

Albaraka Türk Katılım Bankası Anonim Şirketi

Consolidated financial statements
and related disclosures at March 31, 2017
together with limited review report
*(Convenience translation of the limited review report
and financial statements originally issued in Turkish –
see section three Note XXV)*

May 22, 2017

*This report contains “Limited Review Report”
comprising 2 pages and; “Consolidated
Financial Statements and Related Disclosures
and Footnotes” comprising 92 pages.*

Convenience Translation of the Limited Review Report
Originally prepared and Issued in Turkish to English (See Note XXV 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 31 March 2017 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 three-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as “BRSA Accounting and Reporting Legislation”) and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by BRSA Legislation. 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 31 March 2017 and of the results of its operations and its cash flows for the three-month-period then ended in all aspects in accordance with the BRSA Accounting and Reporting Legislation.

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

May 22, 2017
Istanbul, Turkey

Additional paragraph for convenience translation to English:

The accounting principles summarized in Note XXV 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 THREE-MONTHS ENDED MARCH 31, 2017**

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.albarakaturk.com.tr
Electronic mail contact info : albarakaturk@albarakaturk.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 subsidiaries, real estate investment funds, joint ventures, and associates whose financial statements have been consolidated in this consolidated financial report are as follows:

	Subsidiaries	Real Estate Investment Funds	Joint Ventures	Associates
1.	Bereket Varlık Kiralama A.Ş.	Albaraka Gayrimenkul Portföy Yönetimi A.Ş. One Tower Gayrimenkul Yatırım Fonu	Katılım Emeklilik ve Hayat A.Ş.	-
2.	Albaraka Gayrimenkul Portföy Yönetimi A.Ş.	Albaraka Gayrimenkul Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu	-	-

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.

Adnan Ahmed Yusuf ABDULMALEK
Chairman of the Board of Directors

Melikşah UTKU
General Manager

Temel HAZIROĞLU
Assistant General Manager

Yunus AHLATCI
Financial Reporting Manager

Mustafa BÜYÜKABACI
Chairman of the Audit Committee

Hood Hashem Ahmed HASHEM
Member of the Audit Committee

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

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ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2017

(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, 2016: 212) local branches and 1 (December 31, 2016: 1) foreign branch and with 3.805 (December 31, 2016: 3.796) staff as of March 31, 2017. The Group has 3.809 (December 31, 2016: 3.798) staff as of March 31, 2017.

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 March 31, 2017, 54,06% (December 31, 2016: 54,06%) of the Parent Bank's shares are owned by Albaraka Banking Group located in Bahrain. 24,93% (December 31, 2016: 24,84%) 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 MARCH 31, 2017
(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	-
	Osman AKYÜZ	Member of BOD	Bachelor	-
	İbrahim Fayez Humaid ALSHAMSI	Member of BOD	Bachelor	^(*) 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
	Mustafa BÜYÜKABACI ^(**)	Member of BOD	Master	-
	Dr. Khaled Abdulla Mohamed ATEEQ ^(*)	Member of BOD	Doctorate	-
	Dr. Bekir PAKDEMİRLİ	Member of BOD	Doctorate	-
	Prof. Dr. Kemal VAROL	Independent Member of BOD	Doctorate	-
	Muhammad Zarrug M. RAJAB ^(**)	Independent Member of BOD	Bachelor	-
General Manager:	Melikşah UTKU	Member of BOD / General Manager	Master	-
Assistant General Managers:	Turgut SİMİTCİOĞLU	Assistant General Manager Responsible for Business Branches (GM Deputy)	Master	-
	Mehmet Ali VERÇİN	Assistant General Manager Responsible for Support (GM Deputy)	Bachelor	-
	Nihat BOZ	Assistant General Manager Responsible for Legal	Bachelor	-
	Cenk DEMİRÖZ	Assistant General Manager Responsible for Credits	Master	-
	Deniz AKSU	Assistant General Manager Responsible for Risk Monitoring	Bachelor	-
	Temel HAZIROĞLU	Assistant General Manager Responsible for Finance	Master	^(*) 0,0342
	Nevzat BAYRAKTAR	Assistant General Manager Responsible for Sales	Bachelor	-
	Hasan ALTUNDAĞ	Assistant General Manager Responsible for Marketing	Bachelor	-
	Malek Khodr TEMSAH	Assistant General Manager Responsible for Treasury and Financial Institutions	Master	-
	Fatih BOZ	Assistant General Manager Responsible for Operations	Master	-
	Süleyman ÇELİK	Assistant General Manager Responsible for Human Values and Administrative Affairs	Bachelor	-
	Ali TUĞLU	Assistant General Manager Responsible for Information Technologies	Master	-
Audit Committee:	Mustafa BÜYÜKABACI ^(**)	Chairman of Audit Committee	Master	-
	Hood Hashem Ahmed HASHEM	Member of Audit Committee	Master	^(*) 0,0000

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

^(**) The relevant appointments have been in accordance with the decision taken at the General Assembly Meeting held on March 23, 2017 and Mr. Muhammad Zarrug M. RAJAB has been elected as independent Board member.

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, 2016: 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	-

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2017

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

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 six different maturity groups; up to one month, up to three months (three months included), up to six months (six months included), up to one year (one year included), one year and more than one year (with monthly, quarterly, semi-annual and annual profit share payment) and accumulated participation accounts.

The 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 Bereket 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 through equity method. Real Estate Investment Funds "Albaraka Gayrimenkul Portföy Yönetimi A.Ş. One Tower Gayrimenkul Yatırım Fonu" and "Albaraka Gayrimenkul Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu" and the subsidiaries of the Parent Bank, namely Bereket Varlık Kiralama A.Ş. and Albaraka Gayrimenkul Portföy Yönetimi A.Ş. have been consolidated through full consolidation method. 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 MARCH 31, 2017
(Thousand of Turkish Lira (TL) unless otherwise stated)

ASSETS	Notes (Section Five-I)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		March 31, 2017			December 31, 2016		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	197.538	4.082.682	4.280.220	940.247	4.058.805	4.999.052
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (net)	(2)	1.502	3.527	5.029	1.022	65.074	66.096
2.1 Trading Financial Assets		1.502	3.527	5.029	1.022	65.074	66.096
2.1.1 Public Sector Debt Securities		-	-	-	-	-	-
2.1.2 Equity Securities		1.051	-	1.051	954	-	954
2.1.3 Derivative Financial Assets Held for Trading		314	-	314	55	65.013	65.068
2.1.4 Other Marketable Securities		137	3.527	3.664	13	61	74
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)	608.295	1.716.586	2.324.881	656.410	1.501.767	2.158.177
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
V. FINANCIAL ASSETS-AVAILABLE FOR SALE (net)	(4)	984.432	388.361	1.372.793	994.108	348.753	1.342.861
5.1 Equity Securities		15	7.094	7.109	15	6.335	6.350
5.2 Public Sector Debt Securities		984.417	314.374	1.298.791	986.482	298.856	1.285.338
5.3 Other Marketable Securities		-	66.893	66.893	7.611	43.562	51.173
VI. LOANS AND RECEIVABLES	(5)	17.073.301	4.981.060	22.054.361	17.448.650	4.394.425	21.843.075
6.1 Loans and Receivables		16.437.360	4.981.022	21.418.382	16.921.201	4.394.425	21.315.626
6.1.1 Loans to Risk Group of The Bank		5.378	25.658	31.036	6.937	29.327	36.264
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Other		16.431.982	4.955.364	21.387.346	16.914.264	4.365.098	21.279.362
6.2 Non-performing loans		1.321.511	1.260	1.322.771	1.104.785	1.169	1.105.954
6.3 Specific Provisions (-)		685.570	1.222	686.792	577.336	1.169	578.505
VII. INVESTMENTS HELD TO MATURITY (net)	(6)	612.319	-	612.319	668.582	-	668.582
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)	14.984	-	14.984	14.319	-	14.319
10.1 Accounted for under Equity Method		14.984	-	14.984	14.319	-	14.319
10.2 Unconsolidated		-	-	-	-	-	-
10.2.1 Financial Joint Ventures		-	-	-	-	-	-
10.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XI. LEASE RECEIVABLES (net)	(10)	837.531	-	837.531	878.979	-	878.979
11.1 Finance Lease Receivables		944.693	-	944.693	996.206	-	996.206
11.2 Operational Lease Receivables		-	-	-	-	-	-
11.3 Other		-	-	-	-	-	-
11.4 Unearned Income (-)		107.162	-	107.162	117.227	-	117.227
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)	512.027	633	512.660	516.343	791	517.134
XIV. INTANGIBLE ASSETS (net)	(13)	30.489	256	30.745	35.165	305	35.470
14.1 Goodwill		-	-	-	-	-	-
14.2 Other		30.489	256	30.745	35.165	305	35.470
XV. INVESTMENT PROPERTY (net)	(14)	654.674	-	654.674	-	-	-
XVI. TAX ASSET	(15)	32.614	-	32.614	25.067	-	25.067
16.1 Current Tax Asset		4.193	-	4.193	5.023	-	5.023
16.2 Deferred Tax Asset		28.421	-	28.421	20.044	-	20.044
XVII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (net)	(16)	95.818	453	96.271	91.884	433	92.317
17.1 Assets Held for Sale		95.818	453	96.271	91.884	433	92.317
17.2 Assets of Discontinued Operations		-	-	-	-	-	-
XVIII. OTHER ASSETS	(17)	204.738	19.781	224.519	141.947	12.058	154.005
TOTAL ASSETS		21.864.981	11.193.339	33.058.320	22.417.442	10.382.411	32.799.853

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 MARCH 31, 2017
(Thousand of Turkish Lira (TL) unless otherwise stated)

LIABILITIES	Notes (Section Five-II)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		March 31, 2017			December 31, 2016		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED	(1)	12.477.157	11.144.743	23.621.900	12.552.857	10.597.991	23.150.848
1.1 Funds from Risk Group of The Bank		102.929	709.615	812.544	14.622	467.738	482.360
1.2 Other		12.374.228	10.435.128	22.809.356	12.538.235	10.130.253	22.668.488
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	293	1.242	1.535	88	-	88
III. FUNDS BORROWED	(3)	9.288	2.794.163	2.803.451	3.937	3.013.682	3.017.619
IV. BORROWINGS FROM MONEY MARKETS		-	-	-	492.784	-	492.784
V. SECURITIES ISSUED (Net)	(4)	170.592	1.250.622	1.421.214	175.695	1.190.788	1.366.483
VI. MISCELLANEOUS PAYABLES		831.467	63.878	895.345	634.067	68.144	702.211
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)	207.199	44.237	251.436	191.510	42.364	233.874
10.1 General Provisions		105.141	23.098	128.239	110.416	25.847	136.263
10.2 Restructuring Reserves		-	-	-	-	-	-
10.3 Reserve for Employee Benefits		47.846	-	47.846	43.285	-	43.285
10.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
10.5 Other Provisions		54.212	21.139	75.351	37.809	16.517	54.326
XI. TAX LIABILITY	(9)	45.063	3.427	48.490	48.523	3.315	51.838
11.1 Current Tax Liability		45.063	3.427	48.490	48.523	3.315	51.838
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)	-	1.598.144	1.598.144	-	1.510.937	1.510.937
XIV. SHAREHOLDERS' EQUITY	(12)	2.421.814	(5.009)	2.416.805	2.281.727	(8.556)	2.273.171
14.1 Paid-In Capital		900.000	-	900.000	900.000	-	900.000
14.2 Capital Reserves		229.010	(5.009)	224.001	220.644	(8.556)	212.088
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Marketable Securities Valuation Reserve		(5.322)	(5.009)	(10.331)	212	(8.556)	(8.344)
14.2.4 Revaluation Reserve on Tangible Assets		217.614	-	217.614	211.642	-	211.642
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		16.718	-	16.718	8.790	-	8.790
14.3 Profit Reserves		1.113.454	-	1.113.454	946.157	-	946.157
14.3.1 Legal Reserves		116.532	-	116.532	101.765	-	101.765
14.3.2 Status Reserves		-	-	-	-	-	-
14.3.3 Extraordinary Reserves		996.922	-	996.922	844.392	-	844.392
14.3.4 Other Profit Reserves		-	-	-	-	-	-
14.4 Profit or Loss		34.984	-	34.984	214.926	-	214.926
14.4.1 Prior Years Profit/(Loss)		(1.453)	-	(1.453)	(4.681)	-	(4.681)
14.4.2 Current Year Profit/(Loss)		36.437	-	36.437	219.607	-	219.607
14.5 Minority Shares		144.366	-	144.366	-	-	-
TOTAL LIABILITIES		16.162.873	16.895.447	33.058.320	16.381.188	16.418.665	32.799.853

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 MARCH 31, 2017

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

STATEMENT OF OFF-BALANCE SHEET	Notes (Section Five-III)	Reviewed			Audited		
		CURRENT PERIOD March 31, 2017			PRIOR PERIOD December 31, 2016		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)	(1)	5.280.270	5.195.633	10.475.903	5.229.816	5.721.490	10.951.306
I. GUARANTEES AND SURETIES		3.909.258	4.504.967	8.414.225	4.003.878	4.697.315	8.701.193
1.1. Letters of Guarantees		3.895.970	3.697.265	7.593.235	3.992.017	3.817.794	7.809.811
1.1.1. Guarantees Subject to State Tender Law		386.831	33.812	420.643	380.805	33.037	413.842
1.1.2. Guarantees Given for Foreign Trade Operations		2.046	781.454	783.500	5.911	875.341	881.252
1.1.3. Other Letters of Guarantee		3.507.093	2.881.999	6.389.092	3.605.301	2.909.416	6.514.717
1.2. Bank Loans		-	12.292	12.292	-	20.711	20.711
1.2.1. Import Letter of Acceptances		-	12.292	12.292	-	20.711	20.711
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letter of Credits		1.172	713.314	714.486	2.073	750.606	752.679
1.3.1. Documentary Letter of Credits		-	-	-	-	-	-
1.3.2. Other Letter of Credits		1.172	713.314	714.486	2.073	750.606	752.679
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		-	76.235	76.235	150	101.422	101.572
1.7. Other Collaterals		12.116	5.861	17.977	9.638	6.782	16.420
II. COMMITMENTS	(1)	1.360.635	100.003	1.460.638	1.221.782	9.379	1.231.161
2.1. Irrevocable Commitments		1.360.635	100.003	1.460.638	1.221.782	9.379	1.231.161
2.1.1. Asset Purchase and Sale Commitments		59.663	100.003	159.666	4.020	9.379	13.399
2.1.2. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3. Loan Granting Commitments		107.353	-	107.353	111.042	-	111.042
2.1.4. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6. Payment Commitment for Cheques		635.015	-	635.015	588.983	-	588.983
2.1.7. Tax And Fund Liabilities from Export Commitments		3.321	-	3.321	3.029	-	3.029
2.1.8. Commitments for Credit Card Expenditure Limits		499.894	-	499.894	475.270	-	475.270
2.1.9. Commitments for Promotions Related with Credit Cards and Banking Activities		493	-	493	963	-	963
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		54.896	-	54.896	38.475	-	38.475
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	10.377	590.663	601.040	4.156	1.014.796	1.018.952
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		10.377	590.663	601.040	4.156	1.014.796	1.018.952
3.2.1. Forward Foreign Currency Buy/Sell Transactions		10.377	590.663	601.040	4.156	1.014.796	1.018.952
3.2.1.1. Forward Foreign Currency Transactions-Buy		5.190	294.673	299.863	2.078	539.810	541.888
3.2.1.2. Forward Foreign Currency Transactions-Sell		5.187	295.990	301.177	2.078	474.986	477.064
3.2.2. Other Forward Buy/Sell Transactions		-	-	-	-	-	-
3.3. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		51.110.731	7.068.979	58.179.710	46.841.565	7.544.333	54.385.898
IV. ITEMS HELD IN CUSTODY		1.626.912	1.232.939	2.859.851	1.598.038	1.363.315	2.961.353
4.1. Assets Under Management		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		72	-	72	72	-	72
4.3. Cheques Received for Collection		1.237.741	123.212	1.360.953	1.214.349	110.011	1.324.360
4.4. Commercial Notes Received for Collection		358.048	40.842	398.890	351.020	31.674	382.694
4.5. Other Assets Received for Collection		103	-	103	103	-	103
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		999	135.241	136.240	2.534	153.793	156.327
4.8. Custodians		29.949	933.644	963.593	29.960	1.067.837	1.097.797
V. PLEDGED ITEMS		49.483.819	5.836.040	55.319.859	45.243.527	6.181.018	51.424.545
5.1. Marketable Securities		4.590.517	1.813.208	6.403.725	2.553.972	1.690.418	4.244.390
5.2. Guarantee Notes		1.340.061	175.397	1.515.458	1.461.797	180.826	1.642.623
5.3. Commodity		1.953.974	744.388	2.698.362	1.873.977	956.778	2.830.755
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		39.261.584	1.725.416	40.987.000	37.530.439	1.668.064	39.198.503
5.6. Other Pledged Items		2.083.360	1.373.748	3.457.108	1.571.336	1.681.591	3.252.927
5.7. Pledged Items-Depository		254.323	3.883	258.206	252.006	3.341	255.347
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		56.391.001	12.264.612	68.655.613	52.071.381	13.265.823	65.337.204

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF INCOME
AS OF MARCH 31, 2017
(Thousand of Turkish Lira (TL) unless otherwise stated)

INCOME AND EXPENSE ITEMS		Notes (Section Five-IV)	Reviewed	Reviewed
			CURRENT PERIOD January 1- March 31, 2017	PRIOR PERIOD January 1- March 31, 2016
I. PROFIT SHARE INCOME		(1)	630.998	563.559
1.1 Profit Share on Loans			555.074	502.492
1.2 Income Received from Reserve Deposits			5.607	5.903
1.3 Income Received from Banks			566	-
1.4 Income Received from Money Market Placements			-	-
1.5 Income Received from Marketable Securities Portfolio			48.942	36.890
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			30.751	19.571
1.5.4 Investments Held to Maturity			18.191	17.319
1.6 Finance Lease Income			19.780	17.929
1.7 Other Profit Share Income			1.029	345
II. PROFIT SHARE EXPENSE		(2)	312.433	285.849
2.1 Expense on Profit Sharing Accounts			228.092	217.290
2.2 Profit Share Expense on Funds Borrowed			51.692	39.040
2.3 Profit Share Expense on Money Market Borrowings			1.541	13.975
2.4 Profit Share Expense on Securities Issued			22.515	14.779
2.5 Other Profit Share Expense			8.593	765
III. NET PROFIT SHARE INCOME (I – II)			318.565	277.710
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES			37.798	32.354
4.1 Fees and Commissions Received			53.274	46.345
4.1.1 Non-Cash Loans			27.333	22.779
4.1.2 Other		(12)	25.941	23.566
4.2 Fees and Commissions Paid			15.476	13.991
4.2.1 Non-Cash Loans			46	67
4.2.2 Other		(12)	15.430	13.924
V. DIVIDEND INCOME		(3)	-	-
VI. TRADING INCOME/LOSS(net)		(4)	(11.065)	22.768
6.1 Capital Market Transaction Income/(Loss)			307	16
6.2 Income/(Loss) from Derivative Financial Instruments			(2.511)	(20.738)
6.3 Foreign Exchange Income/(Loss)			(8.861)	43.490
VII. OTHER OPERATING INCOME		(5)	44.949	33.532
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)			390.247	366.364
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)		(6)	136.888	73.626
X. OTHER OPERATING EXPENSES (-)		(7)	203.584	207.383
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)			49.775	85.355
XII. EXCESS AMOUNT RECORDED AS GAIN AFTER MERGER			-	-
XIII. INCOME/(LOSS) ON EQUITY METHOD			666	(571)
XIV. INCOME/(LOSS) ON NET MONETARY POSITION			-	-
XV. INCOME/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)		(8)	50.441	84.784
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)		(9)	10.427	22.273
16.1 Provision for Current Taxes			8.762	23.788
16.2 Provision for Deferred Taxes			1.665	(1.515)
XVII. NET INCOME/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)		(10)	40.014	62.511
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)	40.014	62.511
23.1 Group's Income/Loss			36.437	62.511
23.2 Minority Shares (-)			3.577	-
Earnings Per Share (Full TL)			0,040	0,069

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 AS OF MARCH 31, 2017
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		Reviewed	Reviewed
		CURRENT PERIOD January 1- March 31, 2017	PRIOR PERIOD January 1- March 31, 2016
I.	ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS	(2.484)	1.944
II.	TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III.	INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV.	FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	5.024	(2.368)
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	497	(389)
X.	TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	3.037	(813)
XI.	PROFIT/LOSS	40.014	62.511
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	40.014	62.511
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	43.051	61.698

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF MARCH 31, 2017
(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 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
PRIOR PERIOD																		
January 1- March 31, 2016																		
I.	Beginning balance	(V)	900.000	-	-	-	84.774	-	611.757	1.127	300.843	(2.580)	11.015	189.092	-	-	-	2.096.028
	Changes In Period																	
II.	Increase/Decrease Related to Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	1.555	-	-	-	-	1.555
IV.	Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	(2.368)	-	-	-	-	-	-	-	(2.368)
IX.	Changes Related to the Disposal Of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	(2.822)	-	(3.450)	3.696	-	539	-	(1.066)	-	-	-	(3.103)
XVII.	Period Net Income/(Loss)		-	-	-	-	-	-	-	-	62.511	-	-	-	-	-	-	62.511
XVIII.	Profit Distribution		-	-	-	-	15.863	-	240.210	-	(300.843)	(5.630)	-	-	-	-	-	(50.400)
18.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	(50.400)	-	-	-	-	-	(50.400)
18.2	Transfers To Reserves		-	-	-	-	15.863	-	240.210	-	-	(256.073)	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	(300.843)	300.843	-	-	-	-	-	-
	Closing Balance																	
	(I+II+III+...+XVI+XVII+XVIII)		900.000	-	-	-	97.815	-	848.517	2.455	62.511	(7.671)	12.570	188.026	-	-	-	2.104.223

^(*) As per Repurchase Programme accepted at the General Assembly on March 25, 2015 repurchased shares amount to TL 2.576 between January 18, 2016 and January 26, 2016 is represented under other reserves.

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF MARCH 31, 2017
(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 Certificate Premium	Share 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 Before Minority Shares	Minority Shares	Total Equity
CURRENT PERIOD January 1- March 31, 2017																				
I.	Beginning balance	(V)	900.000	-	-	-	101.765	-	844.392	8.790	219.607	(4.681)	(8.344)	211.642	-	-	-	2.273.171	-	2.273.171
II.	Changes In Period Increase/Decrease Related to Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	(1.987)	-	-	-	-	(1.987)	-	(1.987)
IV.	Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	5.024	-	-	-	-	-	-	-	5.024	-	5.024
IX.	Changes Related to the Disposal Of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	3.887	-	(3.887)	(3.887)	-	1.230	-	5.972	-	-	-	3.315	140.789	144.104
XVII.	Period Net Income/(Loss)		-	-	-	-	-	-	-	-	36.437	-	-	-	-	-	-	36.437	3.577	40.014
XVIII.	Profit Distribution		-	-	-	-	10.880	-	156.417	6.791	(219.607)	1.998	-	-	-	-	-	(43.521)	-	(43.521)
18.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	(43.521)	-	-	-	-	-	(43.521)	-	(43.521)
18.2	Transfers To Reserves		-	-	-	-	10.880	-	156.417	6.791	-	(174.088)	-	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	(219.607)	219.607	-	-	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)			900.000	-	-	-	116.532	-	996.922	16.718	36.437	(1.453)	(10.331)	217.614	-	-	-	2.272.439	144.366	2.416.805

⁽¹⁾ As per Repurchase Programme accepted at the General Assembly on March 25, 2015 repurchased shares amount to TL 3.887 between March 13, 2017 and March 22, 2017 represented under other reserves and legal reserve has been allocated for the related amount as per Turkish Commercial Code article 612.

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
AS OF MARCH 31, 2017
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF CASH FLOWS	Notes (Section Five-VI)	Reviewed	Reviewed
		CURRENT PERIOD January 1- March 31, 2017	PRIOR PERIOD January 1- March 31, 2016
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes In Operating Assets And Liabilities		260.237	155.045
1.1.1 Profit Share Income Received		607.886	466.223
1.1.2 Profit Share Expense Paid		(193.830)	(199.550)
1.1.3 Dividend Received		-	-
1.1.4 Fees and Commissions Received		25.943	46.345
1.1.5 Other Income		31.402	13.128
1.1.6 Collections from Previously Written Off Loans		66.655	33.932
1.1.7 Payments to Personnel and Service Suppliers		(105.751)	(112.167)
1.1.8 Taxes Paid		(13.959)	(27.491)
1.1.9 Others		(158.109)	(65.375)
1.2 Changes In Operating Assets And Liabilities		(239.568)	(851.379)
1.2.1 Net (Increase) Decrease in Available For Sale Financial Assets		61.067	21.130
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		1.017.507	138.362
1.2.4 Net (Increase) Decrease in Loans		(425.303)	(535.747)
1.2.5 Net (Increase) Decrease in Other Assets		(77.855)	13.493
1.2.6 Net Increase (Decrease) in Funds Collected From Banks		(102.661)	(220.894)
1.2.7 Net Increase (Decrease) in Other Funds Collected		718.315	(389.222)
1.2.8 Net Increase (Decrease) in Funds Borrowed		-	-
1.2.9 Net Increase (Decrease) in Payables		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities		(1.430.638)	121.499
I. Net Cash Flow From Banking Operations		20.669	(696.334)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Flow From Investing Activities		(407.136)	(110.618)
2.1 Cash Paid for Acquisition of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.2 Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.3 Fixed Assets Purchases		(579.150)	(6.175)
2.4 Fixed Assets Sales		7.720	4.725
2.5 Cash Paid for Purchase of Financial Assets Available for Sale		(282.676)	(406.008)
2.6 Cash Obtained from Sale of Financial Assets Available for Sale		372.516	262.400
2.7 Cash Paid for Purchase of Investment Securities		(132.000)	-
2.8 Cash Obtained from Sale of Investment Securities		206.454	34.440
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Flow From Financing Activities		(215.051)	(86.409)
3.1 Cash Obtained from Funds Borrowed and Securities Issued		656.571	573.539
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(871.622)	(659.948)
3.3 Issued Capital Instruments		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		-	-
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		(29.385)	(86.759)
V. Net (Decrease) Increase in Cash and Cash Equivalents		(630.903)	(980.120)
VI. Cash and Cash Equivalents at the Beginning of the Period		3.464.483	3.808.054
VII. Cash and Cash Equivalents at the End of the Period		2.833.580	2.827.934

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2017

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

SECTION THREE

Accounting Policies

I. Explanations on basis of presentation:

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

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

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

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, 2016. Consolidated financial statements as of March 31, 2017 have been prepared by accounting for Katılım Emeklilik ve Hayat A.Ş. using equity method. The subsidiaries and real estate funds accounted using full consolidation method are Bereket Varlık Kiralama A.Ş., Albaraka Gayrimenkul Portföy Yönetimi A.Ş., Albaraka Gayrimenkul Portföy Yönetimi A.Ş. One Tower Gayrimenkul Yatırım Fonu and Albaraka Gayrimenkul Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu. The accounting policies and valuation principles used in the preparation of consolidated financial statements are explained between in Notes II and XXIV below.

TAS/TFRS changes which are effective from January 1, 2017 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 and TFRS 16 Leases, do not have a significant effect on the Group's accounting policies, financial position or performance.

New IFRS 16 Leases Standard has been published by IASB on January 13, 2016. IFRS 16 replaces the current dual accounting model presenting the financial leases on balance sheet and not representing operational leases on balance sheet. Instead, a singular accounting model will be represented similar to current financial leasing accounting model based on balance sheet. For lessors, the accounting will remain the same as to the current accounting practices. This change will be effective for the periods after January 1, 2019. Early adoption is allowed for the entities which are already applying "TFRS 15 Revenue from contracts with customers". The Parent Bank evaluates the impacts of the standard on financial position and performance.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2017

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

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 performing loans which were funded from these accounts is evaluated at current foreign exchange rates.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
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 MARCH 31, 2017

(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) Consolidation principles on real estate investment funds:

The real estate investment funds, founded by the Parent Bank's subsidiary "Albaraka Gayrimenkul Portföy Yönetimi A.Ş." over which the Group has control as per procedures and principles stated in TFRS 10 "Turkish Financial Standards on consolidated Financial Statements", are accounted as per full consolidation method. For Real Estate funds over which the Parent Bank does not have full control, minority interests are calculated separately under income statement and shareholders' equity. The information on the funds is represented as follows:

Title	Operation Center (City/Country)	Main Activities	Effective Rates (%)	Direct and Indirect Rates (%)
Albaraka Gayrimenkul Portföy Yönetimi A.Ş. One Tower Gayrimenkul Yatırım Fonu	Istanbul/Turkey	Buy real estate and rights based on real estates, rent, lease and sell	100,00	100,00
Albaraka Gayrimenkul Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu	Istanbul/Turkey	Buy real estate and rights based on real estates, rent, lease and sell	52,275	52,275

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

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

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.

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

The derivative financial instruments of the Group consist of forward foreign currency, forward security 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.

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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 and accounted 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 March 31, 2017, 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, 2016: 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.

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.

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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.

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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 "Turkish Accounting Standards for 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, 2016, 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:

	Depreciation Rate %
Buildings	2
Motor vehicles	20 – 25
Furniture, fixture and office equipment	4 – 33
Safe-deposit boxes	2 – 20
Operational lease improvement costs (Leasehold improvements)	Leasing period - 5 years

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.

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XIV. Information on investment property:

Investment properties are retained in order to benefit for administrative purposes and production and supply of goods or either or both obtain rental income or capital gain instead of selling them in ordinary workflow. Investment properties are accounted initially at cost then at fair value for the coming periods and changes are recognized in income statement.

The cost includes the expenses directly associated with the purchase.

If the investment property is sold, all profits and losses incurred (referring the difference between sale price and carrying value of the asset) are recognized in income statement. If the investment properties which are recognized as fixed assets beforehand are sold, their revaluation differences (if there are any) under equity are transferred to prior year profits.

If a real estate's intended purpose amended and it is recognized again under fixed assets, the fair value at the date of the amendment becomes the cost for the next accounting transaction.

XV. Explanations on leasing transactions:

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.

XVI. 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.

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XVII. Explanations on liabilities regarding employee rights:

i) Defined benefit plans:

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

In accordance with the existing social legislation in Turkey, the Group is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated 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.

The Group has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to TAS 19, The Group recognizes all actuarial gains and losses immediately through other comprehensive income. As of March 31, 2017, actuarial loss amounts to TL 9.729 (December 31, 2016: TL 9.729 actuarial loss).

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

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

ii) Defined contribution plans:

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

iii) Short term benefits to employees:

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

XVIII. Explanations on taxation:

Current tax:

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

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 mortgagors, 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.

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XVIII. Explanations on taxation (Continued):

Current tax (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.

XIX. 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 loans borrowed through sukuk issuance which has convertible nature to the shares.

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XX. Explanations on issued share certificates:

None.

XXI. Explanations on acceptances and availed drafts:

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

XXII. Explanations on government grants:

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

XXIII. Explanations on segment reporting:

Business segment is a component of the 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.

XXIV. Explanations on other matters:

None.

XXV. 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.

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SECTION FOUR

Information on Consolidated Financial Structure and Risk Management of the Group

I. Explanations on consolidated capital adequacy standard ratio:

Total capital and capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". As of March 31, 2017 the Parent Bank's total capital has been calculated as TL 3.775.863 and capital adequacy standard ratio is 16,87%. As of December 31, 2016, the Parent Bank's total capital amounted to TL 3.057.570 and capital adequacy ratio was calculated as 13,45%. The Parent Bank's capital adequacy standard ratio is above the minimum ratio required by the legislation.

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

a) Information on Consolidated Capital:

	Current Period March 31, 2017	Amounts related to treatment before January 1, 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	1.113.454	
Gains recognized in equity as per TAS	250.637	
Profit	34.984	
Current Period Profit	36.437	
Prior Period Profit	(1.453)	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	
Minority Share	715	
Common Equity Tier 1 Capital Before Deductions	2.299.790	
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	26.636	
Improvement costs for operating leasing	24.833	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	23.001	28.752
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	74.470	
Total Common Equity Tier 1 Capital	2.225.320	

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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 (-)	5.751
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)	2.219.569
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA	1.546.380
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)	59.337
Tier II Capital Before Deductions	
1.605.717	
Deductions From Tier II Capital	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	
Total Tier II Capital	
1.605.717	
Total Capital (The sum of Tier I Capital and Tier II Capital)	
3.825.286	
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	47.284
Other items to be defined by the BRSA	2.139

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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)	3.775.863
Total risk weighted amounts	22.378.521
Capital Adequacy Ratios (%)	
Consolidated Core Capital Adequacy Ratio (%)	9,94
Consolidated Tier 1 Capital Adequacy Ratio (%)	9,92
Consolidated Capital Adequacy Ratio (%)	16,87
BUFFERS	
Bank-specific total core capital ratio (%)	1,25
Capital conservation buffer requirement (%)	1,25
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 (%)	5,44
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	47.342
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	59.337
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

(¹)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):

	Prior Period December 31, 2016	Amounts related to treatment before January 1, 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	946.157	
Gains recognized in equity as per TAS	232.377	
Profit	214.926	
Current Period Profit	219.607	
Prior Period Profit	(4.681)	
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	2.293.460	
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	20.289	
Improvement costs for operating leasing	27.695	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	19.899	33.167
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	67.883	
Total Common Equity Tier 1 Capital	2.225.577	

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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 (-)	13.268
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)	2.212.309
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA	793.260
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)	60.956
Tier II Capital Before Deductions	854.216
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	854.216
Total Capital (The sum of Tier I Capital and Tier II Capital)	3.066.525
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	5.813
Other items to be defined by the BRSA	3.142

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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)	3.057.570
Total risk weighted amounts	22.727.130
Capital Adequacy Ratios (%)	
Consolidated Core Capital Adequacy Ratio (%)	9,79
Consolidated Tier 1 Capital Adequacy Ratio (%)	9,73
Consolidated Capital Adequacy Ratio (%)	13,45
BUFFERS	
Bank-specific total core capital ratio (%)	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 (%)	5,29
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	32.927
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	60.956
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

(¹)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):

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.	ABT Sukuk Ltd.
Unique Identifier (CUSIP, ISIN etc.)	XS1301525207	XS0927211754
Governing Law(s) of the Instrument	English Law	English Law
Special Consideration in the Calculation of Equity		
As of January 1, 2015 consideration to be subject to a 10% reduction application status	No	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Sukuk Wakala	Sukuk Murabaha
Amount recognized in regulatory capital (as of most recent reporting date)	TL 820.380	TL 726.000
Par Value of Instrument	TL 820.380	TL 726.000
Accounting Classification	Subordinated Loan	Subordinated Loan
Original date of Issuance	November 30, 2015	May 7, 2013
Perpetual or dated	Dated	Dated
Maturity date	November 30, 2025	May 7, 2023
Issuer call subject to prior supervisory (BRSA) approval	Yes	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date : November 30, 2020 Total Repayment Amount of Profit Share : USD 131.250.000, Repayment Period: 6 months Principal Payment: USD 250.000.000	Last Payment Date : May 7, 2018 Total Repayment Amount of Profit Share : USD 77.500.000 , Repayment Period: 6 months Principal Payment: USD 200.000.000
Subsequent call dates	-	-
Profit Share/Dividends		
Fixed or floating profit share/dividend	Fixed	Fixed
Profit share rate and any related index	10,50%	7,75%
Existence of a dividend stopper	As per BRSA regulations and Communiqués it is payable	As per BRSA regulations and Communiqués it is payable
Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative
Convertible or Non-convertible		
If convertible, conversion trigger	As per BRSA regulations and Communiqués it is convertible	As per BRSA regulations and Communiqués it is convertible
If convertible, fully or partially	As per BRSA approval it is convertible fully or partially	As per BRSA approval it is convertible fully or partially
If convertible, conversion rate	As per BRSA approval it is convertible and the rate may be determined.	As per BRSA approval it is convertible and the rate may be determined.
If convertible, mandatory or optional conversion	Subject to BRSA's approval.	Subject to BRSA's approval.
If convertible, specify instrument type convertible into	Share certificate	Share certificate
If convertible, specify issuer of instrument it converts into	-	-
Write-down feature		
If write-down, write-down trigger(s)	-	-
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	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	No	No
Details of incompliance with article number 7 and 8 of "Own fund regulation"	No	No

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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.

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

	USD	EUR
As of March 31, 2017 - Balance sheet evaluation rate	3,630	3,883
As of March 30, 2017	3,622	3,888
As of March 29, 2017	3,646	3,920
As of March 28, 2017	3,614	3,927
As of March 27, 2017	3,610	3,928
As of March 24, 2017	3,612	3,901

- d) The simple arithmetical average of the major foreign exchange buying rates of the Parent Bank for the thirty days before the balance sheet date is TL 3,664 for 1 USD (December 2016: TL 3,494), TL 3,914 for 1 EUR (December 2016: TL 3,679).

The Parent Bank is mainly exposed to EUR and USD currency risks.

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III. Explanations on consolidated currency risk (Continued):

Information on currency risk of the Group:

Current Period	EUR	USD	Other FC ^(*)	Total
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	661.415	2.582.112	839.155	4.082.682
Banks	450.259	1.110.937	155.390	1.716.586
Financial assets at fair value through profit and loss	-	3.525	2	3.527
Money market placements	-	-	-	-
Available-for-sale financial assets	161	388.200	-	388.361
Loans and financial lease receivables ^(**)	3.262.975	7.358.547	463	10.621.985
Subsidiaries, associates and joint ventures	-	-	-	-
Held-to-maturity investments	-	-	-	-
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	633	633
Intangible assets	-	-	256	256
Other assets ^(***)	13.322	5.702	1.765	20.789
Total assets	4.388.132	11.449.023	997.664	16.834.819
Liabilities				
Current account and funds collected from banks via participation accounts	1.322.399	390.441	3.780	1.716.620
Other current and profit sharing accounts	2.392.890	6.349.361	685.872	9.428.123
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	670.755	3.721.552	-	4.392.307
Marketable securities issued	-	1.250.622	-	1.250.622
Miscellaneous payables	8.031	50.713	5.134	63.878
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	7.094	14.039	3.433	24.566
Total liabilities	4.401.169	11.776.728	698.219	16.876.116
Net balance sheet position	(13.037)	(327.705)	299.445	(41.297)
Net off balance sheet position	13.978	262.716	(290.868)	(14.174)
Derivative financial instruments assets ^(****)	21.857	311.982	4.407	338.246
Derivative financial instruments liabilities ^(****)	7.879	49.266	295.275	352.420
Non-cash loans ^(*****)	1.379.290	3.087.379	38.298	4.504.967
Prior Period				
Total assets	4.803.238	10.411.306	1.139.478	16.354.022
Total liabilities	4.767.097	10.977.209	657.068	16.401.374
Net balance sheet position	36.141	(565.903)	482.410	(47.352)
Net off balance sheet position	(222)	534.761	(473.712)	60.827
Derivative financial instruments assets	2.886	538.533	1.082	542.501
Derivative financial instruments liabilities	3.108	3.772	474.794	481.674
Non-cash loans ^(*****)	1.429.354	3.231.964	35.997	4.697.315

^(*) TL 833.498 (December 31, 2016: TL 790.486) 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 97.631 (December 31, 2016: TL 274.919) of the balance in Banks in other FC column represent precious metals accounts with banks, TL 647.551 (December 31, 2016: TL 599.733) of the balance in Other current and profit sharing accounts in other FC column represent precious metals deposits accounts.

^(**) The balance includes foreign currency indexed loans and financial lease receivables of TL 5.640.925 (December 31, 2016: TL 5.971.045).

^(***) Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 555 (December 31, 2016: TL 566) is included in other assets.

^(****) In the current period, derivative financial instruments assets include foreign currency purchase commitment in the amount of TL 43.573 (December 31, 2016: TL 2.691) and derivative financial instruments liabilities include foreign currency sale commitment in the amount of TL 56.430 (December 31, 2016: TL 6.688).

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

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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 ^(*)		Rate of "Percentage to be taken into account" Implemented Total value ^(*)	
	Current Period	TL+FC	FC	TL+FC	FC
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1	HIGH QUALITY LIQUID ASSETS			4.755.569	3.155.020
	CASH OUTFLOWS				
2	Retail and Small Business Funds Collected	12.626.846	5.153.360	1.106.563	515.336
3	Stable Funds Collected	3.122.433	-	156.122	-
4	Less stable Funds Collected	9.504.413	5.153.360	950.441	515.336
5	Unsecured Funding other than Retail and Small Business				
6	Customers Deposits	6.821.596	4.400.154	4.081.004	2.577.057
7	Operational Funds Collected	796.576	795.139	199.144	198.785
8	Non-Operational Funds Collected	3.411.397	1.989.292	1.919.358	1.294.222
9	Other Unsecured Funding	2.613.623	1.615.723	1.962.502	1.084.050
10	Secured funding			-	-
11	Other Cash Outflows	469.795	411.431	469.795	411.431
12	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	469.795	411.431	469.795	411.431
13	Debts related to the structured financial products	-	-	-	-
14	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
15	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
16	Other irrevocable or conditionally revocable commitments	9.074.488	4.294.314	730.134	388.541
16	TOTAL CASH OUTFLOWS			6.387.496	3.892.365
	CASH INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	3.665.597	1.965.602	2.995.208	1.874.864
19	Other contractual cash inflows	485.988	455.319	485.988	455.319
20	TOTAL CASH INFLOWS	4.151.585	2.420.921	3.481.196	2.330.183
				Upper limit applied amounts	
21	TOTAL HQLA			4.755.569	3.155.020
22	TOTAL NET CASH OUTFLOWS			2.906.300	1.562.182
23	Liquidity Coverage Ratio (%)			163,63	201,96

(*) Average of the last three months of liquidity coverage ratios calculated considering monthly 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	136,04	156,72
Date	March 31, 2017	March 31, 2017
Highest	191,12	288,21
Date	February 28, 2017	February 28, 2017
Average	163,63	201,96

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V. Explanations on consolidated liquidity risk (Continued):

Consolidated Liquidity Coverage Ratio (Continued):

		Rate of "Percentage to be taken into account" notImplemented Total value ^(*)		Rate of "Percentage to be taken into account" Implemented Total value ^(*)	
	Prior Period	TL+FC	FC	TL+FC	FC
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1	HIGH QUALITY LIQUID ASSETS			4.934.642	3.197.466
	CASH OUTFLOWS				
2	Retail and Small Business Funds Collected	12.340.683	4.710.653	1.078.804	471.065
3	Stable Funds Collected	3.105.293	-	155.265	-
4	Less stable Funds Collected	9.235.390	4.710.653	923.539	471.065
5	Unsecured Funding other than Retail and Small Business				
6	Customers Deposits	6.084.091	3.519.453	3.649.446	2.023.373
7	Operational Funds Collected	564.972	563.095	141.243	140.774
8	Non-Operational Funds Collected	3.405.576	1.888.545	1.907.048	1.215.966
9	Other Unsecured Funding	2.113.543	1.067.813	1.601.155	666.633
10	Secured funding			-	-
11	Other Cash Outflows	74.075	69.676	74.075	69.676
12	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	74.075	69.676	74.075	69.676
13	Debts related to the structured financial products	-	-	-	-
14	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
15	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
16	Other irrevocable or conditionally revocable commitments	9.237.591	4.277.944	731.861	368.927
16	TOTAL CASH OUTFLOWS			5.534.186	2.933.041
	CASH INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	3.017.934	1.300.153	2.341.041	1.210.644
19	Other contractual cash inflows	78.833	53.213	78.833	53.213
20	TOTAL CASH INFLOWS	3.096.767	1.353.366	2.419.874	1.263.857
				Upper limit applied amounts	
21	TOTAL HQLA			4.934.642	3.197.466
22	TOTAL NET CASH OUTFLOWS			3.114.312	1.669.184
23	Liquidity Coverage Ratio (%)			158,45	191,56

(*) Average of the last three months of liquidity coverage ratios calculated considering monthly 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 2016 are as follows:

Liquidity Coverage Ratio (%)	Prior Period	
	TL+FC	FC
Lowest	128,78	152,89
Date	October 31, 2016	October 31, 2016
Highest	184,71	233,00
Date	December 31, 2016	November 30, 2016
Average	158,45	191,56

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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	1.093.601	3.186.619	-	-	-	-	-	4.280.220
Banks	1.694.211	563.413	67.257	-	-	-	-	2.324.881
Financial Assets at Fair Value Through Profit and Loss	1.051	358	-	-	-	3.620	-	5.029
Money Market Placements	-	-	-	-	-	-	-	-
Available For Sale Financial Assets	7.109	29.041	39.569	539.050	719.685	38.339	-	1.372.793
Loans ^(*)	-	1.665.764	1.334.121	6.153.739	11.332.239	1.770.050	635.979	22.891.892
Held To Maturity Investments	-	-	2.681	218.242	391.396	-	-	612.319
Other Assets	-	-	8	117	103	-	1.570.958	1.571.186
Total Assets	2.795.972	5.445.195	1.443.636	6.911.148	12.443.423	1.812.009	2.206.937	33.058.320
Liabilities								
Current account and funds collected from banks via participation accounts	786.607	719.468	175.570	36.913	-	-	-	1.718.558
Other current and profit sharing accounts	4.791.603	12.410.965	3.607.950	1.081.663	11.161	-	-	21.903.342
Funds provided from other financial institutions and subordinated loans	-	1.343.139	303.139	1.019.119	189.818	1.546.380	-	4.401.595
Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	60.710	109.882	1.250.622	-	-	-	1.421.214
Miscellaneous payables	-	197.280	45.985	13.377	-	-	638.703	895.345
Other liabilities	-	34.828	5.778	-	-	-	2.677.660	2.718.266
Total Liabilities	5.578.210	14.766.390	4.248.304	3.401.694	200.979	1.546.380	3.316.363	33.058.320
Net Liquidity Gap	(2.782.238)	(9.321.195)	(2.804.668)	3.509.454	12.242.444	265.629	(1.109.426)	-
Net Off-balance sheet								
Position	-	-	(1.314)	-	-	-	-	(1.314)
Financial Derivative Assets	-	4.019	295.844	-	-	-	-	299.863
Financial Derivative Liabilities	-	4.019	297.158	-	-	-	-	301.177
Non-cash Loans	4.597.764	158.208	576.381	1.978.598	1.052.372	50.902	-	8.414.225
Prior period								
Total Assets	3.353.916	5.376.599	1.824.902	7.070.372	12.101.289	1.473.542	1.599.233	32.799.853
Total Liabilities	5.430.918	15.034.449	2.978.652	3.460.642	1.412.126	1.495.260	2.987.806	32.799.853
Net Liquidity Gap	(2.077.002)	(9.657.850)	(1.153.750)	3.609.730	10.689.163	(21.718)	(1.388.573)	-
Net Off-balance sheet								
Position	-	-	64.824	-	-	-	-	64.824
Financial Derivative Assets	-	945	538.765	2.178	-	-	-	541.888
Financial Derivative Liabilities	-	945	473.941	2.178	-	-	-	477.064
Non-cash Loans	8.216.684	7.177	64.783	172.892	221.384	18.273	-	8.701.193

^(*) 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 (if any) deferred tax liabilities.

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VI. Explanations on consolidated leverage ratio:

	Current Period ^(**)	Prior Period ^(**)
Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards ^(*)	32.800.535	31.300.474
The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" ^(*)	-	-
The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	1.075.287	929.857
The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	-	589.280
The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	39.700	31.590
Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	-	-
Total Risk Amount	43.106.272	41.275.972

^(*) Consolidated financial statements prepared in compliance with the paragraph 6 of article 5 of the communiqué "Preparation of Consolidated Financial Statements."

^(**) The arithmetic average of the last 3 months in the related periods.

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VI. Explanations on consolidated leverage ratio (Continued):

As of March 31, 2017, consolidated leverage ratio of the Group calculated from the arithmetic average of the last three months is 5,11 % (December 31, 2016: 5,26%). 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 total risk amount is more than the average increase ratio of core capital.

		Current Period	Prior Period
		March 31, 2017^(*)	December 31, 2016^(*)
Balance sheet assets			
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	32.752.022	31.255.189
2	(Assets deducted from Core capital)	(55.784)	(62.312)
3	Total risk amount of balance sheet assets (sum of lines 1 and 2)	32.696.238	31.192.877
Derivative financial assets and credit derivatives			
4	Cost of replenishment for derivative financial assets and credit derivatives	14.205	45.286
5	Potential credit risk amount of derivative financial assets and credit derivatives	11.005	9.860
6	Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	25.210	55.146
Financing transactions secured by marketable security or commodity			
7	Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	316.281	218.594
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)	316.281	218.594
Off-balance sheet transactions			
10	Gross notional amount of off-balance sheet transactions	10.068.543	9.809.355
11	(Correction amount due to multiplication with credit conversion rates)	-	-
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11)	10.068.543	9.809.355
Capital and total risk			
13	Core Capital	2.202.316	2.169.323
14	Total risk amount (sum of lines 3, 6, 9 and 12)	43.106.272	41.275.972
Leverage ratio			
15	Leverage ratio (%)	5,11	5,26

(*) 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

Risk weighted amounts:

		Risk Weighted Amount		Minimum capital requirement
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	20.320.581	20.880.381	1.625.646
2	Standardised approach (SA)	20.320.581	20.880.381	1.625.646
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	2.532	37.318	203
5	Standardised approach for counterparty credit risk (SA-CCR)	2.532	37.318	203
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	56.674	88.810	4.534
17	Standardised approach (SA)	56.674	88.810	4.534
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	1.998.734	1.720.621	159.899
20	Basic Indicator Approach	1.998.734	1.720.621	159.899
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)	22.378.521	22.727.130	1.790.282

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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	3.403.505	19.636.491	8.628.989	1.389.335	33.058.320
Total Liabilities	14.747.669	9.682.180	5.796.687	414.979	30.641.515
Total Equity	-	-	-	2.416.805	2.416.805
Net profit share income/(expense) ^(*) (^{**})	(76.961)	339.320	56.018	188	318.565
Net fees and commissions income/(expense)	5.003	39.414	(6.770)	151	37.798
Other operating income/(expense)	14.143	(126.324)	(11.664)	(45.189)	(169.034)
Provision for loan losses and other receivables	(14.211)	(80.848)	-	(41.829)	(136.888)
Profit/(loss) before tax	(72.026)	171.562	37.584	(86.679)	50.441
Provision for tax	-	-	-	(10.427)	(10.427)
Net profit/(loss) for the period	(72.026)	171.562	37.584	(97.106)	40.014

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	3.143.273	19.942.724	8.599.303	1.114.553	32.799.853
Total Liabilities	14.306.903	9.434.349	6.398.938	386.492	30.526.682
Total Equity	-	-	-	2.273.171	2.273.171
Net profit share income/(expense) ^(*) (^{**})	(78.001)	312.948	43.036	(273)	277.710
Net fees and commissions income/(expense)	4.154	34.435	(6.944)	709	32.354
Other operating income/(expense)	7.467	6.826	2.308	(168.255)	(151.654)
Provision for loan losses and other receivables	(7.469)	(43.879)	-	(22.278)	(73.626)
Profit/(loss) before tax	(73.849)	310.330	38.400	(190.097)	84.784
Provision for tax	-	-	-	(22.273)	(22.273)
Net profit/(loss) for the period	(73.849)	310.330	38.400	(212.370)	62.511

(^{*}) 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

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	97.382	138.146	123.254	148.150
CBRT	51.084	3.711.515	735.118	3.599.536
Other ^(*)	49.072	233.021	81.875	311.119
Total	197.538	4.082.682	940.247	4.058.805

^(*) As of March 31, 2017, includes precious metals amounting to TL 12.477 (December 31, 2016: TL 4.306) and cash in transit amounting to TL 269.616 (December 31, 2016: TL 388.688).

b) Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	49.909	526.071	733.965	522.979
Unrestricted time deposit	-	-	-	-
Restricted time deposit ^(*)	1.175	3.185.444	1.153	3.076.557
Total	51.084	3.711.515	735.118	3.599.536

^(*) As of March 31, 2017, the reserve requirement held in standard gold is TL 821.021 (December 31, 2016: TL 786.181).

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 March 31, 2017, 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 4% to 24% 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.

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

None (December 31, 2016: None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	314	-	55	65.013
Swap Transactions	-	-	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	314	-	55	65.013

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

3. a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic ^(*)	608.295	1.432.552	656.410	1.230.805
Abroad	-	284.034	-	270.962
Foreign head offices and branches	-	-	-	-
Total	608.295	1.716.586	656.410	1.501.767

^(*) Includes blockaged amount TL 572.425 (December 31, 2016: TL 610.730) 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 sukuk investments with respect to money market transactions and subject to repurchase agreements (December 31, 2016: TL 292.937).

As of March 31, 2017, available for sale investments' nominal amount given as a guarantee or blocked is TL 411.000 (December 31, 2016: TL 223.346).

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

	Current Period	Prior Period
Debt securities	1.372.842	1.343.681
Quoted on a stock exchange ^(*)	1.372.842	1.343.681
Unquoted	-	-
Share certificates	7.109	6.350
Quoted on a stock exchange	-	-
Unquoted	7.109	6.350
Impairment provision (-)	7.158	7.170
Total	1.372.793	1.342.861

^(*) 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 Parent Bank:

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	109.476	48.956	272	62.130
Corporate shareholders	109.263	48.606	-	61.780
Real person shareholders	213	350	272	350
Indirect loans granted to shareholders	30.961	29.723	35.550	24.249
Loans granted to employees	7.980	-	8.905	28
Total	148.417	78.679	44.727	86.407

b) Information on the first and second group loans, other receivables and restructured or rescheduled loans and other receivables:

Standard loans and other receivables				Loans and other receivables under close monitoring		
Cash loans	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	19.952.530	495.955	33.799	1.465.852	120.765
Export loans	616.750	19.931	-	3.689	-	-
Import loans	1.467.333	22.892	1.232	39.949	1.104	55
Business loans	10.217.976	260.724	16.579	1.170.810	102.418	1.203
Consumer loans	3.278.862	21.618	11.922	42.150	1.031	346
Credit cards	207.920	-	-	5.711	-	-
Loans given to financial sector	16.924	-	-	-	-	-
Other(*)	4.146.765	170.790	4.066	203.543	16.212	-
Other receivables	-	-	-	-	-	-
Total	19.952.530	495.955	33.799	1.465.852	120.765	1.604

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

Commercial loans with installments	1.816.898
Other investment credits	800.215
Loans given to abroad	802.505
Profit and loss sharing investments ^(**)	490.116
Loans for purchase of marketable securities for customer	334.969
Other	105.605
Toplam	4.350.308

^(**) As of March 31, 2017, 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 38.802 (March 31, 2016: TL 51.890) 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):

b) Information on the first and second group loans, other receivables and restructured or rescheduled loans and other receivables (Continued):

	Extension of Repayment Plan	
	Standard loans and other receivables	Loans and other receivables under close monitoring
1 or 2 times	495.955	120.765
3, 4 or 5 times	-	-
Over 5 times	-	-

Extension Periods	Standard loans and other receivables	Loans and other receivables under close monitoring
6 months	143.938	6.402
6 - 12 months	55.694	26.380
1 - 2 years	112.501	15.904
2 - 5 years	133.454	44.934
5 years and over	50.368	27.145

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	148.238	3.168.881	3.317.119
Housing loans	2.721	2.915.219	2.917.940
Vehicle loans	3.393	109.918	113.311
Consumer loans	142.124	143.744	285.868
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	88	-	88
Housing loans	88	-	88
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	64.319	-	64.319
With installment	24.474	-	24.474
Without installment	39.845	-	39.845
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	1.753	2.052	3.805
Housing loans	-	237	237
Vehicle loans	56	1.420	1.476
Consumer loans	1.697	395	2.092
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	4.175	-	4.175
With installment	2.096	-	2.096
Without installment	2.079	-	2.079
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL(real person)	-	-	-
Overdraft account-FC(real person)	-	-	-
Total	218.573	3.170.933	3.389.506

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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	44.857	1.125.401	1.170.258
Business loans	10.901	348.670	359.571
Vehicle loans	17.507	252.364	269.871
Consumer loans	16.449	524.367	540.816
Other	-	-	-
Commercial installment loans-FC indexed	15.600	566.962	582.562
Business loans	11.092	262.021	273.113
Vehicle loans	3.088	84.003	87.091
Consumer loans	1.420	220.938	222.358
Other	-	-	-
Commercial installment Loans-FC	-	64.078	64.078
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	64.078	64.078
Other	-	-	-
Corporate credit cards-TL	145.137	-	145.137
With installment	40.072	-	40.072
Without installment	105.065	-	105.065
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (legal entity)	-	-	-
Overdraft account-FC (legal entity)	-	-	-
Total	205.594	1.756.441	1.962.035

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	20.615.877	20.731.548
Foreign loans	802.505	584.078
Total	21.418.382	21.315.626

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	30.186	31.504
Loans and receivables with doubtful collectability	153.597	140.892
Uncollectible loans and receivables	482.202	387.789
Total	665.985	560.185

In addition to specific provision for loans amounting TL 665.985 (December 31, 2016: TL 560.185), provision amounting to TL 20.807 (December 31, 2016: TL 18.320) have been provided for fees and commissions and other receivables with doubtful collectability which sums up to total TL 686.792 (December 31, 2016: TL 578.505). Specific provision for loans amounting to TL 360.007 (December 31, 2016: TL 316.517) 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)	1.637	4.355	20.390
Restructured loans and other receivables	1.637	4.355	20.390
Rescheduled loans and other receivables	-	-	-
Prior period			
(Gross amounts before specific provisions)	464	3.973	10.726
Restructured loans and other receivables	464	3.973	10.726
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	236.903	355.038	495.693
Additions in the current period (+)	243.732	25.207	10.402
Transfers from other categories of non-performing loans (+)	-	198.631	143.366
Transfers to other categories of non-performing loans (-)	198.631	143.366	-
Transfers to standard loans (-)	-	51	-
Collections in the current period (-)	18.743	28.141	17.995
Write offs (-)	-	-	81
Corporate and commercial loans	-	-	81
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	263.261	407.318	631.385
Specific provisions (-)	30.186	153.597	482.202
Net balance at the balance sheet	233.075	253.721	149.183

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

h.2) Movements of non-performing loans (Continued):

Non-performing loans and receivables in the amount of TL 1.301.964 (December 31, 2016: TL 1.087.634) comprise TL 713.140 (December 31, 2016: TL 572.551) 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 20.807 (December 31, 2016: TL 18.320). In the current period, collections from fees, commissions and other receivables with doubtful collectability amounted to TL 1.776 (December 31, 2016: TL 4.167).

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period:			
Period end balance	32.850	63.919	31.348
Specific provision (-)	2.607	27.142	22.699
Net balance on balance sheet	30.243	36.777	8.649
Prior period:			
Period end balance	62.883	1.885	20.518
Specific provision (-)	8.006	298	12.845
Net balance on balance sheet	54.877	1.587	7.673

h.4) Gross and net non-performing loans and other receivables per customer categories:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period (net)^(*)	233.075	253.721	149.183
Loans to individuals and corporates (gross)	263.261	407.318	631.280
Specific provision (-)	30.186	153.597	482.097
Loans to individuals and corporates (net)	233.075	253.721	149.183
Banks (gross)	-	-	105
Specific provision (-)	-	-	105
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-
Prior period (net)	205.399	214.146	107.904
Loans to individuals and corporates (gross)	236.903	355.038	495.588
Specific provision (-)	31.504	140.892	387.684
Loans to individuals and corporates (net)	205.399	214.146	107.904
Banks (gross)	-	-	105
Specific provision (-)	-	-	105
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-

^(*) In addition to non-performing loans and other receivables included in the above table, there are fees, commissions and other receivables with doubtful collectability and their full specific provision both amounting to TL 20.807 (December 31, 2016: TL 18.320).

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

i) Liquidation policy for uncollectible loans and receivables:

Loans and other receivables determined as uncollectible are liquidated through starting legal follow up and by converting the guarantees into cash.

i) Information on “Write-off” policies:

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 March 31, 2017, nominal value of held to maturity investments given as a guarantee/blocked is TL 75.000. The Parent Bank does not have any held to maturity investments subject to repurchase transactions. (December 31, 2016: The Parent Bank does not have any held to maturity investments given as a guarantee / blocked. Nominal value of held to maturity investments subject to repurchase agreements is TL 188.888).

b) Information related to government securities held to maturity:

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities ^(*)	612.319	668.582
Total	612.319	668.582

^(*) 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	612.319	668.582
Quoted on a stock exchange ^(*)	612.319	668.582
Unquoted	-	-
Impairment provision (-)	-	-
Total	612.319	668.582

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

ç) Movement of held-to-maturity investments:

	Current Period	Prior Period
Balance at beginning of period	668.582	762.890
Foreign currency differences on monetary assets	-	-
Purchases during period	132.000	264.055
Disposals through sales and redemptions	(206.454)	(423.539)
Impairment provision (-)	-	-
Income accruals	18.191	65.176
Closing balance	612.319	668.582

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

7. Associates (net):

a) Information on unconsolidated associates:

Since the Parent Bank does not have the necessary shareholding percentage to become a qualified shareholder and have significant influence over Kredi Garanti Fonu A.Ş., it 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, 2016.

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
296.098	268.121	7.898	-	-	372	(12.443)	-

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. which is 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 Markets 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 March 31, 2017 the capital of the Company is TL 400. Bereket Varlık Kiralama A.Ş. is consolidated using full consolidation method as of March 31, 2017.

The balances of Bereket Varlık Kiralama A.Ş. presented in the table below have been obtained from the limited reviewed financial statements as of March 31, 2017.

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
1.481.136	220	4	-	-	30	(210)	-

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

b) Information on consolidated subsidiaries (Continued):

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 March 31, 2017.

The balances of Albaraka Gayrimenkul Portföy Yönetimi A.Ş. presented in the table below have been obtained from the not reviewed financial statements as of March 31, 2017.

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
4.328	4.240	6	-	-	(16)	(744)	-

iii) Movement and Sectoral Information on consolidated subsidiaries:

	Current Period ^(*)	Prior Period ^(*)
Amount at the beginning of the period	5.400	5.250
Movements inside the term	-	-
Purchases / new incorporations / capital increases	-	150
Bonus shares	-	-
Profit received from current year share	-	-
Sales	-	-
Revaluation increases	-	-
Impairments	-	-
Amount at the end of the period	5.400	5.400
Capital commitments	-	-
Share of the capital at the end of the period (%)	100,00	100,00

^(*) Since full consolidation methos is used, related cost balances (costs) do not take part in consolidated balance sheet.

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	5.400	5.400

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

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 December 31, 2016, Katılım Emeklilik ve Hayat A.Ş. has been consolidated by the Parent Bank using equity method. The financial statement from not reviewed financial statements as of March 31, 2017 are below.

Joint-Ventures	The Parent Bank's shareholding percentage (%)	Group's shareholding percentage (%)	Current Assets	Non-Current Assets	Long Term Debts	Income	Expense
Katılım Emeklilik ve Hayat A.Ş.	50,00	50,00	59.353	729.819	733.991	14.600	13.344

c. Information on consolidated real estate investment funds:

"Albaraka Gayrimenkul Portföy Yönetimi A.Ş. One Tower Gayrimenkul Yatırım Fonu" and "Albaraka Gayrimenkul Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu" have been fully consolidated by the Parent Bank as of 31 March 2017. Information on the not reviewed financial statements of the related funds is as follows:

Real Estate Investment Funds	Share of Parent Bank (%)	Share of Group (%)	Net Investment Amount (TL)	Income	Expenses	Net Profit / (Loss)
Albaraka Gayrimenkul PortföyYönetimi A.Ş. One Tower Gayrimenkul Yatırım Fonu	100,00	100,00	395.000	3.942	5.084	(1.142)
Albaraka Gayrimenkul Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu	52,275	52,275	295.000	11.439	3.944	7.495

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	350.669	282.513	377.436	300.158
1 to 4 years	471.829	436.760	489.465	453.402
More than 4 years	122.195	118.258	129.305	125.419
Total	944.693	837.531	996.206	878.979

b) Information on net investments through finance lease:

	Current Period	Prior Period
Gross finance lease receivables	944.693	996.206
Unearned finance lease receivable (-)	107.162	117.227
Net receivable from finance leases	837.531	878.979

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

c) General explanation on finance lease contracts:

Finance lease contracts are realized in accordance with the related articles of Finance Lease, Factoring and Financing Companies Act numbered 6361. There are no restrictions due to finance lease contracts, no renewals or contingent rent payments that materially affect the financial statements.

Information on leasing receivables:

	Standard loans 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			Extension of Repayment Plan	
			Other			Other
Finance lease receivables (Net)	712.394	49.715	24.804	125.137	64.148	403

11. Information on derivative financial assets for hedging purposes:

None (December 31, 2016: 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:

	Current Period		Prior Period	
	TL	FC	TL	FC
Investment properties ^(*)	654.674	-	-	-
Total	654.674	-	-	-

^(*) Includes investment properties of "Albaraka Gayrimenkul Portföy Yönetimi A.Ş. One Tower Gayrimenkul Yatırım Fonu" and "Albaraka Gayrimenkul Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu".

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

15. Information related to deferred tax asset:

As of March 31, 2017, the Group calculated net deferred tax asset of TL 28.421 (December 31, 2016: TL 20.044) by netting off deferred tax asset of TL 57.014 (December 31, 2016: TL 52.524) and deferred tax liability of TL 28.593 (December 31, 2016: TL 32.480) 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	40.779	37.806
Provisions for retirement and vacation pay liabilities	9.564	8.652
Difference between carrying value and tax base of tangible assets	3.994	3.013
Revaluation difference of available for sale	2.582	2.087
Provision for impairment	52	772
Other	43	194
Deferred tax asset	57.014	52.524
Revaluation difference of property	12.329	22.183
Trading securities valuation difference	34	8
Rediscount on profit share	10.777	7.662
Other	5.453	2.627
Deferred tax liability	28.593	32.480
Deferred tax asset (net)	28.421	20.044

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.

	Current Period	Prior Period
Opening Balance	92.317	22.819
Additions	12.514	117.190
Disposals	(5.076)	(28.834)
Transfers ^(*)	(3.484)	(19.153)
Impairment Provision(-)/Reversal of Impairment Provision	-	295
Net closing balance	96.271	92.317

^(*) The balance has been transferred from assets held for sale to assets to be sold.

As of March 31, 2017, TL 92.737 (December 31, 2016: TL 88.341) of the assets held for sale is comprised of real estates, TL 3.534 (December 31, 2016: TL 3.976) is comprised of other tangible assets.

The Group has not any discontinued operations and assets of discontinued operations (December 31, 2016: None).

17. Information on other assets:

As of the balance sheet date, the Group's other assets balance is TL 224.519 (December 31, 2016: TL 154.005) 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	992.846	-	-	-	-	-	-	-	992.846
II. Real Persons Participation									
Accounts Non-Trade TL	-	2.344.148	4.403.952	138.073	-	65.210	495.415	3.969	7.450.767
III. Current Account other-TL	1.554.136	-	-	-	-	-	-	-	1.554.136
Public Sector	33.616	-	-	-	-	-	-	-	33.616
Commercial Institutions	1.281.224	-	-	-	-	-	-	-	1.281.224
Other Institutions	233.870	-	-	-	-	-	-	-	233.870
Commercial and Other Institutions	3.942	-	-	-	-	-	-	-	3.942
Banks and Participation Banks	1.484	-	-	-	-	-	-	-	1.484
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	13	-	-	-	-	-	-	-	13
Foreign Banks	1.466	-	-	-	-	-	-	-	1.466
Participation Banks	5	-	-	-	-	-	-	-	5
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	481.542	1.799.205	141.389	-	14.488	42.767	17	2.479.408
Public Sector	-	14	-	-	-	-	-	-	14
Commercial Institutions	-	468.317	1.650.464	128.790	-	13.204	35.965	17	2.296.757
Other Institutions	-	13.060	146.231	12.599	-	1.284	6.802	-	179.976
Commercial and Other Institutions	-	151	2.056	-	-	-	-	-	2.207
Banks and Participation Banks	-	-	454	-	-	-	-	-	454
V. Real Persons Current Accounts									
Non- Trade FC	1.037.412	-	-	-	-	-	-	-	1.037.412
VI. Real Persons Participation									
Accounts Non-Trade FC	-	1.382.174	2.541.017	156.399	-	74.722	562.114	-	4.716.426
VII. Other Current Accounts FC	1.794.070	-	-	-	-	-	-	-	1.794.070
Residents in Turkey-Corporate	911.854	-	-	-	-	-	-	-	911.854
Residents Abroad-Corporate	97.093	-	-	-	-	-	-	-	97.093
Banks and Participation Banks	785.123	-	-	-	-	-	-	-	785.123
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	785.105	-	-	-	-	-	-	-	785.105
Participation Banks	18	-	-	-	-	-	-	-	18
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts									
other- FC	-	543.528	1.809.554	351.304	-	99.641	145.257	-	2.949.284
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	362.177	837.017	187.240	-	75.048	9.648	-	1.471.130
Other institutions	-	2.371	119.798	24	-	15	-	-	122.208
Commercial and Other Institutions	-	28.596	260.927	-	-	1.269	133.657	-	424.449
Banks and Participation Banks	-	150.384	591.812	164.040	-	23.309	1.952	-	931.497
IX. Precious Metals Deposits	199.746	110.014	316.822	7.211	-	3.347	10.387	24	647.551
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)	5.578.210	4.861.406	10.870.550	794.376	-	257.408	1.255.940	4.010	23.621.900

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

a) Information on maturity structure of funds collected (Continued):

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	996.122	-	-	-	-	-	-	-	996.122
II. Real Persons Participation Accounts Non-Trade TL	-	1.287.069	5.505.341	79.907	-	93.100	545.201	2.136	7.512.754
III. Current Account other-TL	1.670.386	-	-	-	-	-	-	-	1.670.386
Public Sector	25.325	-	-	-	-	-	-	-	25.325
Commercial Institutions	1.591.494	-	-	-	-	-	-	-	1.591.494
Other Institutions	49.820	-	-	-	-	-	-	-	49.820
Commercial and Other Institutions	1.857	-	-	-	-	-	-	-	1.857
Banks and Participation Banks	1.890	-	-	-	-	-	-	-	1.890
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	13	-	-	-	-	-	-	-	13
Foreign Banks	1.866	-	-	-	-	-	-	-	1.866
Participation Banks	11	-	-	-	-	-	-	-	11
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	266.653	2.027.700	27.837	-	15.105	36.263	37	2.373.595
Public Sector	-	2.512	3	-	-	-	-	-	2.515
Commercial Institutions	-	254.779	1.848.641	15.773	-	13.411	33.044	37	2.165.685
Other Institutions	-	9.358	151.778	12.064	-	1.694	3.219	-	178.113
Commercial and Other Institutions	-	4	26.832	-	-	-	-	-	26.836
Banks and Participation Banks	-	-	446	-	-	-	-	-	446
V. Real Persons Current Accounts Non- Trade FC	888.794	-	-	-	-	-	-	-	888.794
VI. Real Persons Participation Accounts Non-Trade FC	-	712.667	2.864.441	92.024	-	159.176	575.077	-	4.403.385
VII. Other Current Accounts FC	1.685.795	-	-	-	-	-	-	-	1.685.795
Residents in Turkey-Corporate	922.978	-	-	-	-	-	-	-	922.978
Residents abroad-Corporate	86.906	-	-	-	-	-	-	-	86.906
Banks and Participation Banks	675.911	-	-	-	-	-	-	-	675.911
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	583.218	-	-	-	-	-	-	-	583.218
Participation Banks	92.693	-	-	-	-	-	-	-	92.693
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	612.934	1.942.665	256.436	-	60.743	147.506	-	3.020.284
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	215.473	936.309	107.745	-	59.170	8.315	-	1.327.012
Other Institutions	-	2.749	127.976	-	-	18	-	-	130.743
Commercial and Other Institutions	-	24.224	279.641	-	-	1.555	137.340	-	442.760
Banks and Participation Banks	-	370.488	598.739	148.691	-	-	1.851	-	1.119.769
IX. Precious Metals Deposits	189.821	68.938	323.920	4.833	-	4.696	7.525	-	599.733
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)	5.430.918	2.948.261	12.664.067	461.037	-	332.820	1.311.572	2.173	23.150.848

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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	4.645.711	4.644.005	3.797.899	3.864.868
Foreign currency accounts	1.718.257	1.563.947	4.609.915	4.259.604
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	30.766	26.805
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	8.544	10.556
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	293	1.242	88	-
Swap transactions	-	-	-	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	293	1.242	88	-

3. Information on borrowings:

The Parent 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, 2016: More than one year maturity: USD 458.500.000 and EUR 56.250.000).

As of March 31, 2017, the Parent Bank has wakala borrowings in accordance with investment purpose wakala contracts from banks in the amounts of USD 78.412.438 and EUR 81.907.977 (December 31, 2016: USD 84.171.095 and EUR 132.496.602).

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	9.288	285.443	3.937	282.495
Loans from foreign banks, institutions and funds	-	2.508.720	-	2.731.187
Total	9.288	2.794.163	3.937	3.013.682

b) Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	9.288	646.853	3.937	996.686
Medium and Long-Term	-	2.147.310	-	2.016.996
Total	9.288	2.794.163	3.937	3.013.682

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 (179 days) %
June 30, 2014	350.000.000	USD	5 Years	6,25	
December 26, 2016	75.000.000	TL	179 Days		5,20
March 31, 2017	110.000.000	TL	179 Days		5,64

⁽¹⁾ Represented in 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	170.592	1.250.622	175.695	1.190.788
Total	170.592	1.250.622	175.695	1.190.788

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, 2016: 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	44.898	44.067
1 to 4 years	123.342	118.697
Over 4 years	103.997	104.791
Total	272.237	267.555

7. Information on hedging derivative financial liabilities:

None (December 31, 2016: 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	128.239	136.263
I. Group loans and receivables (Total)	98.057	107.707
Participation Accounts' Share	56.511	64.059
Bank's Share	41.546	43.648
Others	-	-
Additional provision for loans and receivables with extended maturities for loans and receivables in Group I	5.712	3.821
Participation Accounts' Share	2.872	2.295
Bank's Share	2.840	1.526
Others	-	-
II. Group loans and receivables (Total)	20.427	17.086
Participation Accounts' Share	12.391	11.248
Bank's Share	8.036	5.838
Others	-	-
Additional provision for loans and receivables with extended maturities for loans and receivables in Group II	3.257	3.104
Participation Accounts' Share	1.738	1.422
Bank's Share	1.519	1.682
Others	-	-
Non-cash loans	9.755	11.470
Others	-	-

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

As of March 31, 2017, provision for foreign exchange losses on foreign currency indexed loans and lease receivables amounting to TL 15.116 (December 31, 2016: TL 1.449) 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 March 31, 2017, the Parent Bank has provided specific provisions amounting to TL 45.533 (December 31, 2016: TL 37.036) 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 ^(*)	14	14
Total	14	14

^(*) 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 ^(*)	28.130	15.884
Provision for unindemnified letter of guarantees	32.297	27.822
Payment commitments for cheques	13.236	9.214
Provision for promotions related with credit cards and promotion of banking services	168	172
General reserves for possible losses	14	14
Financial assets at fair value through profit and loss	66	3
Other ^(**)	1.440	1.217
Total	75.351	54.326

^(*) 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 38.144 (December 31, 2016: TL 35.947), vacation pay liability amounting to TL 9.702 (December 31, 2016: TL 7.338) totaling to TL 47.846 (December 31, 2016: TL 43.285). 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 (%)	11,60	11,60
Estimated increase rate of salary ceiling (%)	7,50	7,50

Movement of the reserve for employment termination benefits in the balance sheet is as follows:

	Current Period	Prior Period
Prior period ending balance	35.947	30.241
Provisions made in the period	3.258	8.304
Actuarial (gain)/loss	-	2.833
Paid during the period	(1.061)	(5.431)
Balance at the end of the period	38.144	35.947

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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 March 31, 2017, the Group's corporate tax payable is TL 8.865 after offsetting prepaid corporate tax (December 31, 2016: TL 7.091).

a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	8.865	7.091
Banking insurance transaction tax	14.125	16.364
Taxation on securities income	10.955	11.162
Value added tax payable	903	1.278
Taxation on real estate income	847	754
Foreign exchange transaction tax	-	-
Other	4.832	8.083
Total	40.527	44.732

a.3) Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	3.475	3.103
Social security premiums-employer	3.750	3.346
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	246	219
Unemployment insurance-employer	492	438
Other	-	-
Total	7.963	7.106

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

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

None (December 31, 2016: 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	-	1.598.144	-	1.510.937
Total	-	1.598.144	-	1.510.937

The Parent Bank obtained subordinated loan on May 7, 2013 from the investors not resident in Turkey through its structured entity ABT 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 5 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 application dated December 27, 2016 for the extension of the Registered Capital Ceiling to the Capital Markets Board was approved on January 10, 2017 and the registered capital ceiling was determined as TL 2.500.000 to be valid until December 31, 2021.

Share Capital System	Paid-in Capital	Ceiling
Registered Capital	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:

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

e) Estimated effects on the shareholders equity of the 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 ^(*)	(5.322)	(5.009)	212	(8.556)
Foreign exchange difference	-	-	-	-
Total	(5.322)	(5.009)	212	(8.556)

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

f. Information on minority interests:

As of March 31, 2017, the Group has minority interest amounts to TL 144.366 arising from the consolidation of "Albaraka Gayrimenkul Portföy Yönetimi A.Ş. Batışehir Gayrimenkul Yatırım Fonu".

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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	499.894	475.270
Payment commitments for cheques	635.015	588.983
Asset purchase and sale commitments	159.666	13.399
Loan granting commitments	107.353	111.042
Tax and funds liabilities arising from export commitments	3.321	3.029
Commitments for promotions related with credit cards and banking activities	493	963
Other irrevocable commitments	54.896	38.475
Total	1.460.638	1.231.161

b) Type and amount of possible losses and commitments arising from off-balance sheet items:

b.1) Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit:

	Current Period	Prior Period
Letters of guarantees	7.593.235	7.809.811
Bank loans	12.292	20.711
Letters of credit	714.486	752.679
Other guaranties and sureties	94.212	117.992
Total	8.414.225	8.701.193

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

	Current Period	Prior Period
Letters of guarantees	7.593.235	7.809.811
Long standing letters of guarantees	4.709.448	4.845.313
Temporary letters of guarantees	215.399	240.046
Advance letters of guarantees	200.806	257.462
Letters of guarantees given to customs	225.910	229.514
Letters of guarantees given for obtaining cash loans	2.241.672	2.237.476
Sureties and similar transactions	94.212	117.992
Total	7.687.447	7.927.803

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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	2.241.672	2.237.476
With original maturity of 1 year or less	435.096	369.164
With original maturity of more than 1 year	1.806.576	1.868.312
Other non-cash loans	6.172.553	6.463.717
Total	8.414.225	8.701.193

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	129.301	6.137	116.410	5.307
Medium and Long Term Loans	351.307	62.047	342.016	37.136
Profit Share on Non-Performing Loans	6.282	-	1.623	-
Total	486.890	68.184	460.049	42.443

^(*) 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	1.175	4.432	2.839	3.064
Domestic Banks	-	566	-	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	1.175	4.998	2.839	3.064

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	27.310	3.441	18.065	1.506
From held-to-maturity investments	18.191	-	17.319	-
Total	45.501	3.441	35.384	1.506

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

None (March 31, 2016: 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	-	15.482	-	11.949
CBRT	-	-	-	-
Domestic banks	-	2.063	-	362
Foreign banks	-	13.419	-	11.587
Head offices and branches abroad	-	-	-	-
Other institutions	123	36.087	-	27.091
Total	123	51.569	-	39.040

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	9	-	276	-
Total	9	-	276	-

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	4.413	18.102	-	14.779
Total	4.413	18.102	-	14.779

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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	-	9	-	-	-	-	-	9	
Real persons' non-trading profit sharing accounts	39.395	90.580	1.880	-	1.582	11.686	68	145.191	
Public sector profit sharing accounts	-	-	-	-	-	-	-	-	
Commercial sector profit sharing accounts	7.452	34.088	1.470	-	258	736	-	44.004	
Other institutions profit sharing accounts	212	3.111	266	-	33	116	-	3.738	
Total	47.059	127.788	3.616	-	1.873	12.538	68	192.942	
FC									
Banks	1.244	2.716	491	-	11	9	-	4.471	
Real persons' non-trading profit sharing accounts	4.885	11.848	593	-	475	2.984	-	20.785	
Public sector profit sharing accounts	-	-	-	-	-	-	-	-	
Commercial sector profit sharing accounts	1.320	3.701	874	-	225	50	-	6.170	
Other institutions profit sharing accounts	153	1.716	-	-	5	831	-	2.705	
Precious metals deposits	139	831	15	-	9	25	-	1.019	
Total	7.741	20.812	1.973	-	725	3.899	-	35.150	
Grand total	54.800	148.600	5.589	-	2.598	16.437	68	228.092	
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	-	676	-	-	-	-	-	676	
Real persons' non-trading profit sharing accounts	21.736	102.791	1.528	-	1.919	12.608	-	140.582	
Public sector profit sharing accounts	14	28	-	-	-	-	-	42	
Commercial sector profit sharing accounts	4.467	36.939	1.206	-	368	2.306	-	45.286	
Other institutions profit sharing accounts	272	6.254	273	-	33	58	-	6.890	
Total	26.489	146.688	3.007	-	2.320	14.972	-	193.476	
FC									
Banks	17	445	299	-	38	-	-	799	
Real persons' non-trading profit sharing accounts	2.195	10.014	284	-	653	2.204	-	15.350	
Public sector profit sharing accounts	-	-	-	-	-	-	-	-	
Commercial sector profit sharing accounts	522	3.266	105	-	302	57	-	4.252	
Other institutions profit sharing accounts	122	1.901	14	-	22	263	-	2.322	
Precious metals deposits	222	795	18	-	26	30	-	1.091	
Total	3.078	16.421	720	-	1.041	2.554	-	23.814	
Grand total	29.567	163.109	3.727	-	3.361	17.526	-	217.290	

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

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	2.510.147	1.322.459
Income from capital market transactions	330	16
Income from derivative financial instruments	12.476	9.380
Foreign exchange income	2.497.341	1.313.063
Loss (-)	2.521.212	1.299.691
Loss on capital market transactions	23	-
Loss on derivative financial instruments	14.987	30.118
Foreign exchange losses	2.506.202	1.269.573
Trading income/loss (net)	(11.065)	22.768

5. Explanations related to other operating income:

	Current Period	Prior Period
Reversal of prior year provisions	24.397	29.638
Income from sale of assets	2.695	1.335
Reimbursement for communication expenses	1.309	1.086
Reimbursement of vacation pay expenses	-	-
Cheque book charges	294	224
Other income	16.254	1.249
Total	44.949	33.532

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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	110.001	45.547
Loans and receivables in III. Group	22.493	18.023
Loans and receivables in IV. Group	42.217	11.559
Loans and receivables in V. Group	41.800	12.324
Doubtful commission, fee and other receivables	3.491	3.641
General provision expenses	48	10.599
Provision expenses for possible losses	-	-
Impairment losses on marketable securities	124	110
Financial assets at fair value through profit and loss	124	110
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^(*)	26.715	17.370
Total	136.888	73.626

TL 38.018 (March 31, 2016: TL 18.656) of the total specific provisions provided for loan and other receivables amounting to TL 110.001 (March 31, 2016: TL 45.547) is the participation accounts portion of specific provision provided for loans and other receivables.

There is not any participation accounts portion of general loan loss provision provided for loans and other receivables (March 31, 2016: TL 3.167) of the total general loan loss provisions amounts to TL 48 (March 31, 2016: TL 10.599).

(*) Details of the "other" amount is as follows:

	Current Period	Prior Period
Specific provisions for non-cash loans that are not indemnified	8.497	3.842
Provisions allocated from profit shares to be distributed to profit sharing accounts	18.182	13.528
Other	36	-
Total	26.715	17.370

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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	105.770	112.348
Provision for retirement pay liability	2.198	1.200
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	9.679	10.016
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	5.755	5.841
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	1.826
Depreciation expenses of assets to be disposed	349	363
Impairment expenses of assets held for sale and assets of discontinued operations	-	-
Other operating expenses	39.555	46.731
Operating lease expenses	16.181	14.619
Maintenance expenses	2.247	3.069
Advertisement expenses	4.402	10.145
Other expenses ^(*)	16.725	18.898
Loss on sale of assets	72	7
Other ^(**)	40.206	29.051
Total	203.584	207.383

^(*) "Other expenses" under other business expenses are provided as below:

	Current Period	Prior Period
Communication Expenses	3.026	2.607
Donations	2.035	5.133
Cleaning expenses	2.992	3.122
Heating, lighting and water expenses	2.282	1.934
Representation and Hosting expenses	900	943
Vehicle expenses	1.031	815
Lawsuit and court expenses	857	1.395
Other	3.602	2.949
Total	16.725	18.898

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

	Current Period	Prior Period
Saving Deposit Insurance Fund	9.546	8.810
Taxes, Duties, Charges and Funds	6.916	6.412
Bonus Provision Expenses	-	-
Expertise and Information Expenses	3.081	3.715
Audit and Consultancy Fees	3.907	1.538
Vacation Pay Provision Expense	2.364	2.033
Other	14.392	6.543
Total	40.206	29.051

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

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".

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	50.441	84.784
Tax calculated with tax rate of 20%	10.088	16.958
Other additions and disallowable expenses	5.463	8.528
Deductions	(5.945)	(1.698)
Financial losses not considered in deferred tax calculation	(844)	-
Provision for current taxes	8.762	23.788
Provision for deferred taxes	1.665	(1.515)
Continuing Operations Tax Provision	10.427	22.273

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 Shares:

	Current Period	Prior Period
Net Profit/(Loss) of Minority Shares	3.577	-

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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	7.868	8.915
Clearing room fees and commissions	4.628	4.207
Commissions on money orders	3.697	2.167
Appraisal fees	2.624	2.627
Insurance and brokerage commissions	2.487	2.484
Other	4.637	3.166
Total	25.941	23.566

Other Fees and Commissions Paid	Current Period	Prior Period
Funds borrowed fees and commissions	7.067	6.822
Credit cards fees and commissions	2.146	1.778
Member firm-POS fees and commissions	2.604	2.441
Fees and commissions for Swift, EFT and money orders	1.333	854
Other	2.280	2.029
Total	15.430	13.924

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	-	-	35.550	24.249	714	28
Balance at the end of the period	-	-	30.961	29.723	75	-
Profit share and commission income received	-	-	409	31	13	-

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	-	-	47.906	65.512	41	28
Balance at end of period	-	-	35.550	24.249	714	28
Profit share and commission income received	-	-	20	-	98	57

^(*) 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	6.210	2.927	470.674	268.530	5.476	3.134
Balance at the end of period	2.483	6.210	806.021	470.674	4.040	5.476
Profit share expense	58	115	1.855	2.985	22	29

^(*) As of March 31, 2017 wakala borrowings obtained from risk group of the Parent Bank through investment purpose wakala contracts amount to USD 61.412.439 and EUR 75.607.978 (December 31, 2016: USD 79.171.095 and EUR 127.196.602). The profit share expense relating to such borrowings for the period between January 1, 2017 – March 31, 2017 is TL 2.377 (March 31, 2016: TL 2.128). The Parent Bank has issued Sukuk in the amounts of USD 350.000.000 and TL 185.000.000 through "Bereket Varlık Kiralama A.Ş." which exists in the risk group of the Parent Bank. The total expense for the related issue is TL 22.515 as of December 31, 2016 (March 31, 2016: TL 14.779).

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 March 31, 2017 the Group has paid TL 2.390 (March 31, 2016: TL 7.078) 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 Parent Bank has obtained syndication loan in the amount of USD 213 million from 12 banks in 8 countries on April 19, 2017. The maturity of the related syndication loan is 370 days and cost is libor + 125 bps.

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 March 31, 2017 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 May 22, 2017 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 Türk Participation Bank, the first and the leading financial institution in interest free banking field in Turkey, has completed its establishment in 1984 and entered into service as of the beginning of the year of 1985. Albaraka 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%, share of the domestic partners is 9,07% and publicly held share is 24,93%. Partnership structure of Albaraka Türk is the guarantee of the respect and trust we bear.

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

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

Albaraka Türk, started with the vision of being the best regional bank in offering financial products and services in Gulf, Middle East and North Africa geographies where its main partner ABG is carrying out business, is rendering fast, qualified and safe foreign trade (import, export and foreign exchange) services to its customers in 80 countries from Singapore to England, South Africa to Morocco, Australia to Kazakhstan, by the wide correspondent net it has established with 1000 banks. Albaraka 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 March 31, 2017.

Shareholders' Structure of Albaraka Türk as of March 31, 2017		
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	81.694	9,07
Publicly Listed	224.353	24,93
Total	900.000	100,00

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Information on Interim Report (Continued):

3. The amendments in the articles of association during period of 1st January 2017-31th March 2017

The Ordinary General Assembly Meeting of the Bank for the 2016 accounting period was held on March 23, 2017, on Thursday, at 10:00 a.m., at the address of Saray Mahallesi, Dr. Adnan Büyükdenez Caddesi No:6 Ümraniye, İstanbul and it is resolved that The Article 7 of the Articles of Association of the Bank be amended.

The old and the amended new article in the Articles of Incorporation are listed below:

OLD TEXT	NEW TEXT
<p>Bank's Capital Article 7:</p> <p>(1) The Bank has accepted the registered capital system pursuant to the provisions of the Capital Market Law, and switched to the registered capital system with the permission of the Capital Markets Board dated 06/03/2013 and numbered 7/259.</p> <p>(2) The upper limit of the registered capital of the Bank is TL 2.500.000.000 TL (two billion and five hundred million Turkish Liras), divided into 2.500.000.000 registered nominative shares with a value of TL 1 Turkish Lira each.</p> <p>(3) The permission given by the Capital Markets Board in relation to the upper limit of the registered capital shall be in effect for a 5-year period between 2013 and 2017. Even if the upper limit of the registered capital is not reached until the end of 2017, in order to make a decision by the Board of Directors to increase the share capital after 2017, it is obligatory to obtain authorization for a new time period not to exceed 5 years from the General Assembly for the previously permitted or a newly determined upper limit of the registered capital, after having been received the permission of Capital Markets Board. In case of failure in obtaining the said authorization, the Bank shall be deemed to be logged off from the registered capital system.</p> <p>(4) The Bank's issued share capital is 900.000.000 TL, and this amount has been fully paid in cash being free of collusion.</p> <p>(5) The shares representing the Bank's Capital shall be traced on the basis of the records within the framework of the principles of dematerialization.</p>	<p>Bank's Capital Article 7:</p> <p>(1) The Bank has accepted the registered capital system pursuant to the provisions of the Capital Market Law, and switched to the registered capital system with the permission of the Capital Markets Board dated 06/03/2013 and numbered 7/259.</p> <p>(2) The upper limit of the registered capital of the Bank is TL 2.500.000.000 TL (two billion and five hundred million Turkish Liras), divided into 2.500.000.000 registered nominative shares with a value of TL 1 Turkish Lira each.</p> <p>(3) The permission given by the Capital Markets Board in relation to the upper limit of the registered capital shall be in effect for a 5-year period between 2017 and 2021. Even if the upper limit of the registered capital is not reached until the end of 2021, in order to make a decision by the Board of Directors to increase the share capital after 2021, it is obligatory to obtain authorization for a new time period not to exceed 5 years from the General Assembly for the previously permitted or a newly determined upper limit of the registered capital, after having been received the permission of Capital Markets Board. In case of failure in obtaining the said authorization, the Bank shall be deemed to be logged off from the registered capital system.</p> <p>(4) The Bank's issued share capital is 900.000.000 TL, and this amount has been fully paid in cash being free of collusion.</p> <p>(5) The shares representing the Bank's Capital shall be traced on the basis of the records within the framework of the principles of dematerialization.</p>

You may access the Information Document, the Profit Distribution Statement, the Meeting Minutes and the Resolutions of the Ordinary General Assembly Meeting of the Bank for the 2016 accounting period that was held on March 23, 2017 from Albaraka Türk website Investor Relations section at the link below:

http://en.albarakaturk.com.tr//investor_relations/list.aspx?SectionID=WLmgCDklvPOuo93OyxXHVA%3d%3d&ContentID=YV96dl%2fiv%2btd%2ffGGo24kjA%3d%3d

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NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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Information on Interim Report (Continued):

4. Branch and Personnel Information:

As of March 31, 2017, total number of branches of the Bank is 213 and the total number of personnel is 3.805. Albaraka Türk carries out its activities with 212 domestic branches extended throughout the country and 1 branch abroad in Erbil.

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

Name and surname	Administrative Function	Educational Degree	Start Date	Banking Experience
Adnan Ahmed Yusuf ABDULMALEK	Chairman of BOD	Master	2005	44
Yalçın ÖNER	Vice Chairman of BOD	Master	1985	45
Osman AKYÜZ	Member of BOD	Bachelor	1996	32
İbrahim Fayez Humaid ALSHAMSI	Member of BOD	Bachelor	2005	46
Hamad Abdulla A. EQAB	Member of BOD	Bachelor	2008	23
Fahad Abdullah A. ALRAJHI	Member of BOD	Bachelor	2008	29
Hood Hashem Ahmed HASHEM	Member of BOD	Master	2011	16
Prof.Dr.Kemal Varol	Independent Member of BOD	Doctorate	2013	8
Muhammad Zarrug M. RAJAB	Independent Member of BOD	Bachelor	2016	31
Dr.Bekir PAKDEMİRLİ	Member of BOD	Doctorate	2016	1
Dr. Khaled Abdulla Mohamed ATEEQ	Member of BOD	Doctorate	2017	-
Mustafa BÜYÜKABACI	Member of BOD	Master	2017	25
Melikşah UTKU	Member of BOD and CEO	Master	2016	13

^(*) In the General Assembly Meeting held on March 23, 2017, the number of the members of the board of directors was determined as 13, including the General Manager, which is the natural member of the board of directors, It has been decided that the term of office of the members of the elected board shall be 3 years.

6. Top Management^(*):

Name and Surname	Administrative Function	Educational Degree	Start Date	Banking Experience
Melikşah UTKU	Member of BOD and CEO	Master	2016	13
Turgut SİMİTCİOĞLU	Senior Assistant General Manager (Deputy)	Master	2017	27
Mehmet Ali VERÇİN	Senior Assistant General Manager (Deputy)	Bachelor	2017	24
Temel HAZIROĞLU	Assistant General Manager	Master	2003	31
Ali TUĞLU	Assistant General Manager	Master	2014	9
Nihat BOZ	Assistant General Manager	Bachelor	2009	30
Süleyman ÇELİK	Assistant General Manager	Bachelor	2017	28
Nevzat BAYRAKTAR	Assistant General Manager	Bachelor	2017	21
Fatih BOZ	Assistant General Manager	Master	2017	19
Hasan ALTUNDAĞ	Assistant General Manager	Bachelor	2017	30
Deniz AKSU	Assistant General Manager	Bachelor	2017	21
Malek Khodr TEMSAH	Assistant General Manager	Master	2017	14
Cenk DEMİRÖZ	Assistant General Manager	Master	2017	17

^(*) They were appointed as of January 19, 2017.

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Information on Interim Report (Continued):

7. Managers of Departments within Internal Systems^(*)

Name and Surname	Professional Experience (Years)	Duration of Services at Albaraka Türk (Years)	Length of Services in His Area (Years)	Education	Field of Responsibility
Volkan EVCİL	25	23	14	Bachelor	Internal Systems Senior Manager
Ahmet UYSAL	11 years 8 months	11 years 8 months	9 years 6 months	Master	Inspection
Umut ÇAKMAK	12	12	12	Bachelor	Risk Management
Ahmet Faruk DEĞİRMENÇİ	9	9	9	Bachelor	Internal Control
Hakan KURBETÇİ	25	21	4 years 3 months	Bachelor	Regulation and Compliance

^(*) As of January 19, 2017, Mr. Ahmet UYSAL has been appointed as the Chairman of the Internal Audit Department, Umut ÇAKMAK as Risk Management Chairman, Ahmet Faruk DEĞİRMENÇİ Internal Control Chairman and Volkan EVCİL Internal Systems Senior Manager.

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Information on Interim Report (Continued):

8. Committee Information After Distribution of Roles Among BOD^(*):

AUDIT COMMITTEE	
Chairman:	Mustafa BÜYÜKABACI
Member:	Hood Hashem Ahmed HASHEM
Observer:	Hamad Abdulla A.EQAB, Ibrahim Fayeze Humaid ALSHAMSI, Khaled Abdulla Mohamed ATEEQ
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:	Muhammad Zarrug M. RAJAB
Member:	Ibrahim Fayeze Humaid ALSHAMSI
Member:	Mustafa KARAMEHMETOĞLU
Observer:	Khaled Abdulla Mohamed ATEEQ
REMUNERATION COMMITTEE:	
Chairman:	Adnan Ahmed Yusuf ABDULMALEK
Member:	Osman AKYÜZ
Member:	Melikşah UTKU
SOCIAL RESPONSIBILITY COMMITTEE:	
Chairman:	Bekir PAKDEMİRLİ
Member:	Ibrahim Fayeze Humaid ALSHAMSI
Member:	Mustafa BÜYÜKABACI
EXECUTIVE COMMITTEE:	
Chairman:	Adnan Ahmed Yusuf ABDULMALEK
Vice Chairman:	Yalçın ÖNER
Member:	Osman AKYÜZ
Member:	Hamad Abdulla Ali EQAB
Member:	Melikşah UTKU

^(*) Duties were distributed at the Board of Directors Meeting dated March 30, 2017.

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AS OF MARCH 31, 2017

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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	4.280.220	4.999.052
Banks	2.324.881	2.158.177
Financial Assets- Available For Sale (Net)	1.372.793	1.342.861
Loans and Receivables	22.054.361	21.843.075
Financial Leasing Receivables	837.531	878.979
Others	2.188.534	1.577.709
TOTAL ASSETS	33.058.320	32.799.853
LIABILITIES	Current Period	Prior Period
Funds Collected	23.621.900	23.150.848
Funds Borrowed	2.803.451	3.017.619
Subordinated Loans	1.598.144	1.510.937
Shareholders' Equity	2.416.805	2.273.171
Others	2.618.020	2.847.278
TOTAL LIABILITIES	33.058.320	32.799.853
INCOME AND EXPENSE ITEMS	Current Period	Prior Period
Profit Share Income	630.998	563.559
Profit Share Expense	312.433	285.849
Net Profit Share Income/Expenses	318.565	277.710
Net Fees and Commissions Income/Expenses	37.798	32.354
Trading Income/Loss (Net)	(11.065)	22.768
Other Operating Income	44.949	33.532
Total Operating Income	390.247	366.364
Provision For Loan Losses and Other Receivables (-)	136.888	73.626
Other Operating Expenses (-)	203.584	207.383
Net Operating Income/ (Losses)	49.775	85.355
Tax Provision For Discontinued Operations (-+)	10.427	22.273
NET PROFIT/LOSSES	40.014	62.511
Earnings Per Share (Full TL)	0,040	0,069

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Information on Interim Report (Continued):

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

Our Precious Stakeholders,

In the first quarter of the year of 2017, political developments and economic activities finding directions relevant to these developments have come into prominence in the agenda of the global economy as in 2016. While recovery continuing since the second half of 2016 maintains optimism on global economy, meetings of the central banks specifically in developed countries are among the most important subjects for the first quarter in this respect.

FED has made an increase in interest rates also in March as in December 2016; and emphasized on steady economic growth, employment increase and inflation achieving to the stipulated target and continued to give the message on the rate of interest increase to be moderate for the rest of the year.

Eurozone has also completed the first quarter of the year with a fast recovery; economic activity and inflation have recorded an improvement above the expectations throughout the region. Annual increase in inflation has realized at the level of 1.5% in March. European Central Bank (ECB) has not made a change in policy interest rate and asset purchases program in parallel with expectations in March meeting. ECB has extended Asset purchase program to the end of 2017 in December meeting, however, it has reduced monthly purchases as of April from 80 billion euros to 60 billion euros. Mood of optimism on economic activities has reduced the expectation for ECB to take a tightening step and make a reduction of interest rate. On the other hand, Brexit process has officially started as of the end of March. The Bank of England (BOE) has not made a change in money policy in the first quarter of the year. But in Japan, the year-on-year increase in inflation is unfavorable at the end of the first quarter due to the low course. This view is quite below the target of the Bank of Japan (BOJ). Chinese economy has made a positive start to the year of 2017; economic activity performances in the first quarter have resulted in Chinese government revising the growth target for 2017 as 6.5%.

Base effect in commodity and oil prices has ended in the last quarter of 2016; however, crude oil stocks being at high level in global scale specifically in the USA have caused oil prices to complete with a negative pressure the first quarter of 2017. In commodity prices, specifically gold prices have declined following the US Dollar appreciation with an expectation of FED making a fast increase in interest rate, then in March meeting, the message on the rate of interest increase to be moderate for the rest of the year have resulted in depreciation of dollar, and this has resulted gold prices to rise over 1.247 US Dollars level as of March 31.

On the other hand the developments within the country, Turkish economy has completed the year of 2016 with a growth rate of 2.9%. Along with this, unemployment rate has displayed the weakest performance since 2008 and realized as 12.7%. As the foreign trade deficit continued to expand, current account deficits expanded to USD 2.8 billion in parallel with the expansion of foreign trade deficit and the decline in tourism revenues. 27% growth in budget expenditures resulted in budget deficit in February, CPI has maintained a tendency to exceed market expectations since the beginning of the year and has risen to its highest level since the global crisis with an annual increase of 11.29% in March. Domestic-PPI is realized with an annual increase of 16.09% in March. Domestic-PPI, reaching almost to the highest level of the last 9 years in annual increase, could limit the expected improvement in inflation and may suppress negatively.

Central Bank of Turkish Republic is applying tight liquidity policy since the beginning of the year to prevent upwards movement in foreign exchange rates and limit the deterioration in inflation outlook. The CBRT, which does not issue weekly repo auctions, has turned to funding from the Late Liquidity Window (GLP) with the upper band of the interest rate corridor. It keeps emphasizing that it shall make monetary tightening in case of a need. In the first quarter of the year, we have lost our second investment grade with Fitch's note discount. That Moody's has changed Turkey's rating outlook to negative in March and depreciation of TL as a result of external pressures along with political and geopolitical developments and high inflation has strengthened the view that the country's economic growth outlook may be weaker.

In the light of all these global and domestic market developments, Albaraka Türk has shown that working principles and asset structures of participation banking are more robust than traditional banking and continued its contribution to Turkish economy and real sector in the first quarter of the year. As Albaraka Türk, we shall continue to meet our customers' financial needs as in the previous 32 years, being aware of and under the responsibility of being the first and pioneer Participation Bank of Turkey, by increasing the energy needed for our growth with our management team getting more professionalized day by day, our young and dynamic human resources and the organization we have. As it was yesterday, our Bank shall continue to take firm steps today and tomorrow in accordance with the vision of "To Be The World Best Participation Bank" by "adding value to the values of" all stakeholders.

With its employees and stakeholders, our Bank shall maintain to be the pioneer in the sector and to serve for sustainable growth and development also in the forthcoming period. I would like to take this opportunity to thank my colleagues, our customers, our shareholders and our all other stakeholders for their contribution in our success.

Respectfully Yours,

Adnan Ahmed Yusuf ABDULMALEK
Chairman of the Board of Directors

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Information about Interim Report (Continued):

3. Message from the CEO

Our Precious Stakeholders,

Albaraka Türk has continued its contribution to Turkish economy and real sector despite effect of developments in global and domestic markets which shall show their effects in the first quarter of 2017 we have completed and later.

According to our first quarter financial results, our Bank's consolidated total assets have been realized as TL 33.058.320. In the same period, our total credit portfolio has achieved to TL 22.054.361. Funds collected through profit/loss participation accounts and private current accounts have increased by 2.03% compared to the previous period and realized as TL 23.621.900. Approximately 47.18% of these funds is constituted of foreign currency funds. As of March 31, 2017, our Bank's consolidated net profit has been TL 40.014.

In the first quarter of the year of 2017, we have completed our studies on ensuring that our Tier 2 subordinated loan, which is in the murabaha sukuk format amounting to USD 200 million with a total maturity of 10 years with a principal repayment of 5 years and a coupon profit rate of 7.75% provided in 2013, can be considered as contribution capital within the scope of the relevant legislation in order to comply with Basel III requirement and our consolidated capital adequacy ratio is provided to be increased to 16.87%.

In parallel with share repurchase program approved at the Ordinary General Assembly meeting of our Bank held on March 25, 2015, shares repurchased also in the first quarter and Albaraka Türk shares are supported to be in parallel with index. A total of TL 43.521 dividend from the profit of the year of 2016 is distributed to our shareholders with the decision taken at our Ordinary General Assembly Meeting held on March 23, 2017.

As Albaraka Türk, as putting new investment banking practices successfully into effect, we also continue to extend the investor base. In compliance with our strategic plans, we reach to various investor groups by investment banking practices. Domestic Sukuk Certificate (Sukuk) issuances started in 2016 for our Bank's qualified investors have continued in 2017 and with a high demand than expected amount, we have realized a successful Sukuk Certificate (Sukuk) issue in the amount of TL 110 million with 179-day maturity on March 31, 2017. Additionally, as a part of our Bank's continuous efforts on diversifying fund sources, we have provided a successful murabaha syndication loan in the amount of USD 213 million with 370-day maturity in the beginning of the second quarter of 2017. Along with our issue of Sukuk certificate and realization of murabaha syndication loan targeted to be USD 150 million as USD 213 million confirms once again the trust for Turkey and Albaraka Türk in international markets.

Our subordinated sukuk issuance which was the Turkey's first Basel III compliant issuance in November 2015 has deserved the award of Islamic Capital Markets Deal of the Year at Bonds & Loans Turkey Awards, also named as the finance world's oscars which was organized in February, 2017. This first issue in the Participation Banking sector is an indication that Albaraka Türk has successfully passed new investment banking practices while continuing to pursue a steady growth path with its vision and vision, future-oriented strategies and service model that best reflect the philosophy of participation banking.

Albaraka Türk is selected as "The Best Participation Bank of Turkey" at IFN 2016 Awards organized in Dubai by Islamic Finance News (IFN) Journal. Awards organized in Dubai and granted in different branches of Islamic finance sector are completed with independent expert opinions and questionnaires the sector workers have attended. Voting questionnaires sent to employees in the Islamic finance field and they were not able to score points on their banks. "Turkey's Best Participation Bank" demonstrated the reputation of our chosen bank for global markets, because the content of the questionnaire and its outcomes have been designed to measure perceptual results independent of balance sheet sizes and all numerical data.

Managing our customers' demands in a healthy way with our banking activities is the primary subject among the subjects we shall not make concessions. In this respect, as Albaraka Türk, we have been selected as the first bank among participation banks performing customer complaint management method most effectively, in high quality and in a solution focused way at the A.C.E (Achievement in customer Excellence) Awards ceremony organized by www.sikayetvar.com. It is very precious for our Bank to be deemed worthy of an award for the 3rd time at the first and single contest of Turkey assessing customer satisfaction organized every year since 2014.

Our realized projects and enterprises in line with the goal of "To Be The World Best Participation Bank" put forth also the efforts we have shown to offer our customers the best banking experience. As Albaraka Türk, we will continue our efforts with diligence and dedication for the 15% market share that the aim of participation banking in our country is to reach in 2023. I'd like to express my deepest gratitude to all of our stakeholders for their contributions and support in our efforts rewarded by our customers trust and support.

Respectfully Yours,

Melikşah UTKU

Board Member and CEO

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Information on Interim Report (continued):

4. Activities in the First Quarter of 2017:

- In the first quarter of 2017, our total assets have actualized as TL 33.058.320.
- In the first quarter of 2017, the consolidated funds our Bank has collected through "Special Current Accounts" and "Participation to Profit and Loss Accounts" has been TL 23.621.900 as of March 31, 2017. Approximately 47,18% of these funds are constituted of foreign currency funds.
- Participation accounts in the first quarter of 2017 has been TL 18.043.690. Our Bank's Fund Collecting Activities are carried out through 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	12.477.157	3.437.233	12.552.857	3.576.313	(0,60)	(3,89)
Current Accounts	2.546.982	701.648	2.666.508	759.689	(4,48)	(7,64)
Participation Accounts	9.930.175	2.735.585	9.886.349	2.816.624	0,44	(2,88)
FC Funds	11.144.743	3.070.177	10.597.991	3.019.370	5,16	1,68
Current Accounts	3.031.228	835.049	2.764.410	787.581	9,65	6,03
Participation Accounts	8.113.515	2.235.128	7.833.581	2.231.789	3,57	0,15
TOTAL	23.621.900	6.507.410	23.150.848	6.595.683	2,21	(1,16)

TL and USD Equivalent	Current Period		Prior Period		Change (%)	
	TL Equivalent	USD Equivalent	TL Equivalent	USD Equivalent	TL	USD
Credits ^(*)	22.255.913	6.131.106	22.194.605	6.323.249	0,28	(3,04)
Non-performing Loans	1.322.771	364.400	1.105.954	315.087	19,60	15,65
Provisions	(686.792)	(189.199)	(578.505)	(164.816)	18,72	14,79
TOTAL	22.891.892	6.306.307	22.722.054	6.473.520	0,75	(2,58)

(*) Financial Leasing Receivables included.

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

Balance Sheet Period	USD/TL
As of 31 March 2017	3,63
As of 31 December 2016	3,51

5. Evaluation on Financial Status, Profitability and Solvency:

- Our Operating Income has been TL 390.247, increasing by 6,52% compared to the same period of the previous year.
- Net Fee and Commission Revenues have been TL 37.798, increasing by 16,83%, our Net Profit Share has been TL 318.565, increasing by 14,71%.
- Personnel expenses has been TL 105.770, decreasing by 5,86% and Depreciation Expenses have been TL 15.783, decreasing by 2,69% compared to the same period of the previous year.
- Our consolidated net profit has been TL 40.014 for the first 3 months of the year.
- As of March 31, 2017, our capital adequacy ratio is actualized as 16,87%, over the minimum ratio.

Investor Relations presentation regarding our financial results for the first 3 months of 2017 can be found at Investor Relations section in "www.albaraka.com.tr".

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Information on Interim Report (Continued):

6. Announcements regarding important developments during January 1, 2017 - March 31, 2017 period:

- Our Bank has made new appointments under the organizational changes of the year 2017. Senior Assistant General Manager (Deputy) Responsible from Business Lines and Senior Assistant General Manager (Deputy) Responsible from Support positions are established between General Manager and Assistant General Managers positions. Appointments of positions are as follows:
Assistant General Manager Responsible for Business Branches (GM Deputy) - **Turgut SİMİTCİOĞLU**
Assistant General Manager Responsible for Support (GM Deputy) - **Mehmet Ali VERÇİN**
Assistant General Manager Responsible for Legal - **Nihat BOZ**
Assistant General Manager Responsible for Credits - **Cenk DEMİRÖZ**
Assistant General Manager Responsible for Risk Monitoring - **Deniz AKSU**
Assistant General Manager Responsible for Finance - **Temel HAZIROĞLU**
Assistant General Manager Responsible for Sales - **Nevzat BAYRAKTAR**
Assistant General Manager Responsible for Marketing - **Hasan ALTUNDAĞ**
Assistant General Manager Responsible for Treasury and Financial Institutions - **Malek Khodr TEMSAH**
Assistant General Manager Responsible for Operations - **Fatih BOZ**
Assistant General Manager Responsible for Human Values and Administrative Affairs - **Süleyman ÇELİK**
Assistant General Manager Responsible for Information Technologies - **Ali TUĞLU**
- In our Bank's public disclosure dated January 9, 2017, we disclosed that Tax Inspection Board, İstanbul Large Taxpayers Groups prepared a tax audit report for the review of KKDF (Resource Utilization Support Fund) for retail consumer financing customers for the year of 2011. A total of TL 41 accrual slip were issued with KKDF cut and penalty.
- In our Bank's public disclosure dated January 24, 2017, we disclosed that we have completed our studies on ensuring that our Tier 2 subordinated loan, which is in the murabaha sukuk format amounting to USD 200 million with a total maturity of 10 years with a principal repayment of 5 years and a coupon profit rate of 7,75% provided in 2013, can be considered as contribution capital within the scope of the relevant legislation in order to comply with Basel III requirements.
- In our Bank's public disclosure dated January 27, 2017, we disclosed that International Credit Rating Company Standard & Poors has revised the rating of Albaraka Sukuk Ltd. and Sukuk as a contribution capital issued by Albaraka Sukuk Limited on November 30, 2015 as CCC+. Also, Standard & Poors has placed its 'B-' issue rating on the tier 2 sukuk trust certificates issued by ABT Sukuk Ltd. on Credit Watch with negative implications.
- In our Bank's public disclosure dated February 17, 2017, we disclosed that our Acting General Manager Melikşah UTKU has been appointed as General Manager by resolution of the Board of Directors dated February 17, 2017 and numbered 1603.
- Within our Bank Repurchase program accepted Ordinary General Assembly held March 25, 2015, total TL 6.115 nominal value shares were bought by our Bank between January 18, 2016 and March 22, 2017. With this transaction, our Bank's share of capital in Albaraka Türk Katılım Bankası A.Ş.'s Capital amounted to 0,68% as of March 22, 2017.
- Our Article 7 titled "Bank's Capital" of Article of Incorporation was amended by general meeting with the permission of the BRSA, CMB and the Ministry of Customs and Trade regarding the extension of the registered capital ceiling permit period.

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Information on Interim Report (Continued):

6. Announcements regarding important developments during January 1, 2017 - March 31, 2017 period (Continued):

- As announced in Public Disclosure Platform on February 17, 2017, our Bank's Ordinary General Meeting of Shareholders of was held on March 23, 2017 with the following agenda:

AGENDA

1. Inauguration; formation of Presiding Council.
 2. Authorizing the Presiding Council to sign the general assembly minutes of meeting.
 3. Reading and discussing the Annual Report of the BoD about the fiscal year 2016.
 4. Reading and discussing Auditor reports.
 5. Reading, discussing and approving the Financial Statements.
 6. Acquitting the Members of the BoD.
 7. Acquitting the Auditor.
 8. Discussing the BoD proposal about the utilization and distribution of the annual profit and dividends (ratios of sharing).
 9. Discussing the fiscal rights and benefits of the Board members like salary & wages, perdiems, bonus & premiums and alike.
 10. Electing new members for the BoD, as the offices of our current directors will expire; and determining their new terms of office.
 11. Electing the Auditor.
 12. Discussing and resolving the Board of Directors' proposal to amend Article-7 entitled "Bank's Capital" of our Bank's Articles of Incorporation.
 13. Permitting members of the BoD with respect to articles 395 and 396 of Turkish Commercial Code.
 14. Presenting information to General Assembly about operations effected in scope of the repurchase Program for bank's own shares in 2016,
 15. Providing the General Assembly with details of our Bank's donations in 2016.
 16. Wishes and requests.
- You may find Information Document, Profit Distribution Table, Minutes and Resolutions regarding Ordinary General Meeting of Shareholders which was held on March 23, 2017 from Albaraka Türk website Investor Relations section from following link:
http://en.albarakaturk.com.tr/investor_relations/list.aspx?SectionID=WLmgCDklvPOuo93OyxXHV A%3d%3d&ContentID=YV96dl%2fiv%2btd%2ffGGo24kjA%3d%3d
 - At the General Assembly Meeting held on March 23, 2017, it was decided that the number of the members of the board of directors should be determined as 13, including the General Manager, which is the natural member of the board of directors. Also, it has been decided that the term of office of the elected board members shall be 3 years and that the other 12 members of the board of directors other than the General Manager who is the natural member of the board of directors shall be the following:
Mr. ADNAN AHMED YUSUF ABDULMALEK, Mr. YALÇIN ÖNER, Mr. OSMAN AKYÜZ, Mr. IBRAHİM FAYEZ HUMAID ALSHAMSI, Mr. HAMAD ABDULLA ALI EQAB, Mr. FAHAD ABDULLAH A. ALRAJHI, Mr. HOOD HASHEM AHMED HASHEM, Mr. MUSTAFA BÜYÜKABACI, Mr. KHALED ABDULLA MOHAMED ATEEQ, Mr. BEKİR PAKDEMİRLİ, Mr. KEMAL VAROL, Mr. MUHAMMAD ZARRUG M. RAJAB. From these members;
Mr. KEMAL VAROL and Mr. MUHAMMAD ZARRUG M. RAJAB was elected as an independent board member.

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Information on Interim Report (Continued):

6. Announcements regarding important developments during January 1, 2017 - March 31, 2017 period (Continued):

- At the General Assembly meeting held on March 23, 2017, Article 8 of the agenda for the use and distribution of Profit Shares was discussed and a gross total of TL 43.521 profit distribution has been approved by the voting consortium as of April 10, 2017.
- In accordance with the resolution of the Board of Directors dated March 30, 2017; Board members and the General Manager, who were elected to the Board of Directors for three years at the Ordinary General Meeting of Shareholders held on March 23, 2017, distributions of the duties of the Board of Directors among themselves as follows:

Chairman of the Board of Directors- Adnan Ahmed Yusuf ABDULMALEK, **Vice Chairman of the Board of Directors** - Yalçın ÖNER

Credit Committee Chairman - Adnan Ahmed Yusuf ABDULMALEK, **Members** - Osman AKYÜZ
Kemal VAROL, Melikşah UTKU, **Reserve Members** - Yalçın ÖNER, Bekir PAKDEMİRLİ

Audit Committee Chairman - Mustafa BÜYÜKABACI, **Member** - Hood Hashem Ahmed HASHEM
Observers - Hamad Abdulla Ali EQAB, Ibrahim Fayez Humaid ALSHAMSI, Khaled Abdulla Mohamed ATEEQ

Corporate Governance Committee Chairman - Muhammed Zarrug M. RAJAB, **Members** - Ibrahim Fayez Humaid ALSHAMSI, Mustafa KARAMEHMETOĞLU, **Observer** - Khaled Abdulla Mohamed ATEEQ

Remuneration Committee Chairman - Adnan Ahmed Yusuf ABDULMALEK, **Members** - Osman AKYÜZ, Melikşah UTKU

Social Responsibility Committee Chairman - Bekir PAKDEMİRLİ, **Members** - Ibrahim Fayez Humaid ALSHAMSI, Mustafa BÜYÜKABACI

Executive Committee Chairman - Adnan Ahmed Yusuf ABDULMALEK, **Vice Chairman** - Yalçın ÖNER, **Members** - Osman AKYÜZ, Hamad Abdulla Ali EQAB, Melikşah UTKU

- On March 31, 2017, a successful Sukuk Certificate (Sukuk) was issued by Albaraka Türk which is resource institution and fund user with a maturity of 179 days with a funding source of TL 110.000.
- The Bank foresees the sale of some of the assets in the Metropol Istanbul project, which is a Musharaka project, in May 2017. It is estimated that these sales will generate between TL 350-400 million transaction volumes.
- Important developments during **January 1, 2017 - March 31, 2017** period were announced and the disclosures were uploaded to the Public Disclosure Platform. All the announcements are shared at Albaraka Türk web site Investor Relations section.
- <https://www.albaraka.com.tr/ozel-durum-aciklamalari.aspx>