantees	7.745.795	7.730.288
Long standing letters of guarantees	4.883.757	4.956.813
Temporary letters of guarantees	260.795	293.937
Advance letters of guarantees	233.309	278.642
Letters of guarantees given to customs	240.343	247.773
Letters of guarantees given for obtaining cash loans	2.127.591	1.953.123
Sureties and similar transactions	198.484	265.853
Total	7.944.279	7.996.141

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III. Consolidated explanations and notes related to off-balance sheet commitments (continued):

c) Within the Non-cash Loans

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

	Current Period	Prior Period
Non-cash loans given against cash loans	2.127.591	1.953.123
With original maturity of 1 year or less	618.560	441.733
With original maturity of more than 1 year	1.509.031	1.511.390
Other non-cash loans	6.433.330	6.710.934
Total	8.560.921	8.664.057

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

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

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

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

2. Explanations on derivative transactions:

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

3. Explanations on contingent assets and liabilities:

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

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

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

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IV. Consolidated 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
Profit share received from loans^(*)				
Short Term Loans	339.700	17.413	314.998	14.990
Medium and Long Term Loans	953.932	128.062	799.996	120.012
Profit Share on Non-Performing Loans	10.305	-	4.496	6
Total	1.303.937	145.475	1.119.490	135.008

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

b) Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	5.750	9.023	4.013	1.566
Domestic Banks	-	281	-	-
Foreign Banks	-	31	-	36
Head Offices and Branches Abroad	-	-	-	-
Total	5.750	9.335	4.013	1.602

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	57.363	6.323	43.964	4.653
From held-to-maturity investments	51.831	-	47.290	-
Total	109.194	6.323	91.254	4.653

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

None (September 30, 2015: None).

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IV. Consolidated explanations and notes related to the statement of income (continued):

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	-	38.806	-	38.592
CBRT	-	-	-	-
Domestic banks	-	4.327	-	2.281
Foreign banks	-	34.479	-	36.311
Head offices and branches abroad	-	-	-	-
Other institutions	-	88.768	-	34.709
Total	-	127.574	-	73.301

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	92	-	70	-
Total	92	-	70	-

c) Profit share expenses paid to marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share expenses paid to marketable securities issued	7.163	46.788	-	44.620
Total	7.163	46.788	-	44.620

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IV. Consolidated explanations and notes related to the statement of income (continued):

ç) Distribution of profit share expense on funds collected based on maturity of funds collected:

Current Period		Profit sharing accounts						Accumulated profit sharing account	Total
Account name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	More than 1 year			
TL									
Funds collected from banks through current and profit sharing accounts	-	930	-	-	-	-	-	930	
Real persons' non-trading profit sharing accounts	68.077	309.018	5.623	-	5.762	39.027	4	427.511	
Public sector profit sharing accounts	34	62	-	-	-	-	-	96	
Commercial sector profit sharing accounts	12.457	105.099	2.566	-	969	5.834	-	126.925	
Other institutions profit sharing accounts	772	15.885	891	-	100	123	-	17.771	
Total	81.340	430.994	9.080	-	6.831	44.984	4	573.233	
FC									
Banks	298	2.543	940	-	98	-	-	3.879	
Real persons' non-trading profit sharing accounts	7.404	30.828	1.107	-	2.034	7.813	-	49.186	
Public sector profit sharing accounts	-	-	-	-	-	-	-	-	
Commercial sector profit sharing accounts	1.782	10.838	196	-	606	124	-	13.546	
Other institutions profit sharing accounts	269	5.063	56	-	87	911	-	6.386	
Precious metals deposits	382	1.376	52	-	57	88	-	1.955	
Total	10.135	50.648	2.351	-	2.882	8.936	-	74.952	
Grand total	91.475	481.642	11.431	-	9.713	53.920	4	648.185	
Prior Period		Profit sharing accounts						Accumulated profit sharing account	Total
Account name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	More than 1 year			
TL									
Funds collected from banks through current and profit sharing accounts	-	3.694	2.914	-	6	-	-	6.614	
Real persons' non-trading profit sharing accounts	86.334	253.610	6.742	-	4.786	29.736	-	381.208	
Public sector profit sharing accounts	354	403	-	-	-	-	-	757	
Commercial sector profit sharing accounts	16.534	84.398	4.443	-	501	6.556	-	112.432	
Other institutions profit sharing accounts	1.222	10.989	843	-	72	277	-	13.403	
Total	104.444	353.094	14.942	-	5.365	36.569	-	514.414	
FC									
Banks	968	5.316	611	-	594	-	-	7.489	
Real persons' non-trading profit sharing accounts	12.171	35.276	1.815	-	1.984	8.686	-	59.932	
Public sector profit sharing accounts	-	-	-	-	-	-	-	-	
Commercial sector profit sharing accounts	2.471	11.173	385	-	1.421	169	-	15.619	
Other institutions profit sharing accounts	522	2.738	52	-	56	440	-	3.808	
Precious metals deposits	585	1.971	110	-	30	81	-	2.777	
Total	16.717	56.474	2.973	-	4.085	9.376	-	89.625	
Grand total	121.161	409.568	17.915	-	9.450	45.945	-	604.039	

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3. Information on dividend income:

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

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

	Current Period	Prior Period
Income	5.276.349	5.315.911
Income from capital market transactions	75	2.242
Income from derivative financial instruments	34.688	55.304
Foreign exchange income	5.241.586	5.258.365
Loss (-)	5.224.599	5.284.940
Loss on capital market transactions	4	20
Loss on derivative financial instruments	55.946	5.120
Foreign exchange losses	5.168.649	5.279.800
Trading income/loss (net)	51.750	30.971

5. Explanations related to other operating income:

	Current Period	Prior Period
Reversal of prior year provisions	41.814	76.569
Income from sale of assets	19.295	12.511
Reimbursement for communication expenses	3.160	2.787
Reimbursement of vacation pay expenses	1.280	-
Cheque book charges	925	605
Other income ⁽¹⁾	15.646	1.702
Total	82.120	94.174

⁽¹⁾ Visa Inc has purchased Visa Europe Ltd. on June 21, 2016. Following this transaction, TL 8.692 has been transferred to bank accounts and accounted as "Other Operating Income".

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IV. Consolidated explanations and notes related to the statement of income (continued):

6. Provisions for loan losses and other receivables of the Parent Bank:

	Current Period	Prior Period
Specific provisions for loans and other receivables	197.773	86.106
Loans and receivables in III. Group	49.091	29.813
Loans and receivables in IV. Group	84.779	28.715
Loans and receivables in V. Group	57.103	24.300
Doubtful commission, fee and other receivables	6.800	3.278
General provision expenses	10.673	24.839
Provision expenses for possible losses	-	-
Impairment losses on marketable securities	77	141
Financial assets at fair value through profit and loss	77	141
Financial assets available for sale	-	-
Impairment losses on associates, subsidiaries, joint ventures and held to maturity investments	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Held to maturity investments	-	-
Other	18.601	12.016
Total	227.124	123.102

TL 86.588 (September 30, 2015: TL 49.817) of the total specific provisions provided for loans and other receivables amounting to TL 197.773 (September 30, 2015: TL 86.106) is the participation accounts portion of specific provision provided for loans and other receivables.

TL 1.290 (September 30, 2015: TL 13.080) of the total general loan loss provisions provided for loan and other receivables amounting to TL 10.673 (September 30, 2015: TL 24.839) is the participation accounts portion of general loan loss provision provided for loans and other receivables.

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IV. Consolidated explanations and notes related to the statement of income (continued):

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	309.933	263.800
Provision for retirement pay liability	3.600	4.846
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	29.418	29.584
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	17.799	12.971
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	2.188	115
Depreciation expenses of assets to be disposed	875	1.279
Impairment expenses of assets held for sale and assets of discontinued operations	55	1.000
Other operating expenses	115.885	97.999
Operating lease expenses	44.605	39.278
Maintenance expenses	8.958	6.824
Advertisement expenses	13.553	6.728
Other expenses	48.769	45.169
Loss on sale of assets	505	295
Other ^(*)	67.818	62.085
Total	548.076	473.974

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

	Current Period	Prior Period
Saving Deposit Insurance Fund	26.879	24.188
Taxes, Duties, Charges and Funds	19.488	17.494
Expertise and Information Expenses	9.194	9.397
Audit and Consultancy Fees	6.090	5.265
Vacation Pay Provision Expense	-	1.621
Other	6.167	4.120
Total	67.818	62.085

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

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

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IV. Consolidated explanations and notes related to the statement of income (continued):

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

Tax provision of the Parent Bank for continued operations:

	Current Period	Prior Period
Income before tax	221.682	262.892
Tax calculated with tax rate of 20%	44.336	52.578
Other additions and disallowable expenses	12.836	18.385
Deductions	(10.264)	(15.545)
Fiscal losses not considered in deferred tax calculation	(6)	-
Provision for current taxes	46.902	55.418
Provision for deferred taxes	(4.118)	(2.559)
Continuing Operations Tax Provision	42.784	52.859

Since the group 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:

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

11. 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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IV. Consolidated explanations and notes related to the statement of income (continued):

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	28.554	24.347
Clearing room fees and commissions	13.573	10.742
Commissions on money orders	7.844	7.727
Appraisal fees	6.845	6.521
Insurance and brokerage commissions	6.929	5.945
Other	10.566	8.785
Total	74.311	64.067

Other Fees and Commissions Paid	Current Period	Prior Period
Funds borrowed fees and commissions	20.402	10.930
Credit cards fees and commissions	5.928	5.986
Member firm-POS fees and commissions	9.478	7.170
Other	9.406	12.044
Total	45.214	36.130

V. Consolidated explanations and notes related to the statement of changes in shareholders' equity:

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

VI. Consolidated explanations and disclosures related to the statement of cash flows:

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

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

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

a) Current period:

Risk Group of the Parent Bank ^(*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Parent Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of the period	-	-	47.906	65.512	41	28
Balance at the end of the period	-	-	35.157	21.668	996	28
Profit share and commission income received	-	-	1.579	257	59	-

b) Prior period:

Risk Group of the Parent Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Parent Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of period	-	-	50.229	69.492	15	-
Balance at end of period	-	-	47.906	65.512	41	28
Profit share and commission income received	-	-	1.142	156	-	-

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

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

Risk Group of the Parent Bank ^(*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect Shareholders of the Parent Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and profit sharing accounts						
Balance at the beginning of period	2.927	1.430	268.530	252.274	3.134	1.423
Balance at the end of period	520	2.927	372.148	268.530	4.002	3.134
Profit share expense	130	339	4.241	8.334	126	52

^(*) As of September 30, 2016 wakala borrowings obtained from risk group of the Parent Bank through investment purpose wakala contracts amount to USD 52.383.529 and EURO 155.627.528 (December 31, 2015: USD 125.440.079 and EURO 90.816.893). The profit share expense relating to such borrowings for the period between January 1, 2016 - September 30, 2016 is TL 6.785 (September 30, 2015: TL 10.670). The Parent Bank has issued Sukuk in the amounts of USD 350.000.000 and TL 175.000.000 through "Bereket Varlık Kiralama A.Ş." which exists in the risk group of the Parent Bank. The expense for the related issue is TL 53.951 as of September 30, 2016 (September 30, 2015: TL 44.620).

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

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

As of September 30, 2016; the Group has paid TL 13.238 (September 30, 2015: TL 9.898) to top management.

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VIII. Explanations related to domestic, foreign and off-shore branches or investments and foreign representative offices:

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

IX. Explanations related to subsequent events:

The Bank's subsidiary Bereket Varlık Kiralama A.Ş. has taken a resolution in its Board of Directors numbered 2016/28 to increase its capital from TL 250 to TL 400. The Bank has added TL 150 to the related company's capital in October 2016.

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

Limited review report

I. Explanations on limited review report:

The Group's consolidated financial statements as of and for the period ended September 30, 2016 have been reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. *(the Turkish member firm of the KPMG International Cooperative)* and the limited review report dated November 11, 2016 is presented at the beginning of the financial statements and related notes.

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

None.

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SECTION EIGHT

Information on Interim Report

I. General Information

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

Albaraka Turk Participation Bank, the first and the leading financial institution in interest free banking field in Turkey, has completed its establishment in 1984 and entered into service as of the beginning of the year of 1985. Albaraka Turk is continuing its activities subject to the Banking Law No. 5411. In the partnership structure of Albaraka Banking Group (ABG), one of the leading groups of Middle East, Islamic Development Bank (IDB) and Albaraka Turk, established under the leadership of a domestic industrial group serving to Turkish economy for more than a half century, share of the foreign partners is 66,00%, share of the domestic partners is 9,16% and publicly held share is 24,84%. Partnership structure of Albaraka Turk is the guarantee of the respect and trust we bear.

Albaraka Turk, collecting funds through current accounts and participation accounts and gaining the funds it contributes to the economy of the country by products as individual financing, corporate finance, financial leasing and profit-loss partnership on the basis of a project, is entitled to offer a variety of finance and banking services by interest free banking application. Albaraka Turk, started with the vision of being the best regional bank in offering financial products and services in Gulf, Middle East and North Africa geographies where its main partner ABG is carrying out business, is rendering fast, qualified and safe foreign trade (import, export and foreign exchange) services to its customers in 80 countries from Singapore to England, South Africa to Morocco, Australia to Kazakhstan, by the wide correspondent net it has established with 1000 banks. Albaraka Turk, also ambitious in Retail Banking area, is an international Participation Bank adopted the mission of adding value to its customers, partners, employees and Turkey.

2. Capital and Shareholders' Structure:

Albaraka Türk's paid-up capital is TL 900.000 as of September 30, 2016.

Shareholders' Structure of Albaraka Turk as of September 30, 2016		
Shareholders' Structure	Share amount (TL)	Ratio (%)
Foreign Shareholders	593.953	66,00
Albaraka Banking Group	486.523	54,06
Islamic Development Bank	70.574	7,84
Alharthy Family	31.106	3,46
Others	5.750	0,64
Local Shareholders	82.469	9,16
Publicly Listed	223.578	24,84
Total	900.000	100,00

3. The amendments in the articles of association during period of January 1, 2016- September 30, 2016

There is no change during the period.

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Information on Interim Report (continued):

4. Branch and Personnel Information:

As of September 30, 2016, total number of branches of the Parent Bank is 213 and the total number of personnel is 3,795. Albaraka Türk carries out its activities with 212 domestic branches extended throughout the country and 1 branch abroad in Erbil. As of September 30, 2016, there are 3,798 personnel in the Group.

5. Board of Directors Chairman and Members:

Name and surname	Administrative Function	Educational Degree	Start Date
Adnan Ahmed Yusuf ABDULMALEK	Chairman of BOD	Master	2005
Yalçın ÖNER	Vice Chairman of BOD	Master	1985
Osman AKYÜZ	Executive Member of BOD	Bachelor	1996
İbrahim Fayez Humaid ALSHAMSI	Member of BOD	Bachelor	2005
Mitat AKTAŞ	Member of BOD	Master	2008
Hamad Abdulla A. EQAB	Member of BOD	Bachelor	2008
Fahad Abdullah A. ALRAJHI	Member of BOD	Bachelor	2008
Hood Hashem Ahmed HASHEM	Member of BOD	Master	2011
Prof.Dr.Kemal Varol	Member of BOD	Doctorate	2013
Muhammad Zarrug M. RAJAB	Member of BOD	Bachelor	2016
Bekir PAKDEMİRLİ	Member of BOD	Master	2016
Dr.Fahrettin YAŞI	Executive Member of BOD	Doctorate	2009
Melikşah UTKU	Member of BOD	Master	2016

6. Top Management^(*):

Name and Surname	Administrative Function	Educational Degree	Start Date
Melikşah UTKU ^(**)	Acting General Manager	Master	2016
Mehmet Ali VERÇİN	Assistant General Manager	Bachelor	2005
Nihat BOZ	Assistant General Manager	Bachelor	2009
Temel HAZIROĞLU	Assistant General Manager	Master	2003
Bülent TABAN	Assistant General Manager	Master	2003
Turgut SİMİTÇİOĞLU	Assistant General Manager	Master	2009
Mahmut Esfa EMEK	Assistant General Manager	Bachelor	2011
Ali TUĞLU	Assistant General Manager	Master	2014

^(*) Ayhan Keser resigned on August 31, 2016.

^(**) Appointed as Acting General Manager on October 19, 2016.

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Information on Interim Report (continued):

7. Committee Information After Distribution of Roles Among BOD

AUDIT COMMITTEE	
Chairman	: Hamad Abdulla A.EQAB
Member	: Hood Hashem Ahmed HASHEM
Member	: Mitat AKTAŞ
Member	: Muhammad Zarrug M. RAJAB ^(*)
Observer	: Yalçın ÖNER, Ibrahim Fayez Humaid ALSHAMSI, Melikşah UTKU ^(**)
CREDIT COMMITTEE:	
Chairman	: Adnan Ahmed Yusuf ABDULMALEK
Member	: Osman AKYÜZ
Member	: Prof.Dr.Kemal VAROL
Member	: Melikşah UTKU ^(**)
Reserve Member:	Yalçın ÖNER, Bekir PAKDEMİRLİ ^(*)
CORPORATE GOVERNANCE COMMITTEE:	
Chairman	: Prof.Dr.Kemal VAROL
Member	: Ibrahim Fayez Humaid ALSHAMSI
Member	: Fahad Abdullah A. ALRAJHI
Member	: Mustafa ÇETİN
Observer	: Osman AKYÜZ, Melikşah UTKU ^(**)
REMUNERATION COMMITTEE:	
Chairman	: Adnan Ahmed Yusuf ABDULMALEK
Member	: Osman AKYÜZ
Member	: Melikşah UTKU ^(**)
SOCIAL RESPONSIBILITY COMMITTEE:	
Chairman	: Bekir PAKDEMİRLİ ^(*)
Member	: Ibrahim Fayez Humaid ALSHAMSI
Member	: Melikşah UTKU ^(**)

^(*) Appointed in the Board Meeting dated on July 29, 2016.

^(**) Appointed in the Board Meeting dated on October 19, 2016 instead of Dr. Fahrettin Yahşi.

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Information on Interim Report (continued):

II. Banks Financial Information and Evaluations:

1. Main Financial Figures:

ASSETS	Current Period	Prior Period
Cash and Balances with The Central Bank	4.490.676	4.904.798
Banks	1.250.815	2.482.614
Financial Assets- Available For Sale (Net)	1.183.084	1.020.627
Loans and Receivables	19.435.541	18.557.965
Financial Leasing Receivables	895.714	947.427
Others	1.330.974	1.604.016
TOTAL ASSETS	28.586.804	29.517.447
LIABILITIES	Current Period	Prior Period
Funds Collected	20.104.161	20.341.295
Funds Borrowed	2.720.633	3.096.343
Subordinated Loans	1.318.291	1.239.557
Shareholders' Equity	2.212.774	2.096.028
Others	2.230.945	2.744.224
TOTAL LIABILITIES	28.586.804	29.517.447
INCOME AND EXPENSE ITEMS	Current Period	Prior Period
Profit Share Income	1.634.055	1.408.110
Profit Share Expense	876.679	765.346
Net Profit Share Income/Expenses	757.376	642.764
Net Fees and Commissions Income/Expenses	105.191	94.198
Trading Income/Loss (Net)	51.750	30.971
Other Operating Income	82.120	94.174
Total Operating Income	996.437	862.117
Provision For Loan Losses and Other Receivables (-)	227.124	123.102
Other Operating Expenses (-)	548.076	473.974
Net Operating Income/(Losses)	221.237	265.041
Tax Provision For Discontinued Operations (-/+)	42.784	52.859
NET PROFIT/LOSSES	178.898	210.033
Earnings Per Share (Full TL)	0,199	0,233

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Information on Interim Report (continued):

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

Our Precious Stakeholders,

We have left behind the third quarter of the year of 2016 in which high volatility was dominating both the global and domestic markets. FED continues to give the message on an interest hike in December 2016 as in 2015, emphasizing specifically in the last monetary policy meeting the positive acceleration of economic activities and the improvement in employment data,.

Interest hike signals of FED, steps of the Central Bank of Japan on expansionary policy, expansion decisions of the Central Bank of England on assets purchasing program in the third quarter after the decision of UK on leaving EU and political uncertainties within the country have been effective on credit rating agencies in reducing the notes in the third quarter of the year.

Central Bank of Turkish Republic has maintained its tight monetary policy stance with the developments in global markets and forecasts on uncertainties of fluctuations on monetary policies to continue; however it has dropped the upper band of the interest rate corridor to 8,25% with a decrease of 250 base points in the first nine months of the year to increase the resistance of the country economy against global shocks. Continuing decline in core inflation strengthens the thought on central bank to continue its steps in simplifying interest in short term.

Domestic consumption expenditures supporting economic growth also in the second quarter has enabled Turkey to reach to 3,9 % economic growth performance in the first half of 2016, however investment expenditures have kept their weak course. Data before the figure of the third quarter growth which is not announced yet shows that downward acceleration in economic activities continues. New incentive programs on consumption expenditures have become a current issue for maintaining support of economic growth. After all, both domestic and overseas developments have caused Medium Term Program to be updated and with the new program announced, growth of year end of 2016 is revised as 3,2%.

Twelve month foreign trade deficit in Balance of Payments table has reached to 31 billion dollars as of the end of August. Decline in food prices and specifically decline continuing in core inflation have played an important role in inflation of the period end of the third quarter to be 7,3%.

In this respect, Albaraka Turk protects its position of being the flagship of its major partner Albaraka Banking Group ("ABG") for 30 years even in 2016 in which global and internal fluctuations have maintained their effects in every period. ABG is one of the pioneers of interest-free banking in the World performing activities in corporate, commercial, private and investment banking fields with its 586 branches in Jordan, Lebanon, Egypt, Tunisia, Algeria, Sudan, South Africa, Syria, Pakistan, Bahrain, Indonesia, Libya and Turkey, 11.458 employees and agents acting according to the interest-free banking principles. As of the year end of 2015, Albaraka Banking Group's total size of assets has reached to 24,6 billion dollars, collected funds have reached to 20,2 billion dollars and size of equity has reached to 2,1 billion dollars level.

As Albaraka Turk, we shall maintain to respond financial needs of our customers as we have done in 30 years by increasing the energy required for our growth with our management team professionalizing every day, our young and dynamic human resources and the organization we own, being conscious of and under the responsibility of being the first and the leading Participation Bank of Turkey. We will continue our journey towards our goal of sustainable growth with our stakeholders, business partners, correspondents and employees with close cooperation and harmony. As it was yesterday, our Bank shall continue to take firm steps today and tomorrow with its vision of "being the World's Best Participation Bank".

Respectfully Yours,

Adnan Ahmed Yusuf ABDULMALEK
Chairman of the Board of Directors

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Information on Interim Report (continued):

3. Message from the General Manager

Our Precious Stakeholders,

Despite difficult conditions of our country and global fluctuations in the third quarter we have left behind, we have always sustained to stand by our country and our people as Albaraka Turk.

According to our third quarter financial results, total assets of our Bank have been TL 28.586.804. In the same period, our total finance portfolio has reached to TL 19.435.541 with an increase of 4,73% compared to year end.

Funds collected through profit and loss participation accounts and private current accounts are TL 20.104.161. Approximately 42,62% of these funds are comprised of foreign currency type funds.

As of September 30, 2016, net profit of our Bank has realized as TL 178.898.

We have continued to be the participation bank breaking the grounds and signed the "Globe Trade Finance Program" agreement. Thus, we have signed an important agreement with Asian Development Bank established for contributing in development in Asia-Pacific Region. As Albaraka, we have been the first participation bank signing the "Globe Trade Finance Program" by this agreement.

As Albaraka Turk, we're aiming to increase our activities in Asia-Pacific countries in addition to Middle East and North Africa Region where we are specifically effective, within the scope of "Globe Trade Finance Program" agreement for increasing product variety and offer our customers the highest quality service. During this process, Asian Development Bank, having a credit note of AAA and providing financial support of up to 100 percent to 200 financial institutions and all their foreign trade customers in their foreign trade transactions shall make contribution to the growth of foreign trade.

Managing our customers' requests healthily through our banking activities is one of the primary subjects we would never make concessions of. Along with this, our Bank, intending to make contributions to development and productivity of Turkish public in all aspects, continues to serve the public for 30 years with the artistic activities it performs and cooperation is healthcare subjects. In this regard, a blood donation campaign is organized at the General Directorate building with the cooperation of "May be it's You" Organization in September to support being stem cell donor with the slogan of "3 Small Tubes for Life".

Albaraka, the first participation bank of Turkey, is maintaining its support to culture and art with a new project. Albaraka Calligraphy Collection, consisted of about 400 pieces and is revealed as a result of more than 10 years of study is getting ready to meet with the art lovers in 30 cities of Turkey. Our Calligraphy Collection shall be offered to art-lovers in 30 different cities, within the scope of "Abundance of Pencil: Calligraphy and Illumination Exhibition" we have determined Ordu as the first stop; we are honored for this collection we have been preparing since 2005 with great efforts to reach to hundred thousands of people throughout Turkey.

With our activities we have developed and increased in all fields, we, as Albaraka Turk, shall continue working meticulously and devotedly for the 15 percent market share which participation banking in our country aims to achieve in 2025. Our Bank shall continue its activities with the vision of "Being the best participation bank of the World" and maintain to be the pioneer in the sector and serve for sustainable growth and development in the following periods with its employees and stakeholders.

Respectfully Yours,

Melikşah UTKU

Acting General Manager

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Information on Interim Report (continued):

4. Activities in the Third Quarter of the Year of 2016:

- In the third quarter of 2016, our total assets have actualized as TL 28.586.804.
- In the third quarter of 2016, the funds our Bank has collected through "Special Current Accounts" and "Participation to Profit and Loss Accounts" has been TL 20.104.161 as of September 30, 2016. Approximately 42,62% of these funds are constituted of foreign currency funds.
- Participation accounts in the third quarter of 2016 has been TL 16.099.320. Our Bank's Fund Collecting Activities are carried out through our 213 branches, our bank's branches throughout the country and correspondent banks abroad.

TL and USD Equivalent	Current Period		Prior Period		Change	
	TL Equivalent	USD Equivalent	TL Equivalent	USD Equivalent	TL	USD
TL Funds	11.536.711	3.855.852	11.331.293	3.934.477	1,81	(2,00)
Current Accounts	2.037.321	680.922	2.007.133	696.921	1,50	(2,30)
Participation Accounts	9.499.390	3.174.930	9.324.160	3.237.556	1,88	(1,93)
FC Funds	8.567.450	2.863.453	9.010.002	3.128.473	(4,91)	(8,47)
Current Accounts	1.967.520	657.594	2.253.907	782.607	(12,71)	(15,97)
Participation Accounts	6.599.930	2.205.859	6.756.095	2.345.866	(2,31)	(5,97)
TOTAL	20.104.161	6.719.305	20.341.295	7.062.950	(1,17)	(4,87)

- As of September 2016, our credits have reached to TL 19.435.541 with an increase of 4,73% compared to year end.

TL and USD Equivalent	Current Period		Prior Period		Change	
	TL Equivalent	USD Equivalent	TL Equivalent	USD Equivalent	TL	USD
Credits ⁽¹⁾	19.854.777	6.635.955	19.317.826	6.707.579	2,78	(1,07)
Non-performing Loans	941.367	314.628	468.413	162.643	100,97	93,45
Provisions	(464.889)	(155.377)	(280.847)	(97.516)	65,53	59,34
TOTAL	20.331.255	6.795.206	19.505.392	6.772.706	4,23	0,33

⁽¹⁾ Financial Leasing receivables included.

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

Balance Sheet Period	USD/TL
As of 30 September 2016	2,992
As of 31 December 2015	2,880

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Information on Interim Report (continued):

5. Evaluation on Financial Status, Profitability and Solvency:

- Our Operating Income has been TL 996.437, increasing by 15,58% compared to the same period of the previous year.
- Net Fee and Commission Revenues have been TL 105.191, increasing by 11,67%, our Net Profit Share has been TL 757.376, increasing by 17,83%, and Trading Income has been TL 51.750, increasing by 67,09%.
- Personnel expenses has been TL 309.933, increasing by 17,49%, Credit and Other Receivables Allowance for Loss in Value has been TL 227.124, increasing by 84,50% and Depreciation Expenses have been TL 48.092, increasing by 9,71% compared to the same period of the previous year.
- Our net profit has been TL 178.898 for the first 9 months of the year.
- As of September 30, 2016, our capital adequacy ratio is actualized as 12,72%, over the legal obligation level.

Investor Relations presentation regarding our financial results for the first 9 months of 2016 can be found at Investor Relations Tab in <https://www.albaraka.com.tr/>.

6. Announcements regarding important developments during January 1, 2016-September 30, 2016 period:

- On April 22, 2016, JCR- Eurasia Rating evaluate Albaraka Turk Participation Bank Inc. in a high level of investment grade and it has confirmed Long-Term National Rating of 'AA (Trk)', Long Term International Foreign and the local currency' BBB- ', and the view is (Stable). Other notes and all the details are shown below:

Long Term International Foreign Currency: BBB- / (Stable Outlook)

Long Term International Local Currency: BBB- / (Stable Outlook)

Long-Term National Rating: AA (Trk) / (Stable Outlook)

Short Term International Foreign Currency: A-3 / (Stable Outlook)

Short Term International Local Currency: A-3 / (Stable Outlook)

Short Term National Rating: A-1 + (Trk) / (Stable Outlook)

Support Rating: 3

Stand Alone: AB

- Within our Bank Buy-back program accepted Ordinary General Assembly held March 25, 2015, total TL 3.005 nominal value shares were bought by our Bank between January 18, 2016 and July 22, 2016. With this transaction, our Bank's share of capital in Albaraka Türk Katılım Bankası A.Ş.'s Capital amounted to 0.3339% on July 22, 2016.

- On July 11, 2016, JCR- Eurasia Rating revised our CMB Corporate Governance Principles Compliance rating as (8,75) and the outlook as (Stable). The compliance levels issued through four main sections are presented in the following.

Overall Score: 8,75 (Stable)

Shareholders: 8,83

Public Disclosure: 9,04

Stakeholders: 8,56

Board: 8,58

Our Bank will remain in the BIST Corporate Governance Index, because our Bank's Corporate Governance Principle Compliance rating is on the threshold of 7 points.

- On August 17, 2016, Standard & Poor's revised our Credit Rating as follows.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2016
(Thousand of Turkish Lira (TL) unless otherwise stated)

Information on Interim Report (continued):

6. Announcements regarding important developments during January 1, 2016-September 30, 2016 period (continued):

Long Term Loans: BB-

Credit Rating Outlook: Stable

Short Term Loans: B

- Mr. Ayhan KESER who was the Executive Vice President of Retail Marketing, Retail Product Management, Alternative Distribution Channels, Financial Institutions and Investor Relations resigned on August 31, 2016.
- In pursuant to Capital Markets Board Corporate Governance Communiqué (II17.1), Corporate Governance Rating Contract between our Bank and JCR Eurasia Rating has been decided to extend the same conditions, the contract is valid from the date September 16, 2016 - September 16, 2018.