

(Convenience translation of the independent auditors' report and financial statements originally issued in Turkish - see section three Note XXIV)

Albaraka Türk Katılım Bankası Anonim Şirketi

**Publicly announced unconsolidated financial statements
and related disclosures at December 31, 2015 together with
independent auditor's report**

(Convenience translation of the independent auditor's report and financial statements originally issued in Turkish - see section three Note XXIV)

Independent auditor report

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

Report on the Financial Statements

We have audited the accompanying unconsolidated balance sheet of Albaraka Türk Katılım Bankası A.Ş. ("the Bank") as at December 31, 2015, and the related unconsolidated income statement, unconsolidated statement of income and expense items accounted under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders' equity for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Bank's Board of Directors for the financial statements

Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statement in accordance with "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (BRSA), circulars, interpretations published by BRSA and BRSA Accounting and Reporting Legislation which includes the provisions of Turkish Accounting Standards for the matters which are not regulated by these regulation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Independent Auditor's responsibility

Our responsibility is to express an opinion on the unconsolidated financial statements based on our audit. We conducted our audit in accordance with communique "Independent Audit of Banks" published by BRSA on the Official Gazette No.29314 dated April 2, 2015 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the unconsolidated financial statements. The procedures selected depend on the independent auditor's professional judgment, including the assessment of risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error. In making those risk assessments, the independent auditor considers the internal control relevant to bank's preparation and fair presentation of the unconsolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An independent audit also includes evaluating the appropriateness of accounting policies used by the reasonableness of accounting estimates made by the management as well as evaluating the overall presentation of the unconsolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement presents fairly, in all material respects, the financial position of Albaraka Türk Katılım Bankası A.Ş. as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as in accordance with BRSA Accounting and Reporting Legislation.

Reports on arising from other regulatory requirements:

In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period January 1 – December 31, 2015 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.

In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Additional paragraph for convenience translation to English:

As explained in detail in Note XXIV of section three, accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting Legislation, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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



February 22, 2016
İstanbul, Turkey

**UNCONSOLIDATED FINANCIAL REPORT OF ALBARAKA TÜRK KATILIM BANKASI A.Ş.
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

Bank's headquarter address : Saray Mah. Dr. Adnan Büyükdeniz Cad. No:6
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The unconsolidated year-end financial report prepared in accordance with the Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by the Banking Regulation and Supervision Agency is comprised of the following sections.

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

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



Adnan Ahmed Yusuf ABDULMALEK
Chairman of the Board of Directors



Fahrettin YAHŞI
General Manager



Melikşah UTKU
Assistant General Manager



Yunus AHLATCI
Budget and Financial Reporting Manager



Hamad Abdulla A. EQAB
Chairman of the Audit Committee



Mitat AKTAŞ
Member of the Audit Committee



Hood Hashem Ahmed HASHEM
Member of the Audit Committee

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

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Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements as of December 31, 2015 (Currency - Thousand Turkish Lira)

Section one

General information

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

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

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

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

The Bank's head office is located in Istanbul and is operating through 212 (December 31, 2014: 201) local branches and 1 (December 31, 2014: 1) foreign branch and with 3.736 (December 31, 2014: 3.510) staff as of December 31, 2015.

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

As of December 31, 2015, 54,06% (December 31, 2014: 54,06%) of the Bank's shares are owned by Albaraka Banking Group located in Bahrain. 24,80% (December 31, 2014: 24,06%) of the shares are publicly traded and quoted at Borsa Istanbul.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements as of December 31, 2015 (Currency - Thousand Turkish Lira)

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

Title	Name and Surname	Administrative Function and Responsibility	Educational Degree	Ownership Percentage (%)
Chairman of the Board of Directors (BOD)	Adnan Ahmed Yusuf ABDULMALEK	Chairman of BOD	Master	(*) 0,0000
Members of BOD	Yalçın ÖNER	Vice Chairman of BOD	Master	-
	İbrahim Fayeze Humaid ALSHAMSI	Member of BOD	Bachelor	(*) 0,0000
	Osman AKYÜZ	Member of BOD	Bachelor	-
	Prof.Dr. Ekrem PAKDEMİRLİ (died on 31.12.2015)	Member of BOD	Doctorate	(*) 0,0000
	Mitat AKTAŞ	Member of BOD	Master	(*) 0,0000
	Hamad Abdulla A. EQAB	Member of BOD	Bachelor	(*) 0,0000
	Fahad Abdullah A. ALRAJHI	Member of BOD	Bachelor	(*) 0,0000
	Hood Hashem Ahmed HASHEM	Member of BOD	Master	(*) 0,0000
	Muhammad Zarrug M. RAJAB	Member of BOD	Bachelor	-
	Prof. Dr. Kemal VAROL	Independent Member of BOD	Doctorate	-
General Manager	Dr .Fahrettin YAHŞİ	Member of BOD /General Manager	Doctorate	-
Assistant General Managers	Mehmet Ali VERÇİN	Corporate Marketing, Treasury Marketing, Investment Projects	Bachelor	-
	Nihat BOZ	Legal Advisory, Legal Follow-up	Bachelor	-
	Temel HAZIROĞLU	Human Values, Training & Organisation, Performance & Career Management, Administrative Affairs, Construction and Real Estate	Master	0,0342
	Bülent TABAN	Commercial Marketing, Commercial Products Management, Regional Offices	Master	-
	Turgut SİMİTÇİOĞLU	Credit Operations, Banking Services Operations, Foreign Affairs Operations, Payment Systems Operations, Risk Follow-up	Master	-
	Melikşah UTKU	Financial Affairs, Budget & Financial Reporting, Corporate Communication	Master	-
	Ali TUĞLU	Core Banking Applications Development, Customer & Channel and Analytical Applications,IT Support, IT Strategy & Governance	Bachelor	-
	Mahmut Esfa EMEK	Corporate Credits, Commercial Credits, Retail Credits	Bachelor	-
	Ayhan KESER	Retail Marketing, Alternative Distribution Channels, Retail Products Management, Financial Institutions, Investor Relations	Bachelor	-
Audit Committee	Hamad Abdulla A. EQAB	Chairman of Audit Committee	Bachelor	(*) 0,0000
	Hood Hashem Ahmed HASHEM	Member of Audit Committee	Master	(*) 0,0000
	Mitat AKTAŞ	Member of Audit Committee	Master	(*) 0,0000

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

Chairman and members of BOD, members of audit committee, general manager and assistant general managers own 0,0342% of the Bank's share capital (December 31, 2014: 0,0396%).

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as of December 31, 2015
(Currency - Thousand Turkish Lira)**

IV. Information on the Bank's qualified shareholders:

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

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

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

The Bank operates in accordance with the principles of interest-free banking as a participation bank. The Bank mainly collects funds through current and profit sharing accounts, and lends such funds through corporate finance support, retail finance support, profit/loss sharing investment, finance lease, financing commodity against document and joint investments.

The Bank classifies current and profit sharing accounts separately from other accounts in accordance with their maturities. Profit sharing accounts are classified under five different maturity groups; up to one month, up to three months (three months included), up to six months (six months included), up to one year (one year included) and one year and more than one year (with monthly, quarterly, semiannual and annual profit share payment).

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

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

In addition to its ordinary banking activities, the Bank operates as an insurance agency on behalf of Işık Sigorta, Anadolu Sigorta, Güneş Sigorta, Allianz 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 Bank is involved in providing non-cash loans which mainly comprise letters of guarantee, letters of credit and acceptances.

Transactions which can be carried out by the Bank are not limited to the clauses listed above. If any activities other than those mentioned are considered as beneficial to the Bank, the application must be recommended by the Board of Directors, approved by the General Assembly and authorized by relevant legal authorities which then needs to be approved by the Ministry of Customs and Trade since such applications are amendments in nature to the Article of Association. The application is included in the Article of Association after all necessary approvals are obtained.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

as of December 31, 2015

(Currency - Thousand Turkish Lira)

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards with respect to consolidation and short explanation about the institutions subject to full or proportional consolidation and institutions which are deducted from equity or not included in these three methods:

The Bank did not consolidate its associate Kredi Garanti Fonu A.Ş. 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 Bank consolidated Katılım Emeklilik ve Hayat A.Ş., an entity under common control, and Bereket Varlık Kiralama A.Ş., Albaraka Gayrimenkul Portföy Yönetimi A.Ş. the subsidiaries of the Bank, through equity method and full consolidation method, respectively. Moreover, ABT Sukuk Limited and Albaraka Sukuk Limited, which are not subsidiaries of the Bank but over which the Bank has 100% controlling power, have been included in the consolidation due to the reason that these companies are "Structured Entity".

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

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

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

Section two

The unconsolidated financial statements

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

ASSETS	Notes (Section Five-I)	THOUSAND TURKISH LIRA					
		CURRENT PERIOD (31/12/2015)			PRIOR PERIOD (31/12/2014)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	894.204	4.010.594	4.904.798	352.393	2.776.793	3.129.186
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (net)	(2)	1.427	20.856	22.283	5.611	-	5.611
2.1 Trading Financial Assets		1.427	20.856	22.283	5.611	-	5.611
2.1.1 Public Sector Debt Securities		-	-	-	-	-	-
2.1.2 Equity Securities		790	-	790	5.611	-	5.611
2.1.3 Derivative Financial Assets Held for Trading		-	20.822	20.822	-	-	-
2.1.4 Other Marketable Securities		637	34	671	-	-	-
2.2 Financial Assets at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Equity Securities		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
III. BANKS	(3)	599.970	1.882.644	2.482.614	511.402	1.136.833	1.648.235
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
V. FINANCIAL ASSETS-AVAILABLE FOR SALE (net)	(4)	755.337	296.229	1.051.566	496.367	163.393	659.760
5.1 Equity Securities		15	12.850	12.865	15	1.660	1.675
5.2 Public Sector Debt Securities		737.783	149.374	887.157	465.361	123.254	588.615
5.3 Other Marketable Securities		17.539	134.005	151.544	30.991	38.479	69.470
VI. LOANS AND RECEIVABLES	(5)	15.352.083	3.205.882	18.557.965	13.494.112	1.979.934	15.474.046
6.1 Loans and Receivables		15.165.345	3.205.054	18.370.399	13.454.414	1.979.918	15.434.332
6.1.1 Loans to Risk Group of The Bank		9.424	38.523	47.947	50.243	-	50.243
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Other		15.155.921	3.166.531	18.322.452	13.404.171	1.979.918	15.384.089
6.2 Non-performing loans		467.256	1.157	468.413	326.948	27	326.975
6.3 Specific Provisions (-)		280.518	329	280.847	287.250	11	287.261
VII. INVESTMENTS HELD TO MATURITY (net)	(6)	762.890	-	762.890	783.309	-	783.309
VIII. INVESTMENTS IN ASSOCIATES (net)	(7)	4.719	-	4.719	4.211	-	4.211
8.1 Accounted for under Equity Method		-	-	-	-	-	-
8.2 Unconsolidated Associates		4.719	-	4.719	4.211	-	4.211
8.2.1 Financial Associates		4.719	-	4.719	4.211	-	4.211
8.2.2 Non-Financial Associates		-	-	-	-	-	-
IX. SUBSIDIARIES (net)	(8)	5.250	-	5.250	250	-	250
9.1 Unconsolidated Financial Subsidiaries		5.250	-	5.250	250	-	250
9.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
X. JOINT VENTURES (net)	(9)	15.500	-	15.500	10.500	-	10.500
10.1 Accounted for under Equity Method		-	-	-	-	-	-
10.2 Unconsolidated		15.500	-	15.500	10.500	-	10.500
10.2.1 Financial Joint Ventures		15.500	-	15.500	10.500	-	10.500
10.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XI. LEASE RECEIVABLES (net)	(10)	947.427	-	947.427	709.646	-	709.646
11.1 Finance Lease Receivables		1.090.063	-	1.090.063	782.612	-	782.612
11.2 Operational Lease Receivables		-	-	-	-	-	-
11.3 Other		-	-	-	-	-	-
11.4 Unearned Income (-)		142.636	-	142.636	72.966	-	72.966
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)	499.803	1.336	501.139	485.461	1.678	487.139
XIV. INTANGIBLE ASSETS (net)	(13)	43.796	476	44.272	26.326	565	26.891
14.1 Goodwill		-	-	-	-	-	-
14.2 Other		43.796	476	44.272	26.326	565	26.891
XV. INVESTMENT PROPERTY (net)	(14)	-	-	-	-	-	-
XVI. TAX ASSET	(15)	20.495	-	20.495	3.551	-	3.551
16.1 Current Tax Asset		5.324	-	5.324	3.551	-	3.551
16.2 Deferred Tax Asset		15.171	-	15.171	-	-	-
XVII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (net)	(16)	22.574	245	22.819	27.678	-	27.678
17.1 Assets Held for Sale		22.574	245	22.819	27.678	-	27.678
17.2 Assets of Discontinued Operations		-	-	-	-	-	-
XVIII. OTHER ASSETS	(17)	216.018	2.244	218.262	74.852	1.559	76.411
TOTAL ASSETS		20.141.493	9.420.506	29.561.999	16.985.669	6.060.755	23.046.424

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

LIABILITIES	Notes (Section Five-II)	THOUSAND TURKISH LIRA					
		CURRENT PERIOD (31/12/2015)			PRIOR PERIOD (31/12/2014)		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED	(1)	11.336.176	9.010.002	20.346.178	9.782.163	6.861.055	16.643.218
1.1 Funds from Risk Group of The Bank		126.867	152.607	279.474	71.453	183.838	255.291
1.2 Other		11.209.309	8.857.395	20.066.704	9.710.710	6.677.217	16.387.927
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	-	-	-	-	-
III. FUNDS BORROWED	(3)	-	4.104.688	4.104.688	-	3.215.998	3.215.998
IV. BORROWINGS FROM MONEY MARKETS		770.959	-	770.959	116.740	-	116.740
V. SECURITIES ISSUED (net)		-	-	-	-	-	-
VI. MISCELLANEOUS PAYABLES		633.312	53.074	686.386	434.001	76.171	510.172
VII. OTHER LIABILITIES	(4)	-	-	-	-	-	-
VIII. LEASE PAYABLES	(5)	-	-	-	-	-	-
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	(6)	-	-	-	-	-	-
9.1 Fair Value Hedge		-	-	-	-	-	-
9.2 Cash Flow Hedge		-	-	-	-	-	-
9.3 Net Foreign Investment Hedge		-	-	-	-	-	-
X. PROVISIONS	(7)	216.049	35.810	251.859	180.386	52.438	232.824
10.1 General Provisions		140.016	30.869	170.885	128.047	25.863	153.910
10.2 Restructuring Reserves		-	-	-	-	-	-
10.3 Reserve for Employee Benefits		53.033	-	53.033	32.529	-	32.529
10.4 Insurance Technical Reserves (net)		-	-	-	-	-	-
10.5 Other Provisions		23.000	4.941	27.941	19.810	26.575	46.385
XI. TAX LIABILITY	(8)	55.695	2.763	58.458	64.116	3	64.119
11.1 Current Tax Liability		55.695	2.763	58.458	55.823	3	55.826
11.2 Deferred Tax Liability		-	-	-	8.293	-	8.293
XII. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (net)	(9)	-	-	-	-	-	-
12.1 Assets Held for Sale		-	-	-	-	-	-
12.2 Assets of Discontinued Operations		-	-	-	-	-	-
XIII. SUBORDINATED LOANS	(10)	-	1.239.557	1.239.557	-	472.426	472.426
XIV. SHAREHOLDERS' EQUITY	(11)	2.097.426	6.488	2.103.914	1.790.092	835	1.790.927
14.1 Paid-In Capital		900.000	-	900.000	900.000	-	900.000
14.2 Capital Reserves		194.422	6.488	200.910	159.361	835	160.196
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Marketable Securities Valuation Reserve		4.203	6.488	10.691	9.155	835	9.990
14.2.4 Revaluation Reserve on Tangible Assets		189.092	-	189.092	153.179	-	153.179
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		1.127	-	1.127	(2.973)	-	(2.973)
14.3 Profit Reserves		696.531	-	696.531	470.137	-	470.137
14.3.1 Legal Reserves		84.774	-	84.774	71.744	-	71.744
14.3.2 Status Reserves		-	-	-	-	-	-
14.3.3 Extraordinary Reserves		611.757	-	611.757	398.393	-	398.393
14.3.4 Other Profit Reserves		-	-	-	-	-	-
14.4 Profit or Loss		306.473	-	306.473	260.594	-	260.594
14.4.1 Prior Years Profit / (Loss)		3.610	-	3.610	7.963	-	7.963
14.4.2 Current Year Profit / (Loss)		302.863	-	302.863	252.631	-	252.631
14.5 Minority Interest		-	-	-	-	-	-
TOTAL LIABILITIES		15.109.617	14.452.382	29.561.999	12.367.498	10.678.926	23.046.424

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

STATEMENT OF OFF-BALANCE SHEET

STATEMENT OF OFF BALANCE SHEET		Notes (Section Five-III)	THOUSAND TURKISH LIRA					
			CURRENT PERIOD (31/12/2015)			PRIOR PERIOD (31/12/2014)		
			TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET COMMITMENTS (I+II+III)	(1)	5.494.071	4.916.466	10.410.537	5.077.895	3.929.264	9.007.159
I.	GUARANTEES AND SURETIES		4.275.402	4.388.655	8.664.057	4.149.365	3.929.144	8.078.509
1.1.	Letters of Guarantees		4.269.478	3.460.810	7.730.288	4.122.802	2.749.839	6.872.641
1.1.1.	Guarantees Subject to State Tender Law		259.046	23.832	282.878	166.552	21.939	188.491
1.1.2.	Guarantees Given for Foreign Trade Operations		436	816.444	816.880	597	778.622	779.219
1.1.3.	Other Letters of Guarantee		4.009.996	2.620.534	6.630.530	3.955.653	1.949.278	5.904.931
1.2.	Bank Loans		-	28.324	28.324	-	33.055	33.055
1.2.1.	Import Letter of Acceptances		-	28.324	28.324	-	33.055	33.055
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letter of Credits		-	639.592	639.592	7.997	581.273	589.270
1.3.1.	Documentary Letter of Credits		-	-	-	-	-	-
1.3.2.	Other Letter of Credits		-	639.592	639.592	7.997	581.273	589.270
1.4.	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2.	Other Endorsements		-	-	-	-	-	-
1.6.	Other Guarantees		1.877	245.719	247.596	2.551	558.481	561.032
1.7.	Other Collaterals		4.047	14.210	18.257	16.015	6.496	22.511
II.	COMMITMENTS	(1)	1.218.669	110.806	1.329.475	928.530	120	928.650
2.1.	Irrevocable Commitments		1.218.669	110.806	1.329.475	928.530	120	928.650
2.1.1.	Asset Purchase and Sale Commitments		76.526	110.806	187.332	-	-	-
2.1.2.	Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3.	Loan Granting Commitments		116.862	-	116.862	59.439	-	59.439
2.1.4.	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5.	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6.	Payment Commitment for Cheques		500.882	-	500.882	353.093	-	353.093
2.1.7.	Tax And Fund Liabilities from Export Commitments		2.035	-	2.035	1.506	-	1.506
2.1.8.	Commitments for Credit Card Expenditure Limits		521.562	-	521.562	510.257	-	510.257
2.1.9.	Commitments for Promotions Related with Credit Cards and Banking Activities		599	-	599	523	-	523
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		203	-	203	3.712	120	3.832
2.2.	Revocable Commitments		-	-	-	-	-	-
2.2.1.	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(2)	-	417.005	417.005	-	-	-
3.1.	Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1.	Fair Value Hedge		-	-	-	-	-	-
3.1.2.	Cash Flow Hedge		-	-	-	-	-	-
3.1.3.	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2.	Held for Trading Transactions		-	417.005	417.005	-	-	-
3.2.1.	Forward Foreign Currency Buy/Sell Transactions		-	417.005	417.005	-	-	-
3.2.1.1.	Forward Foreign Currency Transactions-Buy		-	219.089	219.089	-	-	-
3.2.1.2.	Forward Foreign Currency Transactions-Sell		-	197.916	197.916	-	-	-
3.2.2.	Other Forward Buy/Sell Transactions		-	-	-	-	-	-
3.3.	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		38.754.719	5.866.824	44.621.543	30.389.457	4.509.815	34.899.272
IV.	ITEMS HELD IN CUSTODY		1.671.504	932.158	2.603.662	1.353.738	1.454.959	2.808.697
4.1.	Assets Under Management		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		72	-	72	72	-	72
4.3.	Cheques Received for Collection		1.135.253	140.774	1.276.027	841.140	105.953	947.093
4.4.	Commercial Notes Received for Collection		509.767	23.015	532.782	488.418	18.801	507.219
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	280.573	281.572	7.997	986.909	994.906
4.8.	Custodians		25.310	487.796	513.106	16.008	343.296	359.304
V.	PLEDGED ITEMS		37.083.215	4.934.666	42.017.881	29.035.719	3.054.856	32.090.575
5.1.	Marketable Securities		2.526.159	1.260.176	3.786.335	1.530.006	1.157.125	2.687.131
5.2.	Guarantee Notes		1.792.505	166.731	1.959.236	1.877.551	204.313	2.081.864
5.3.	Commodity		1.671.688	750.681	2.422.369	1.070.691	380.393	1.451.084
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		29.631.293	1.227.662	30.858.955	23.266.419	773.474	24.039.893
5.6.	Other Pledged Items		1.372.083	1.526.355	2.898.438	1.237.960	530.859	1.768.819
5.7.	Pledged Items-Depository		89.487	3.061	92.548	53.092	8.692	61.784
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)			44.248.790	10.783.290	55.032.080	35.467.352	8.439.079	43.906.431

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

STATEMENT OF INCOME

INCOME AND EXPENSE ITEMS		Notes (Section Five-IV)	THOUSAND TURKISH LIRA	
			CURRENT PERIOD (01/01/2015- 31/12/2015)	PRIOR PERIOD (01/01/2014- 31/12/2014)
I.	PROFIT SHARE INCOME	(1)	1.935.159	1.502.306
1.1	Profit Share on Loans		1.708.889	1.376.418
1.2	Income Received from Reserve Deposits		10.263	492
1.3	Income Received from Banks		36	1.882
1.4	Income Received from Money Market Placements		-	-
1.5	Income Received from Marketable Securities Portfolio		135.215	95.136
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		70.619	41.154
1.5.4	Investments Held to Maturity		64.596	53.982
1.6	Finance Lease Income		79.117	28.152
1.7	Other Profit Share Income		1.639	226
II.	PROFIT SHARE EXPENSE	(2)	1.049.478	803.332
2.1	Expense on Profit Sharing Accounts		829.534	680.979
2.2	Profit Share Expense on Funds Borrowed		163.528	100.036
2.3	Profit Share Expense on Money Market Borrowings		47.081	22.007
2.4	Profit Share Expense on Securities Issued		-	-
2.5	Other Profit Share Expense		9.335	310
III.	NET PROFIT SHARE INCOME (I - II)		885.681	698.974
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		135.997	128.336
4.1	Fees and Commissions Received		187.627	161.173
4.1.1	Non-Cash Loans		98.046	81.953
4.1.2	Other	(12)	89.581	79.220
4.2	Fees and Commissions Paid		51.630	32.837
4.2.1	Non-Cash Loans		321	421
4.2.2	Other	(12)	51.309	32.416
V.	DIVIDEND INCOME	(3)	519	180
VI.	TRADING INCOME/LOSS(net)	(4)	52.570	53.257
6.1	Capital Market Transaction Income / (Loss)		2.223	1.474
6.2.	Profit / (Loss) from Derivative Financial Instruments		68.093	21.141
6.3.	Foreign Exchange Income / (Loss)		(17.746)	30.642
VII.	OTHER OPERATING INCOME	(5)	113.407	96.819
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		1.188.174	977.566
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	157.143	149.576
X.	OTHER OPERATING EXPENSES (-)	(7)	654.253	502.438
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		376.778	325.552
XII.	EXCESS AMOUNT RECORDED AS GAIN AFTER MERGER		-	-
XIII.	PROFIT / (LOSS) ON EQUITY METHOD		-	-
XIV.	PROFIT / (LOSS) ON NET MONETARY POSITION		-	-
XV.	PROFIT / (LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	376.778	325.552
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(73.915)	(72.921)
16.1	Provision for Current Taxes		(78.166)	(73.282)
16.2	Provision for Deferred Taxes		4.251	361
XVII.	NET INCOME / (LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	302.863	252.631
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.	PROFIT / (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 PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII.	NET PROFIT / LOSS (XVII+XXII)	(11)	302.863	252.631
23.1	Group's Profit/Loss		302.863	252.631
23.2	Minority shares (-)		-	-
	Earnings Per Share (Full TL)		0,337	0,281

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

**STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED
UNDER SHAREHOLDERS' EQUITY**

		THOUSAND TURKISH LIRA	
		CURRENT PERIOD (01/01/2015- 31/12/2015)	PRIOR PERIOD (01/01/2014- 31/12/2014)
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY			
I.	ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS	876	18.415
II.	TANGIBLE ASSETS REVALUATION DIFFERENCES	31.988	73.598
III.	INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV.	FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	4.368	1.305
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	9.772	(6.958)
IX.	DEFERRED TAX ON VALUATION DIFFERENCES	(2.494)	(17.010)
X.	TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	44.510	69.350
XI.	PROFIT/LOSS	302.863	252.631
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	302.863	252.631
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	347.373	321.981

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

(Convenience translation of the independent auditors' report and financial statements originally issued in Turkish - See section three Note XXIII)

ALBARAKA TÜRK KATILIM BANKASI A.Ş. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(THOUSAND TURKISH LIRA)

CHANGES IN SHAREHOLDERS' EQUITY	Notes (Section Five-V)	Paid-in Capital	Effect of Inflation Accounting on Capital	Share Premium	Share Cancellation	Share 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 (01/01/2014-31/12/2014)																		
I.	Beginning balance	(V)	900.000	-	-	-	59.602	-	202.043	810	241.409	1.434	(4.742)	96.712	-	-	-	1.497.268
II.	Changes In Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Increase/Decrease Related to Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. 4.1	Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. 4.2	Cash-Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	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		-	-	-	-	-	-	-	1.305	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period Net Income/(Loss)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers To Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance			900.000	-	-	-	71.744	-	398.393	(2.973)	252.631	7.963	9.990	153.179	-	-	-	1.790.927
(I+II+III+...+XVI+XVII+XVIII)																		

The accompanying explanations and notes are an integral part of these financial statements.
(11)

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(THOUSAND TURKISH LIRA)

CHANGES IN SHAREHOLDERS' EQUITY	Notes (Section Five-V)	Paid-in Capital	Effect of Inflation Accounting on Capital	Share Premium	Share Cancellation	Share Certificate 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
CURRENT PERIOD (01/01/2015-31/12/2015)																		
I.	Beginning balance	(V)	900.000	-	-	-	71.744	-	398.393	(2.973)	252.631	7.963	9.990	153.179	-	-	-	1.790.927
II.	Changes In Period Increase/Decrease Related to Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Hedging Funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	701	-	-	-	-	701
4.1	Cash-Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge Of Net Investment In Foreign Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	29.598	-	-	-	29.598
VII.	Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign Exchange Differences	-	-	-	-	-	-	-	-	4.368	-	-	-	-	-	-	-	4.368
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period Net Income/(Loss)	-	-	-	-	-	-	-	-	(288)	302.863	3.610	-	6.315	-	-	-	9.657
XVIII.	Profit Distribution	-	-	-	-	-	-	-	-	-	(252.631)	(7.963)	-	-	-	-	-	302.863
18.1	Dividends Distributed	-	-	-	-	-	-	-	-	-	-	(34.200)	-	-	-	-	-	(34.200)
18.2	Transfers To Reserves	-	-	-	-	-	-	-	-	-	-	(226.394)	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	(252.631)	252.631	-	-	-	-	-	-
Closing Balance		-	900.000	-	-	-	84.774	-	611.757	1.127	302.863	3.610	10.691	189.092	-	-	-	2.103.914
(I+II+III+...+XVI+XVII+XVIII)																		

The accompanying explanations and notes are an integral part of these financial statements.
(12)

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

STATEMENT OF CASH FLOWS

		THOUSAND TURKISH LIRA	
		CURRENT PERIOD (01/01/2015-31/12/2015)	PRIOR PERIOD (01/01/2014-31/12/2014)
STATEMENT OF CASH FLOWS			
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit Before Changes In Operating Assets And Liabilities	848.529	659.665
1.1.1	Profit Share Income Received	1.728.917	1.266.709
1.1.2	Profit Share Expense Paid	(1.013.622)	(783.408)
1.1.3	Dividend Received	10	180
1.1.4	Fees and Commissions Received	187.628	273.494
1.1.5	Other Income	107.179	70.248
1.1.6	Collections from Previously Written Off Loans	118.799	43.332
1.1.7	Payments to Personnel and Service Suppliers	(354.129)	(281.884)
1.1.8	Taxes Paid	(104.771)	(90.842)
1.1.9	Others	178.518	161.836
1.2	Changes In Operating Assets And Liabilities	141.093	(987.442)
1.2.1	Net (Increase) Decrease in Available For Sale Financial Assets	(16.672)	(820)
1.2.2	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	-	-
1.2.3	Net (Increase) Decrease in Due From Banks and Other Financial Institutions	(698.078)	(742.965)
1.2.4	Net (Increase) Decrease in Loans	(3.105.308)	(4.151.863)
1.2.5	Net (Increase) Decrease in Other Assets	(155.456)	(13.757)
1.2.6	Net Increase (Decrease) in Funds Collected From Banks	103.435	32.263
1.2.7	Net Increase (Decrease) in Other Funds Collected	3.105.520	3.795.726
1.2.8	Net Increase (Decrease) in Funds Borrowed	716.415	5.233
1.2.9	Net Increase (Decrease) in Payables	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	191.237	88.741
I.	Net Cash Flow From Banking Operations	989.622	(327.777)
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net cash flow from investing activities	(381.782)	(409.049)
2.1	Cash Paid for Acquisition of Jointly Controlled Operations, Associates and Subsidiaries	(10.000)	(5.000)
2.2	Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries	-	-
2.3	Fixed Assets Purchases	(68.547)	(72.082)
2.4	Fixed Assets Sales	43.773	28.893
2.5	Cash Paid for Purchase of Financial Assets Available for Sale	(611.211)	(376.923)
2.6	Cash Obtained from Sale of Financial Assets Available for Sale	179.188	-
2.7	Cash Paid for Purchase of Investment Securities	(391.427)	(350.000)
2.8	Cash Obtained from Sale of Investment Securities	476.442	366.063
2.9	Other	-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net Cash Flow From Financing Activities	1.167.349	1.055.298
3.1	Cash Obtained from Funds Borrowed and Securities Issued	6.263.893	5.131.196
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	(5.062.344)	(4.044.398)
3.3	Issued Capital Instruments	-	-
3.4	Dividends Paid	(34.200)	(31.500)
3.5	Payments for Finance Leases	-	-
3.6	Other	-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	124.317	58.299
V.	Net (Decrease) Increase in Cash and Cash Equivalents	1.899.506	376.771
VI.	Cash and Cash Equivalents at the Beginning of the Period	1.908.548	1.531.777
VII.	Cash and Cash Equivalents at the End of the Period	3.808.054	1.908.548

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

STATEMENT OF PROFIT APPROPRIATION

STATEMENT OF PROFIT APPROPRIATION	THOUSAND TURKISH LIRA	
	CURRENT PERIOD (*) (31/12/2015)	PRIOR PERIOD (31/12/2014)
I. Distribution of current year income		
1.1. Current year income (****)	380.388	333.515
1.2. Taxes and duties payable (-)	73.915	72.921
1.2.1. Corporate tax (Income tax)	78.166	73.282
1.2.2. Income withholding tax		
1.2.3. Other taxes and legal liabilities (**)	(4.251)	(361)
A. Net income for the year (1.1-1.2)	306.473	260.594
1.3. Prior year losses (-)	-	-
1.4. First legal reserves (-)	-	13.030
1.5. Other statutory reserves (-)	-	-
B. Distributable net period income [(A-(1.3+1.4+1.5)) (*)		247.564
1.6. First dividend to shareholders (-)	-	34.200
1.6.1. To owners of ordinary shares	-	34.200
1.6.2. To owners of preferred shares	-	-
1.6.3. To owners of preferred shares (Preemptive rights)	-	-
1.6.4. To Profit sharing bonds	-	-
1.6.5. To owners of the profit /loss sharing certificates	-	-
1.7. Dividend to personnel (-)	-	-
1.8. Dividend to board of directors (-)	-	-
1.9. Second dividend to shareholders (-)	-	-
1.9.1. To owners of ordinary shares	-	-
1.9.2. To owners of preferred shares	-	-
1.9.3. To owners of preferred shares (Preemptive rights)	-	-
1.9.4. To profit sharing bonds	-	-
1.9.5. To owners of the profit /loss sharing Certificates	-	-
1.10. Second legal reserve (-)	-	-
1.11. Status reserves (-)	-	-
1.12. Extraordinary reserves	-	213.364
1.13. Other reserves	-	-
1.14. Special funds	-	-
II. Distribution from reserves		
2.1. Distributed reserves	-	-
2.2. Second legal reserves (-)	-	-
2.3. Share to shareholders (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of preferred shares	-	-
2.3.3. To owners of preferred shares (Preemptive rights)	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To owners of the profit /loss sharing certificates	-	-
2.4. Share to personnel (-)	-	-
2.5. Share to board of directors (-)	-	-
III. Earnings per share		
3.1. To owners of ordinary shares (***) (Full TL)	0,341	0,290
3.2. To owners of ordinary shares (%)	34,1	29,0
3.3. To owners of preferred shares	-	-
3.4. To owners of preferred shares (%)	-	-
IV. Dividend per share		
4.1. To owners of ordinary shares (Full TL)	-	0,038
4.2. To owners of ordinary shares (%)	-	3,8
4.3. To owners of preferred shares	-	-
4.4. To owners of preferred shares (%)	-	-

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

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

(***) Calculated by using the number of share certificates as of year-end.

(****) Current year income includes previous year's profit and current year profit.

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

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Section three

Accounting policies

I. Explanations on basis of presentation:

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

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

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

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

The accounting policies and valuation principles applied in the preparation of unconsolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TAS and TFRS, and are consistent with the accounting policies applied in the annual financial statements of the year ended 31 December 2014. The aforementioned accounting policies and valuation principles are explained in Notes II to XXII below.

TAS/TFRS changes which are effective from January 1, 2015 do not have a significant effect on the Bank's accounting policies, financial position or performance. As of the date of financial statements, TAS/TFRS changes which are announced but not yet effective do not have a significant effect on the Bank's accounting policies, financial position or performance.

The effects of changes in TAS and TFRS standards, except from TFRS 9 "Financial Instruments" (version 2011) and TAS 27 "Separate Financial Statements", which have been published as of reporting date but has not been implemented yet, will have no significant impact on the accounting policies, financial condition and performance of the Bank. The Bank assesses the impact of TFRS 9 Financial Instruments standard. TFRS 9 will have an effect on the classification and measurement of financial statements. However, as the impact of adoption depends on the assets held by the Bank at the date of adoption itself, potential effect has not been quantified yet. The change in TAS 27 "Separate Financial Statements", which will be effective starting from January 1, 2016, will enable Bank to recognize investments in associates, joint ventures and subsidiaries using equity method in separate financial statements as specified in TAS 28. The Bank will not use the related method in unconsolidated financial statements.

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I. Explanations on basis of presentation (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 31 December 2017.) "Financial Instruments" before January 1, 2018. Since the Bank has not chosen to early adopt TFRS 9, the accompanying financial statements have been prepared in accordance with the financial statements in the appendix of "Communiqué on Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks" published in the Official Gazette dated June 28, 2012 and numbered 28337.

The preparation of the unconsolidated financial statements according to TAS and BRSA Reporting and Accounting Legislation requires the Bank's management to make estimates and assumptions related to assets and liabilities in the balance sheet and contingent issues as of the balance sheet date. Such estimates and assumptions include the fair value calculations of the financial instruments, provisions for the lawsuits, deferred tax assets and liabilities, impairment of the financial assets and revaluation of immovables and reviewed periodically and when adjustments are considered necessary they are reflected in the financial statements. The assumptions and estimates used are explained in the related notes.

c. Restatement of the financial statements according to the current purchasing power of money:

Accompanying financial statements are subjected to TAS 29 "Financial Reporting in Hyperinflationary Economies" until December 31, 2004 and with regard to this the BRSA explained with its decision numbered 1623 and dated April 21, 2005 and its circular dated April 28, 2005 that the conditions for applying inflation accounting was no longer applicable and accordingly inflation accounting has not been applied in the accompanying financial statements starting from January 1, 2005.

II. Explanations on strategy of using financial instruments and foreign currency transactions:

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

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

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

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Notes related to unconsolidated financial statements
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II. Explanations on strategy of using financial instruments and foreign currency transactions (continued):

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

The foreign currency exchange differences resulting from the translation of debt securities issued and monetary financial assets into Turkish Lira are included in the income statement.

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

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

There are no foreign currency differences capitalized by the Bank.

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

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

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

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contract values. The derivative transactions are initially recognized at fair value and presented in the financial statements at fair values recalculated in the subsequent reporting periods.

IV. Explanations on profit share income and expenses:

Profit share income

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

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

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IV. Explanations on profit share income and expenses (continued):

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

Profit share expense

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

V. Explanations on fees, commission income and expenses:

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

In accordance with provisions of TAS, the portion of the commission and fees which are related to the reporting period and collected in advance for cash and non-cash loans granted is reflected to the income statement by using the internal rate of return method and straight line methods, respectively over the commission period of the related loan, respectively. Fees and commissions collected in advance which are related to the future periods are recorded under the account 'Unearned Revenues' and included in 'Miscellaneous Payables' in the balance sheet. The commission received from cash loans corresponding to the current period is presented in "Profit Share from Loans" in the income statement.

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

VI. Explanations on financial assets:

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

Financial assets at fair value through profit or loss:

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

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

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

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

As of December 31, 2015, the Bank has no financial assets classified as financial assets at fair value through profit or loss except for trading financial assets. (December 31, 2014: None)

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Notes related to unconsolidated financial statements
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VI. Explanations on financial assets (continued):

Financial assets available for sale:

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

Loans and receivables:

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

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

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

Financial assets held to maturity:

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

VII. Explanations on impairment of financial assets:

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

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

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

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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.

VIII. Explanations on offsetting of financial instruments:

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

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

Securities subject to repurchase agreement are classified as "at fair value through profit or loss", "available-for-sale" and "held-to-maturity" according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from the related agreements are accounted under "Borrowings from Money Markets" in liabilities and the difference between the sale and repurchase price is accrued over the life of the agreements using the internal rate of return method. Profit share expense on such transactions is recorded under "Profit Share Expense on Money Market Borrowings" in the income statement.

The Bank has no securities lending transactions.

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

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

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

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X. Explanations on assets held for sale and discontinued operations and liabilities related to these assets (continued):

A discontinued operation is a part of the Bank's business which has been disposed of or classified as held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Bank has no discontinued operations.

XI. Explanations on goodwill and other intangible assets:

Goodwill and other intangible assets are recorded at cost in accordance with TAS 38 "Turkish Accounting Standards for Intangible Assets". As of the balance sheet date, there is no goodwill in the financial statements of the Bank. The Bank's intangible assets consist of softwares and intangible rights. The 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 Bank over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Bank's software have been determined as 3 to 4 years and other intangible assets' useful lives have been determined as 15 years.

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

XII. Explanations on tangible assets:

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

As of March 31, 2009, the Bank has made a change in accounting policy and adopted revaluation model for immovables in accordance TAS 16 and reflected the results of appraisal reports prepared by an authorized real estate appraisal firm to the financial statements. As of December 31, 2015, the Bank has revalued its immovables and reflected the results of appraisal reports prepared by an independent real estate appraiser firm using comparison of similar items method to the financial statements. The revaluation fund mentioned cannot be distributed as dividend to shareholders. Current period depreciation charge relating to the revaluation has been transferred to retained earnings from revaluation fund reserve in accordance with TAS 16.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates which are expected to have an impact in the current or subsequent periods.

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XII. Explanations on tangible assets (continued):

Depreciation is calculated on a straight-line basis. Depreciation rates used are determined by considering the estimated economic useful life of the assets. The annual rates used are as follows:

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

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end. Leasehold improvements are depreciated over their estimated economic useful lives in equal amounts. The estimated economic useful lives cannot exceed the leasing period. In cases where the leasing period is not certain, the useful life is determined as five years. After January 1, 2010 in cases where leasing period is more than five years, the useful life is determined as five years.

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

Fixed assets which are carried at fair value in the financial statements are revalued by independent CMB licensed firms in accordance with TFRS 13.

Gain or loss resulting from disposals of the tangible assets is calculated as the difference between the net proceeds from the sale and the net book value of the related asset.

The repair and maintenance costs of the tangible assets are capitalized, if the expenditure increases the economic life of the asset. Other repair and maintenance costs are expensed.

XIII. Explanations on leasing transactions:

Transactions as a lessee

Leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases and other leases are classified as operational leases.

Assets acquired under finance lease contracts are recorded both as an asset and a liability at the beginning date of the lease. The basis for the determination of the balances recorded in the balance sheet as asset and liability is the lower of fair value of the leased asset at the inception of the lease and the present value of the lease payments. Finance charges arising from lease contracts are expensed in the related periods taking into consideration the internal rate of return over the period of the lease.

Assets acquired under finance lease contracts are depreciated over their useful lives and impairment provision is provided in case a decrease in recoverable amount has been determined.

The prepaid lease payments made under operational leases are charged to income statement on a straight line basis over the period of the lease.

Transactions as a lessor

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

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XIV. Explanations on provisions and contingent liabilities:

Provisions and contingent liabilities, excluding the general and specific provisions for impairment on loans and other receivables, are accounted in accordance with TAS 37: "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets".

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the cut-off principle.

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

XV. Explanations on liabilities regarding employee rights:

i) *Defined benefit plans:*

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

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

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

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

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

As of December 31, 2015, actuarial loss amounts to TL 6.896. (December 31, 2014: TL 6.538 actuarial loss).

ii) *Defined contribution plans:*

The Bank pays defined contribution plans to publicly administered Social Security Funds for its employees. The Bank has no further payment obligations other than this contribution share. The contributions are recognized as personnel expenses when they accrue.

iii) *Short term benefits to employees:*

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

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XVI. Explanations on taxation:

Current tax:

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

In accordance with the Corporate Tax Law numbered 5520 published in the Official Gazette numbered 26205 dated June 21, 2006, the corporation tax rate effective from January 1, 2006 is 20%.

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

The prepaid taxes are calculated based on quarterly profits of the Bank using the corporate rate of 20% which must be announced by the 14th day and paid by the 17th day of the second month following the taxed period. The prepaid taxes can be deducted from the annual corporate tax calculated on the annual corporate income. The remaining prepaid tax, if any after deduction, can be refunded in cash or deducted from other financial liabilities to the government.

75% of the profits generated from the sale of properties and share certificates of which the Bank held possession for two years or more, are exempt from corporate tax if added to the capital or accounted under shareholders' equity as a special fund for 5 years according to the Corporate Tax Law.

Income generated by the transfer of properties, share certificates of subsidiaries, founders' shares, preferred shares and preemptive rights owned by corporations under legal follow-up together with their guarantors and mortgagers, which are transferred to banks due to their debts and used for winding up the debts is exempt from corporation tax. Additionally, 75% of the profit generated by sales of above mentioned instruments is also exempt from corporation tax.

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

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

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

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

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XVI. Explanations on taxation (continued):

Deferred tax:

The Bank calculates and accounts for deferred income taxes for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with TAS 12 "Turkish Accounting Standard for Income Taxes". Deferred tax asset is calculated on all temporary differences other than general loan loss provisions to the extent that is probable that taxable profit will be available and deferred tax liability is calculated for all temporary differences. Deferred tax asset and liabilities are shown in the accompanying financial statements on a net basis.

Deferred tax liabilities are calculated for all of the temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

Transfer pricing:

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

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

XVII. Additional explanations on borrowings:

The Bank records borrowings in accordance with TAS 39 'Financial Instruments: Recognition and Measurement'. Borrowings, except for funds collected, are recognized at amortized cost using the effective internal rate of return method in the following periods after the initial recognition.

There are no debt securities issued by the Bank. The Bank has issued borrowings through its subsidiary Bereket Varlık Kiralama A.Ş. and its structured entities ABT Sukuk Limited and Albaraka Sukuk Limited.

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

XVIII. Explanations on issued share certificates:

None.

XIX. Explanations on acceptances and availed drafts:

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

XX. Explanations on government grants:

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

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XXI. Explanations on segment reporting:

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

Segment reporting is disclosed in Section Four, Note XIV.

XXII. Explanations on Classifications:

In order to provide comparability with the financial statements dated December 31, 2015, some classifications are made in statement of cash flows dated December 31, 2014.

XXIII. Explanations on other matters:

None.

XXIV. Additional paragraph for convenience translation:

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

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Section four

Information on financial structure and risk management

I. Explanations on capital adequacy standard ratio:

Capital adequacy ratio calculations are made in accordance with "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" (Regulation) published in the Official Gazette numbered 28337 dated June 28, 2012 starting from July 1, 2012. As of December 31, 2015, the Bank's unconsolidated capital adequacy ratio calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" is 15,27% (December 31, 2014: 14,15%).

a) Risk measurement methods used in the calculation of capital adequacy standard ratio:

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", published in the Official Gazette numbered 28337 dated June 28, 2012, "Regulation on Credit Risk Mitigation Techniques" published in the Official Gazette numbered 29111 dated September 6, 2014 and the "Regulation on the Equity of Banks" published in the Official Gazette numbered 28756 dated September 5, 2013.

In the calculation of capital adequacy ratio the Bank applies standard method for market risk, basic indicator method for operational risk and standard method for credit risk.

In the calculation of capital adequacy ratio, the data composed from accounting records prepared in compliance with the current legislation are used. Such accounting data is included in the calculation of credit and market risks subsequent to their designation as "trading book" and "banking book" according to the Regulation.

The items classified as trading book and the items deducted from the equity are not included in the calculation of credit risk. In the calculation of risk weighted assets, the assets subject to amortisation or impairment, are taken into account on a net basis after being reduced by the related amortisations and provisions.

In the calculation of the value at credit risk for the non-cash loans and commitments and the receivables from counterparties in such transactions are weighted after netting with specific provisions and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables". The net amounts are then multiplied by the rates stated in the Article 5 of the Regulation, reduced as per the "Regulation on Credit Risk Mitigation Techniques" and then included in the relevant exposure category defined in the article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

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

b) Information on capital adequacy standard ratio:

Bank									
	%0	%10	%20	%50	%75	%100	%150	%200	%250
Value at Credit Risk	5.691.248	-	3.102.140	4.780.174	3.362.048	13.222.520	131.004	93.528	-
Risk Categories									
Receivables from central governments or central banks	4.956.070	-	-	149.375	-	543	-	-	-
Receivables from regional or local Governments	-	-	13.316	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1.481	-	-	-
Receivables from multilateral development banks	62	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses	-	-	2.188.942	222.727	-	223.489	-	-	-
Receivables from corporates	186.821	-	448.051	60.196	-	12.225.469	-	-	-
Retail receivables	100.316	-	36.653	5.483	3.362.048	-	-	-	-
Receivables secured by mortgages on property	-	-	-	4.342.393	-	5.696	-	-	-
Past due receivables	-	-	-	-	-	51.199	98.913	-	-
Receivables defined in high risk category by BRSA	2.266	-	884	-	-	14	32.091	93.528	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-
Other receivables	445.713	-	414.294	-	-	714.629	-	-	-

c) Summary information related to capital adequacy standard ratio:

	Current Period	Prior Period(*)
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	1.531.051	1.167.538
Capital Requirement for Market Risk (MRCR)	8.235	13.258
Capital Requirement for Operational Risk (ORCR)	114.795	95.440
Shareholders' Equity	3.157.310	2.256.680
Shareholders' Equity/((CRCR+MRCR+ORCR)*12,5*100)	%15,27	%14,15
Core Capital/((CRCR+MRCR+ORCR)*12,5*100)	%9,80	%10,80
Tier I Capital/((CRCR+MRCR+ORCR)*12,5*100)	%9,92	%10,92

(*) Equity calculation has changed as per the "Regulation on Equities of Banks" applicable as of January 1, 2015, figures belonging to prior period are calculated as per former regulation.

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

ç) Details of shareholders' equity accounts:

Current period equity amount is calculated as per "Regulation on Equities of Banks" applicable as of January 1, 2015 published in Official gazette dated September 5, 2013 numbered 28756.

	December 31, 2015
Tier I capital	
Paid-in Capital to be Entitled for Compensation after All Creditors	900.000
Share Premium	-
Share Cancellation Profits	-
Reserves	696.531
Other Comprehensive Income according to TAS	206.427
Profit	306.473
Current Period Profit	302.863
Prior Period Profit	3.610
General Reserves for Possible Losses	88
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-
Tier I capital before deductions	2.109.519
Deductions from tier I capital	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	5.517
Leasehold Improvements on Operational Leases (-)	36.383
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	16.742
Net Deferred Tax Asset/Liability (-)	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-
Mortgage Servicing Rights not deducted (-)	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-
Other items to be Defined by the BRSA (-)	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-
Total deductions from tier I capital	58.642
Total tier I capital	2.050.877
Additional core capital	
Preferred Stock not Included in Tier I Capital and the Related Share Premiums	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	-
Additional core capital before deductions	-
Deductions from additional core capital	-
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-
Other items to be Defined by the BRSA (-)	-
Deductions from Additional Core Capital in cases where there are no adequate Tier II Capital (-)	-
Total deductions from additional core capital	-
Total additional core capital	-

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

Deductions from core capital

Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	25.113
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Total core capital	2.025.764

Tier II capital

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

Deductions from tier II capital

Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-
Other items to be Defined by the BRSA (-)	-
Total deductions from tier II capital	1.137.285
Total tier II capital	3.163.049

Capital

Loans Granted against the Articles 50 and 51 of the Banking Law (-)	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	2.459
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-)	-
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Other items to be Defined by the BRSA (-)	3.280
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-
Equity	3.157.310

Amounts lower than excesses as per deduction rules

Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Tier I Capital	-
Remaining Mortgage Servicing Rights	-
Net Deferred Tax Assets arising from Temporary Differences	18.922

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

	December 31, 2014
Tier I capital	
Paid-in Capital to be Entitled for Compensation after All Creditors	900.000
Share Premium	-
Share Cancellation Profits	-
Reserves	470.137
Other Comprehensive Income according to TAS	165.427
Profit	260.594
Current Period Profit	252.631
Prior Period Profit	7.963
General Reserves for Possible Losses	88
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-
Tier I capital before deductions	1.796.246
Deductions from tier I capital	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	5.231
Leasehold Improvements on Operational Leases (-)	43.470
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	5.081
Net Deferred Tax Asset/Liability (-)	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-
Mortgage Servicing Rights not deducted (-)	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-
Other items to be Defined by the BRSA (-)	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-
Total deductions from tier I capital	53.782
Total tier I capital	1.742.464
Additional core capital	
Preferred Stock not Included in Tier I Capital and the Related Share Premiums	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	-
Additional core capital before deductions	-
Deductions from additional core capital	-
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-
Other items to be Defined by the BRSA (-)	-
Deductions from Additional Core Capital in cases where there are no adequate Tier II Capital (-)	-
Total deductions from additional core capital	-
Total additional core capital	-

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

Deductions from core capital

Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-) 20.323

Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-) -

Total core capital 1.722.141

Tier II capital

Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014) -

Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014) 467.000

Pledged Assets of the Shareholders to be used for the Bank's Capital Increases 70.947

General Provisions 537.947

Tier II capital before deductions

Deductions from tier II capital

Direct and Indirect Investments of the Bank on its own Tier II Capital (-) -

Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-) -

The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-) -

Other items to be Defined by the BRSA (-) -

Total deductions from tier II capital 537.947

Total tier II capital 2.260.088

Capital

Loans Granted against the Articles 50 and 51 of the Banking Law (-) -

Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-) 1.408

Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-) -

Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-) 2.000

Other items to be Defined by the BRSA (-) -

The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-) -

The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-) -

The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-) -

Equity 2.256.680

Amounts lower than excesses as per deduction rules

Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital -

Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Tier I Capital -

Remaining Mortgage Servicing Rights -

Net Deferred Tax Assets arising from Temporary Differences 7.375

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

d) Approaches for assessment of adequacy of internal capital requirements for current and future activities:

Charter on Internal Capital Adequacy Policy was prepared in order to define internal capital adequacy evaluation process and capital adequacy policy by the Bank and was approved by the Board of Directors on October 17, 2012. The ultimate aim of such internal capital adequacy policy is to maintain capital adequacy by defining the basic principles that regulate management and implementation of internal capital adequacy, apart from exceptional circumstances.

The Bank within the framework of BRSA regulations and also considering the best practices ensures the management of internal capital adequacy, pursuant to the volume, qualification and complexity of its operations. The methodology for evaluation of internal capital adequacy is considered an ongoing process and the related future studies are planned in this way.

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

e) Details on Subordinated Liabilities

Issuer	ABT Sukuk Ltd.	Albaraka Sukuk Ltd.
Unique Identifier	XS0927211754	XS1301525207
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	Yes	No
Eligible at Unconsolidated / Consolidated	Unconsolidated / Consolidated	Unconsolidated / Consolidated
Instrument Type	Sukuk Murabaha	Sukuk Wakala
Amount recognized in regulatory capital (as of most recent reporting date)	TL 420.300	TL 642.166
Par Value of Instrument	576.000 TL	650.880 TL
Accounting Classification	Subordinated Loan	Subordinated Loan
Original date of Issuance	May 7 2013	November 30 2015
Perpetual or dated	Dated	Dated
Maturity date	May 7 2023	November 30 2025
Issuer call subject to prior supervisory (BRSA) approval	Yes	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date : 07.05.2018 Total Repayment Amount of Profit Share : USD.77.500.000,- Repayment Period: 6 months Principal Payment: USD 200.000.000	Last Payment Date : 30.11.2020 Total Repayment Amount of Profit Share : USD.131.250.000,- Repayment Period: 6 months Principal Payment: USD 250.000.000
Subsequent call dates	-	-
Profit Share / Dividends		
Fixed or floating profit share / dividend	Fixed	Fixed
Profit share rate and any related index	7,75%	10,50%
Existence of a dividend stopper	-	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
If convertible, fully or partially	-	As per BRSA'a approval it is convertible fully or partially
If convertible, conversion rate	-	As per BRSA'a approval it is convertible and the rate may be determined.
If convertible, mandatory or optional conversion	-	Subject to BRSA's approval.
If convertible, specify instrument type convertible into	-	Share certificate
If convertible, specify issuer of instrument it converts into	-	-
Write-down feature		
If write-down, write-down trigger(s)	-	-
If write-down, full or partial	-	-
If write down, permanent or temporary	-	-
If temporary write-down, description of write-up mechanism	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	Yes	No
Details of incompliance with article number 7 and 8 of "Own fund regulation"	8,2,ğ	No

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

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II. Explanations on credit risk:

- 1) Credit risk represents the Bank's risk or losses arising from corporate and individual loan customers who have cash or non-cash credit relations with the Bank not fulfilling the terms of their agreements partially or in full. Limit assignment authority primarily belongs to the Board of Directors and based on the authority given by the Board of Directors, the risk limits of the Bank are determined by Head-office Loan Committee, Loan Committee and Board of Directors. Head-office Loan Committee may exercise such authority partially through units of the Bank or branches. Proposal for loans are presented in a written format to the Loan Committee and Board of Directors and are signed by the members of Loan Proposal Committee.

Regarding the credit risk, debtors or group of debtors is subject to risk limitations. Credit limits are determined separately for each individual customer, company, group of companies, and risk groups. While determining credit risk several criteria such as the customers' financial strength, commercial capacities, sectors, geographical areas and capital structure are evaluated collectively.

In accordance with the decision taken by the Board of Directors of the Bank, the Bank cannot grant loans above 15% of its equity to a real person or legal entity. (Exception to this decision is subject to the decision of the Board of Directors.) Distributing the risk in a balanced manner to the sectors is observed, therefore in their marketing operations the branches strive for reaching various firms existing in different sectors. As a principle, each branch oversee the balanced distribution of the total risk to the sectors and progress of the firms existing in critical sectors.

The credibility of the debtors of loans and other receivables are monitored periodically in accordance with related legislation. The financial documents for loans are obtained, audited and updated as necessary as stipulated in the related legislation. Credit limits of customers are renewed periodically according to the Bank's credit limit renewal procedure. The Bank obtains necessary collaterals for loans and other receivables by analyzing the creditworthiness of corporate and individual loans according to its credit policy. Main collaterals obtained for credit risk are mortgage on real estate, cash blockage, pledges on vehicle and machinery.

Limits defined by the Board of Directors and Loan Committee for each bank are followed-up by Treasury Management on a daily basis for the transactions related with placements or treasury operations like foreign currency purchase and sales with domestic and foreign correspondent banks.

Loans which are past due up to 90 days as of period ends but not impaired are defined as "Past Due Receivables". "General provision" is set aside for these loans in accordance with the Communiqué of "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans".

Loans which are past due for more than 90 days as of period ends or assessed as impaired based on risk assessment made are defined as "Impaired Loans". "Specific provision" is set aside for these in accordance with the Communiqué of "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans".

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Notes related to unconsolidated financial statements
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II. Explanations on credit risk (continued):

The amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types, are disclosed below for the relevant period:

Risk Categories	Current Period Risk Amount	Average Risk Amount
Receivables from central governments or central banks	5.105.988	4.872.394
Receivables from regional or local governments	13.316	50.498
Receivables from administrative units and non-commercial enterprises	1.481	712
Receivables from multilateral development banks	62	62
Receivables from international organizations	-	-
Receivables from banks and brokerage houses	2.635.158	2.150.225
Receivables from corporates	12.920.537	10.830.531
Retail receivables	3.504.500	3.177.664
Receivables secured by mortgages on property	4.348.089	5.984.167
Past due receivables	150.112	81.951
Receivables defined in high risk category by BRSA	128.783	82.944
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Other receivables	1.574.636	1.038.090
Total	30.382.662	28.269.238

- (2) The credit risk undertaken for forwards, options and similar agreements is managed together with the risks arising from market movements.

The risks of forwards, options and similar agreements are followed regularly and the Bank utilizes risk mitigation methods if needed.

- (3) Indemnified non-cash loans are subject to the same risk weight as overdue loans. Rescheduled or restructured loans are followed in accordance with the principles of credit risk management and follow-up principle of the Bank. Financial position and commercial operations of those customers are analyzed continuously and the principal and profit payments based on the restructured payment plan are monitored by the related departments.

The Bank considers that long-term commitments are exposed to more credit risk than short-term commitments, and matters such as defining risk limits and obtaining collateral for long-term risks are addressed more extensively as compared to short-term risks.

- (4) The Bank has credit lines in different countries within the scope of its banking activity and due inquiries (economic, cyclical, etc.) are carried out during the allocation and revision of such credit lines.

For the banks where correspondent activity and international commodity transactions are intended to be carried out, credit limits are allocated by the related credit committees taking into account the size of the correspondent bank and the size of Bank itself and concentration of risk is avoided. The Bank does not carry any serious risk in this respect.

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II. Explanations on credit risk (continued):

- 5) Share of cash receivables of the Bank from its top 100 and top 200 cash loan customers in total cash loans is 38% (December 31, 2014: 38%) and 46% (December 31, 2014: 47%) respectively.

Share of non- cash receivables of the Bank from its top 100 and top 200 non-cash loan customers in total non-cash loans is 45% (December 31, 2014: 47%) and 56% (December 31, 2014: 59%) respectively.

Share of cash and non-cash receivables of the Bank from its top 100 and top 200 loan and non-cash loan customers in total of balance sheet and off balance sheet commitments is 33% (December 31, 2014: 35%) and 41% (December 31, 2014: 44%) respectively.

- (6) The Bank's general provision amount for its credit risk is TL 170.885 (December 31, 2014: TL 153.910).

(7) Profile on significant risks in significant regions:

	Risk Categories (*)											Total
	1	2	3	4	5	6	7	8	9	10	11	
Current Period												
Domestic	5.105.988	13.316	1.481	-	2.092.510	12.343.531	3.495.258	4.316.649	143.142	128.783	1.551.388	29.192.046
EU Countries	-	-	-	-	194.557	79.585	1.589	5.460	-	-	131	281.322
OECD Countries (**)	-	-	-	-	5.316	-	12	-	-	-	-	5.328
Off-shore banking regions	-	-	-	-	11.563	186.013	4.517	11.883	6.052	-	-	220.028
USA, Canada	-	-	-	-	77.021	9.450	10	-	-	-	-	86.481
Other countries	-	-	-	62	254.191	271.020	3.114	14.097	918	-	2.002	545.404
Associates, subsidiaries and jointly controlled entities	-	-	-	-	-	30.938	-	-	-	-	21.115	52.053
Unallocated assets/liabilities(*)	-	-	-	-	-	-	-	-	-	-	-	-
	5.105.988	13.316	1.481	62	2.635.158	12.920.537	3.504.500	4.348.089	150.112	128.783	1.574.636	30.382.662

(*) Risk classifications in the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" will be used.

(**) OECD countries other than EU countries, USA and Canada.

(***) Assets and liabilities are not allocated on a consistent basis

- 1- Receivables from central governments or central banks
- 2- Receivables from regional or local governments
- 3- Receivables from administrative units and non-commercial enterprises
- 4- Receivables from the Multilateral Development Banks
- 5- Receivables from banks and brokerage houses
- 6- Receivables from corporates
- 7- Retail receivables
- 8- Receivables secured by mortgages on property
- 9- Past due receivables
- 10- Receivables defined in high risk category by BRSA
- 11- Other Receivables

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II. Explanations on credit risk (continued):**Risk Profile according to sectors and counterparties:**

Sectors / Counterparties		Risk Categories											FC	TL	Total
		1	2	3	4	5	6	7	8	9	10	11			
1 Agriculture	-	20	-	-	-	-	146.278	32.432	18.441	983	24	30	56.769	141.439	198.208
1.1 Farming and stockbreeding	-	20	-	-	-	-	104.929	23.581	13.713	866	10	28	33.257	109.890	143.147
1.2 Forestry	-	-	-	-	-	-	37.220	7.453	3.880	117	13	2	21.014	27.671	48.685
1.3 Fishery	-	-	-	-	-	-	4.129	1.398	848	-	1	-	2.498	3.878	6.376
2 Manufacturing	-	12.295	-	-	-	-	6.360.096	1.222.273	981.409	62.682	147	276	2.952.705	5.686.473	8.639.178
2.1 Mining	-	-	-	-	-	-	120.955	21.624	13.321	655	4	1	65.292	91.268	156.560
2.2 Production	-	12.295	-	-	-	-	5.422.235	1.184.208	946.454	61.962	140	105	2.317.038	5.310.361	7.627.399
2.3 Electricity, gas, water	-	-	-	-	-	-	816.906	16.441	21.634	65	3	170	570.375	284.844	855.219
3 Construction	-	438	-	-	-	1.089	3.202.259	431.204	1.833.811	31.845	98	510	1.246.482	4.254.772	5.501.254
4 Services	5.105.443	23	-	62	2.633.560	2.856.355	684.575	547.113	48.480	390	1.572.593	6.982.842	6.982.842	13.448.594	13.448.594
4.1 Wholesale and retail trade	-	23	-	-	496	1.348.004	453.653	218.319	32.848	291	19	19	467.870	1.585.783	2.053.653
4.2 Hotel, food and beverage services	-	-	-	-	-	-	50.873	37.764	30.404	123	12	40	59.996	59.996	119.216
4.3 Transportation and telecommunication	-	-	-	-	-	-	146.655	56.464	18.119	8.124	13	9	101.051	128.333	229.384
4.4 Financial institutions	5.105.443	-	-	-	2.622.538	660.703	18.114	88.897	2.528	2.528	-	1.572.427	6.067.499	4.003.213	10.070.712
4.5 Real estate and renting services	-	-	-	-	10.526	300.571	43.486	156.583	1.477	1.477	20	19	87.880	424.802	512.682
4.6 Self-employment services	-	-	-	-	-	-	272.079	23.070	2.796	2.605	10	75	187.830	112.805	300.635
4.7 Education services	-	-	-	-	-	-	18.562	5.880	11.107	-	8	1	660	34.898	35.558
4.8 Health and social services	-	-	-	-	-	-	58.908	46.144	20.888	775	36	3	10.832	115.922	126.754
5 Other	545	540	1.481	62	2.635.158	509	355.549	1.134.016	967.315	6.122	128.124	1.227	93.364	2.502.064	2.595.428
6 Total	5.105.988	13.316	1.481	62	2.635.158	12.920.537	3.504.500	4.348.089	150.112	128.783	1.574.636	1.227	11.332.162	19.050.500	30.382.662

- 1- Receivables from central governments or central banks
- 2- Receivables from regional or local governments
- 3- Receivables from administrative units and non-commercial enterprises
- 4- Receivables from the Multilateral Development Bank
- 5- Receivables from banks and brokerage houses.
- 6- Receivables from corporates
- 7- Retail receivables
- 8- Receivables secured by mortgages on property
- 9- Past due receivables
- 10- Receivables defined in high risk category by BRSA
- 11-Other Receivables

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II. Explanations on credit risk (continued):

Distribution of risks with term structure according to remaining maturities:

Risk Categories	Time to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	1 year and over
1 Receivables from central governments or central banks	-	260.034	-	503.208	886.805
2 Receivables from regional or local governments	-	12.062	-	711	-
3 Receivables from administrative units and non-commercial enterprises	-	-	-	-	-
4 Receivables from multilateral development banks	-	-	-	-	-
5 Receivables from international organizations	-	-	-	-	-
6 Receivables from banks and brokerage houses	19.378	585.840	6.410	1.566	497
7 Receivables from corporates	470.834	1.021.207	1.211.714	2.195.607	6.231.830
8 Retail receivables	171.162	209.382	349.635	671.198	1.826.783
9 Receivables secured by mortgages on property	99.316	144.930	256.214	700.089	2.878.656
10 Past due receivables	197	2.002	9.211	4.280	11.821
11 Receivables defined in high risk category by BRSA	-	-	-	42.474	86.309
12 Securities collateralized by mortgages	-	-	-	-	-
13 Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
14 Investments similar to collective investment funds	-	-	-	-	-
15 Other receivables	18	39	-	74	-
TOTAL	760.905	2.235.496	1.833.184	4.119.207	11.922.701

- 8) While determining risk weights of receivables from banks and receivables from central banks and central governments indicated in the sixth article of "Regulation on Measurement and Assessment of Capital Adequacy of Banks", rating grades obtained from rating agencies commissioned by customers are being used. Other receivables in the regulation are considered as unrated while calculating capital adequacy.

Total exposure amount before and after applying risk mitigation techniques and total amounts deducted from the capital which are calculated in accordance with the Appendix-1 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks" are presented below:

										Deductions from Shareholders' Equity	
Risk Weights	%0	%10	%20	%50	%75	%100	%150	%200	%250		
1	Amount before credit risk mitigation	5.401.846	-	2.719.672	4.773.133	3.504.500	13.755.815	132.525	95.171	-	5.739
2	Amount after credit risk mitigation	5.691.248	-	3.102.140	4.780.174	3.362.048	13.222.520	131.004	93.528	-	5.739

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II. Explanations on credit risk (continued):

- (9) Amounts of impaired loans and past due receivables, value adjustments and provisions, current period value adjustments and provisions according to sectors or counterparties individually:

For loans which are classified as impaired loans due to delay of collection of principal or profit share 90 days and above, and/or negative risk assessments of credit worthiness of the debtor; "specific provision" is set aside in the accompanying financial statements as of December 31, 2015.

For loans which are classified as past due not impaired loans due to delay of collection of principal or profit share up to 90 days; "general provision" is set aside in the accompanying financial statements as of December 31, 2015.

Sectors / Counterparties		Loans			Provisions
		Impaired Loans	Past Due	Value Adjustments	
1	Agriculture	7.989	5.067	113	6.181
1.1	Farming and stockbreeding	6.048	4.817	110	4.559
1.2	Forestry	1.937	246	3	1.618
1.3	Fishery	4	4	-	4
2	Manufacturing	186.933	349.936	7.306	108.756
2.1	Mining	2.635	1.849	71	1.566
2.2	Production	184.008	263.673	6.196	106.967
2.3	Electricity, gas, water	290	84.414	1.039	223
3	Construction	114.738	345.578	6.974	76.981
4	Services	127.555	341.330	5.505	66.301
4.1	Wholesale and retail trade	83.838	74.877	1.368	42.132
4.2	Hotel, food and beverage services	353	6.034	75	228
4.3	Transportation and telecommunication	20.631	12.551	242	10.145
4.4	Financial institutions	3.527	22.179	288	369
4.5	Real estate and renting services	2.936	112.901	1.134	1.379
4.6	Self-employment services	14.849	108.425	2.319	11.412
4.7	Education services	42	1.012	16	42
4.8	Health and social services	1.379	3.351	63	594
5	Other	31.198	134.682	1.828	22.628
6	Total	468.413	1.176.593	21.726	280.847

(10) Information related to value adjustments and credit provisions:

The Bank provides specific provisions for loans which are overdue for 90 days or more. The collaterals are being taken into consideration while providing specific provisions in accordance with the Provisioning Communiqué.

The bank provides general loan provision for loans classified as first and second group loan portfolio. This provision is calculated in accordance with the "Regulation on procedures and principles for determination of qualifications of loans and other receivables by banks and provisions to be set aside" communiqué.

	Opening Balance	Provision made during the period	Reversal of Provisions	Other Adjustments (*)	Closing Balance
1 Specific Provisions	287.261	130.188	(143.792)(**)	7.190	280.847
2 General Provisions	153.910	12.869	(1.607)	5.713	170.885

(*) Determined according to currency differences.

(**) Related balance includes reversal of provisions regarding write-offs in the amount of TL 94.592

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II. Explanations on credit risk (continued):

The table below presents the maximum exposure to credit risk for the components of the financial statements:

	Current period	Prior period
Central Bank of the Republic of Turkey	4.069.921	2.933.726
Trading financial assets	671	-
Due from banks	2.482.614	1.648.235
Available-for-sale financial assets	1.038.701	658.085
Loans and receivables	18.557.965	15.474.046
Held to maturity investments	762.890	783.309
Finance lease receivables	947.427	709.646
Other assets	4.927	10.860
Total balance sheet items subject to credit risk	27.865.116	22.217.907
Contingent liabilities	8.664.057	8.078.509
Commitments	1.329.475	928.650
Total off-balance sheet items subject to credit risk	9.993.532	9.007.159
Total credit risk exposure	37.858.648	31.225.066

Explanations on credit rating system:

The Bank assesses the credit quality of customers through rating systems developed for the loan and finance lease customers. The principal criteria used in the rating systems are the volume of transactions of the customer with the Bank, payment performance of the customer and income generated from the customer.

The table below presents the concentration information of the loans and finance lease receivables classified according to the rating systems:

	Current period	Prior period
Above average	%13,56	%16,01
Average	%77,62	%75,26
Below average	%8,82	%8,73

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III. Explanations on market risk:

The Bank measures its market risk exposures within the framework of "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in Official Gazette numbered 28337 dated June 28, 2012 by using standardized approach and allocates statutory capital accordingly. On the other hand, market risk is also calculated for testing purposes using internal model methods (Value at Risk) and the results are validated by back test analysis. The VaR (Value at Risk) is calculated daily by using Variance, Covariance, EWMA, Monte Carlo and historical simulation methods and the results are reported to senior management.

The Board of Directors set the risk limits by taking into account the main risk factors and these limits are periodically revised in accordance with the market conditions and the Bank's strategies. Furthermore, the Board of Directors ensure that, the necessary measures are to be taken by risk management department and top level management in respect of defining, measuring, prioritizing, monitoring and managing the risks exposed by the Bank.

The riskiness of on and off balance sheet positions which will occur due to the market volatility is measured regularly. The information related to market risk taken into consideration in calculation of legal capital is stated below.

a) Information related to market risk:

	Amount
(I) Capital requirement to be employed for general market risk - standard method	63
(II) Capital requirement to be employed for specific risk - standard method	63
Capital requirement against specific risks of securitization positions- standard method	-
(III) Capital requirement to be employed for currency risk - standard method	7.188
(IV) Capital requirement to be employed for commodity risk - standard method	-
(V) Capital requirement to be employed for swap risk - standard method	-
(VI) Capital requirement to be employed for market risk of options - standard method	-
(VII) Capital requirement against counterparty credit risks - standard method	921
(VIII) Capital requirement to be employed for market risks of banks using risk measurement model	-
(IX) Total capital requirement to be employed for market risk (I+II+III+IV+V+VI+VII)	8.235
(X) Amount subject to market risk (12,5 X VIII) or (12,5 x IX)	102.931

b) Average market risk table concerning market risk calculated as of month ends during the period:

	Current period			Prior period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	-	-	-	-	-	-
Share Certificates Risk	125	129	122	791	898	722
Currency Risk	7.609	12.690	4.090	10.406	12.360	7.711
Commodity Risk	-	-	-	-	-	-
Swap Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Counterparty Credit Risk	925	2.271	-	172	406	-
Total Value Subject to Risk	8.659	15.090	4.212	11.369	13.664	8.433

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III. Explanations on market risk (continued):

Quantitative information on counterparty risk:

The "counterparty credit risk" is calculated according to the fair value methodology indicated in the Appendix-2 Part 3 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

Replacement cost of agreements having positive value is calculated by revaluation of agreements according to their fair values. Potential credit risk amount is acquired by multiplying related ratios on agreement types by agreement amounts or amounts subject to the transaction.

	Balance(*)	
	December 31, 2015	December 31, 2014
Interest Rate Contracts	-	-
Foreign Exchange Rate Contracts	23.013	-
Commodity Contracts	-	-
Equity Shares Related Contracts	-	-
Other	-	-
Gross Positive Fair Value	-	-
Netting Benefits	-	-
Net Current Exposure Amount	-	-
Collateral Received	-	-
Net Derivative Position	23.013	-

(*) Includes only the counterparty risks arising from trading book.

- (3) Explanations on calculation of capital requirements through a risk measurement model which is permitted to be used by the authorities:

None.

IV. Explanations on operational risk:

- a) Amount subject to operational risk is calculated with the help of basic indicator method according to article fourteen of "Regulation on Measurement and Assessment of Capital Adequacy of Banks". Annual gross profit calculated based on adding net fee and commission income, dividend income except for dividends from subsidiaries and associates, trading gain/loss (net) and other operational income to net profit share income; and deducting the profit/loss from selling assets except from trading accounts, extraordinary income, operating expense due to support services from a bank, main shareholder of the bank and compensations from insurance.

- b) In case of using the basic indicator approach, the related information is as below:

	2 PP Value	1 PP Value	CP Value	Total number of years for which gross income is positive	Rate (%)	Total
Gross Income	625.375	782.732	887.798	765.302	15	114.795
Amount subject to Operational Risk (Total*12,5)						1.434.941

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V. Explanations on currency risk:

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

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

	USD	EUR
As of December 31, 2015 - Balance sheet evaluation rate	2,880	3,142
As of December 30, 2015	2,880	3,142
As of December 29, 2015	2,880	3,142
As of December 28, 2015	2,880	3,156
As of December 25, 2015	2,880	3,156
As of December 24, 2015	2,880	3,152

- The simple arithmetical average of the major foreign exchange buying rates of the Bank for the thirty days before the balance sheet date is full TL 2,883 for 1 USD (December 2014 : full TL 2,272), full TL 3,145 for 1 EURO (December 2014 : full TL 2,794).

Foreign currency sensitivity:

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

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

% Change in foreign currency rate		Effect on profit / loss		Effect on equity	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
USD	10% increase	1.547	6.037	(210)	84
USD	10% decrease	(1.547)	(6.037)	210	(84)
EURO	10% increase	4.264	(294)	859	-
EURO	10% decrease	(4.264)	294	(859)	-

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V. Explanations on currency risk (continued):

Information on currency risk of the Bank:

Current Period	EUR	USD	Other FC(*)	Total
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	656.963	2.891.870	461.761	4.010.594
Banks	97.595	1.621.763	163.286	1.882.644
Financial assets at fair value through profit and loss	14	20.840	2	20.856
Money market placements	-	-	-	-
Available-for-sale financial assets	10.863	285.366	-	296.229
Loans and financial lease receivables(**)	2.666.335	5.605.514	2.166	8.274.015
Subsidiaries, associates and joint ventures	-	-	-	-
Held-to-maturity investments	-	-	-	-
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	1.336	1.336
Intangible assets	-	-	476	476
Other assets (***)	452	1.475	993	2.920
Total assets	3.432.222	10.426.828	630.020	14.489.070
Liabilities				
Current account and funds collected from banks via participation accounts	320.601	183.686	3.950	508.237
Other current and profit sharing accounts	2.196.276	5.892.879	412.610	8.501.765
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	850.195	4.494.050	-	5.344.245
Marketable securities issued	-	-	-	-
Miscellaneous payables	5.216	47.093	765	53.074
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	370	4.532	2.802	7.704
Total liabilities	3.372.658	10.622.240	420.127	14.415.025
Net balance sheet position	59.564	(195.412)	209.893	74.045
Net off balance sheet position	(16.929)	210.880	(191.644)	2.307
Derivative financial instruments assets(****)	8.320	249.140	7.599	265.059
Derivative financial instruments liabilities(****)	25.249	38.260	199.243	262.752
Non-cash loans (*****)	1.298.973	3.054.388	35.294	4.388.655
Prior Period				
Total assets	2.598.470	7.766.518	417.265	10.782.253
Total liabilities	2.601.411	7.706.151	370.529	10.678.091
Net balance sheet position	(2.941)	60.367	46.736	104.162
Net off balance sheet position	-	-	-	-
Derivative financial instruments assets	-	-	-	-
Derivative financial instruments liabilities	-	-	-	-
Non-cash loans	1.130.253	2.775.456	23.435	3.929.144

(*) TL 446.121 of the balance in Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey in other FC column represent precious metals, TL 39.682 of the balance in Banks in other FC column represent precious metals accounts with banks, TL 294.008 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 5.068.133 (December 31, 2014: TL 4.720.625).

(***) Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 431 (December 31, 2014: TL 873) is included in other assets.

(****) In the current period, derivative financial instruments assets include foreign currency purchase commitment in the amount of TL 45.969 and derivative financial instruments liabilities include foreign currency sale commitment in the amount of TL 64.837 (December 31, 2014: foreign currency purchase commitment: none, foreign currency sale commitment: none)

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

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

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

VII. Explanations on liquidity risk:

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

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

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

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

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

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

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

Diversification of assets and liabilities is assured 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 Bank's funding base of funds collected and other borrowing transactions are diversified in order to prevent the concentration of a particular funding source. Factors that could trigger the sudden and significant run off in funds or impair the accessibility of the funding sources are analyzed.

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

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

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VII. Explanations on liquidity risk (continued):

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

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

Liquidity Coverage Ratio :

	Current Period	Rate of "Percentage to be taken into account" not Implemented Total value		Rate of "Percentage to be taken into account" Implemented Total value	
		TL+FC	FC	TL+FC	FC
1	HIGH QUALITY LIQUID ASSETS High quality liquid assets			4.646.672	3.219.811
2	CASH OUTFLOWS				
3	Retail and Small Business Funds Collected	11.185.760	4.553.060	1.118.576	455.306
4	Stable Funds Collected	-	-	-	-
5	Less stable Funds Collected	11.185.760	4.553.060	1.118.576	455.306
6	Unsecured Funding other than Retail and Small Business				
7	Customers Deposits	5.457.231	2.634.109	2.806.246	1.411.013
8	Operational Funds Collected	138.796	137.828	34.699	34.457
9	Non-Operational Funds Collected	2.740.796	1.270.374	1.467.273	782.629
10	Other Unsecured Funding	2.577.639	1.225.907	1.304.274	593.927
11	Secured funding	-	-	-	-
12	Other Cash Outflows	93.544	64.836	93.544	64.836
13	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	93.544	64.836	93.544	64.836
14	Debts related to the structured financial products	-	-	-	-
15	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
16	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
17	Other irrevocable or conditionally revocable commitments	8.582.626	3.943.011	753.816	370.595
18	TOTAL CASH OUTFLOWS	-	-	4.772.182	2.301.750
19	CASH INFLOWS				
20	Secured Lending Transactions	-	-	-	-
21	Unsecured Lending Transactions	3.881.434	2.240.888	2.982.449	1.874.782
22	Other contractual cash inflows	155.463	102.406	155.463	102.406
23	TOTAL CASH INFLOWS	4.036.897	2.343.294	3.137.912	1.977.188
				Upper limit applied amounts	
24	TOTAL HQLA	-	-	4.646.672	3.219.811
25	TOTAL NET CASH OUTFLOWS	-	-	1.634.270	575.438
26	Liquidity Coverage Ratio (%)	-	-	284,33	559,54

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

	Current Period - 31.12.2015	
	TL+FC	FC
Lowest Week	276,20	314,95
	11.11.2015	06.10.2015
Highest Week	387,85	570,73
	18.12.2015	30.11.2015
Average (%)	327,59	460,32

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VII. Explanations on 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	1.907.432	2.997.366	-	-	-	-	-	4.904.798
Banks	1.913.140	496.316	73.158	-	-	-	-	2.482.614
Financial Assets at Fair Value								
Through Profit and Loss	790	671	-	20.822	-	-	-	22.283
Money Market Placements	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	12.865	61.675	313.919	149.698	482.799	30.610	-	1.051.566
Loans(*)	-	1.776.936	2.145.921	6.456.191	7.631.096	1.146.578	348.670	19.505.392
Held-To-Maturity Investments	-	-	-	358.557	404.333	-	-	762.890
Other Assets	-	-	9	2.328	2.663	-	827.456	832.456
Total Assets	3.834.227	5.332.964	2.533.007	6.987.596	8.520.891	1.177.188	1.176.126	29.561.999
Liabilities								
Current account and funds collected from banks via participation accounts	138.797	284.605	84.223	18.864	-	-	-	526.489
Other current and profit sharing accounts	4.122.394	11.191.072	3.301.361	1.199.687	5.175	-	-	19.819.689
Funds provided from other financial institutions and subordinated loans	-	341.587	350.662	858.029	2.567.087	1.226.880	-	5.344.245
Money Market Borrowings	-	770.959	-	-	-	-	-	770.959
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	141.889	31.168	9.244	-	-	504.085	686.386
Other liabilities	-	31.163	18.447	-	-	-	2.364.621	2.414.231
Total Liabilities	4.261.191	12.761.275	3.785.861	2.085.824	2.572.262	1.226.880	2.868.706	29.561.999
Net Liquidity Gap	(426.964)	(7.428.311)	(1.252.854)	4.901.772	5.948.629	(49.692)	(1.692.580)	-
Prior period								
Total Assets	1.959.555	4.760.268	2.379.007	5.448.846	7.327.608	505.655	665.485	23.046.424
Total Liabilities	3.375.935	11.277.161	2.143.386	2.552.411	1.024.959	304.134	2.368.438	23.046.424
Net Liquidity Gap	(1.416.380)	(6.516.893)	235.621	2.896.435	6.302.649	201.521	(1.702.953)	-

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

(**) Certain assets in the balance sheet that are necessary for the banking operations but cannot be readily convertible into cash in the near future, such tangible assets, investments in associates and subsidiaries, stationary supplies, prepaid expenses are included here.

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

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VII. Explanations on liquidity risk (continued):

Analysis of financial liabilities based on the remaining contractual maturities:

The table below is prepared taking into consideration undiscounted amounts of financial liabilities of the Bank and earliest dates required to be paid. The profit share expenses to be paid on funds collected calculated on the basis of account value per unit are included in the table below:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Current period							
Funds Collected	4.261.191	11.475.677	3.385.584	1.218.551	5.175	-	20.346.178
Funds Borrowed from Other Financial Institutions and subordinated loans	-	341.998	384.098	1.118.730	3.387.993	1.596.240	6.829.059
Borrowings from Money Markets	-	771.890	-	-	-	-	771.890
Total	4.261.191	12.589.565	3.769.682	2.337.281	3.393.168	1.596.240	27.947.127
Prior period							
Funds Collected	3.375.935	10.354.741	1.764.251	1.137.498	10.793	-	16.643.218
Funds Borrowed from Other Financial Institutions and subordinated loans	-	642.931	331.791	1.493.708	1.330.547	430.807	4.229.784
Borrowings from Money Markets	-	116.740	-	-	-	-	116.740
Total	3.375.935	11.114.412	2.096.042	2.631.206	1.341.340	430.807	20.989.742

Breakdown of commitment and contingencies according to their remaining contractual maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Unallocated	Total
Current Period								
Letters of guarantee (*)	3.871.393	330.530	930.443	1.471.529	1.086.597	39.796	-	7.730.288
Bank loans	28.324	-	-	-	-	-	-	28.324
Letters of credit	633.963	-	4.987	354	288	-	-	639.592
Other commitments and contingencies	-	265.853	-	-	-	-	-	265.853
Total	4.533.680	596.383	935.430	1.471.883	1.086.885	39.796	-	8.664.057
Prior Period								
Letters of guarantee (*)	3.523.368	174.087	388.300	1.622.644	1,138.964	25.278	-	6.872.641
Bank loans	33.055	-	-	-	-	-	-	33.055
Letters of credit	537.894	39.456	2.227	4.627	5.066	-	-	589.270
Other commitments and contingencies	-	583.543	-	-	-	-	-	583.543
Total	4.094.317	797.086	390.527	1.627.271	1.144.030	25.278	-	8.078.509

(*) Remaining maturities presented for letters of guarantees represents the expiration periods. The correspondent of letters of guarantee has the right to demand the liquidation of the letter when the transaction stated at the letter is not realized.

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VIII. Explanations on securitisation positions:

None. (December 31, 2014: None)

IX. Explanations on credit risk mitigation techniques:

On and off balance sheet offsetting agreements are not utilized.

The risk mitigators that are used in credit process in compliance with Communiqué "The Risk Mitigation Techniques" which is published at September 6, 2014 are stated below:

- a) Financial collaterals (Government securities, cash, deposit or participation fund pledge, gold, stock pledge),
- b) Guarantees.

The credibility of guarantors is monitored and evaluated within the framework of credit revision periods. Collaterals obtained by the Bank are reviewed and appraised in accordance with related legislation as long as the credit relationship is outstanding.

If there are indicators on significant decreases of real estate's value in comparison to general market prices, the real estate's valuation is performed by the authorised valuation corporations authorised by Banking Regulation and Supervision Agency or Capital Markets Board of Turkey.

The Bank monitors other banks' guarantees that are evaluated as risk mitigators within the framework of BRSA regulations on a regular basis and reviews the credibility of banks periodically.

The volatility in real estate market is monitored closely by the Bank and the market fluctuations are considered in credit activities.

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IX. Credit risk mitigation techniques (continued):

The information related to amount and type of collaterals which are applied in the calculation of risk weighted amount of risk categories within the scope of the Communiqué on "The Risk Mitigation Techniques" is provided below.

Collaterals in terms of Risk Categories:

Risk Categories	Amount	Financial Collaterals	Other/Physical Collaterals	Guarantees and Credit Derivatives
Receivables from central governments or central banks	5.105.988	-	-	-
Receivables from regional or local governments	13.316	-	-	-
Receivables from administrative units and non-commercial enterprises	1.481	-	-	-
Receivables from multilateral development banks	62	-	-	-
Receivables from international organizations	-	-	-	-
Receivables from banks and brokerage houses	2.635.158	-	-	-
Receivables from corporates	12.920.537	520.757	-	12.552
Retail receivables	3.504.500	105.745	-	36.707
Receivables secured by mortgages on property	4.348.089	-	-	-
Past due receivables	150.112	-	-	-
Receivables defined in high risk category by BRSA	128.783	3.150	-	14
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	-	-	-	-
Other receivables	1.574.636	-	-	-

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X. Explanations on leverage ratio:

As of 31 December 2015, leverage ratio of the Bank calculated from the arithmetic average of the last 3 months is %5,03 (31 December 2014: %5,35). This ratio is above the minimum required. The most important reason for the difference in leverage ratio between current and previous period is the increase in the balance sheet assets.

Disclosure of Leverage ratio template :

		Current Period 31 Aralık 2015(*)	Prior Period 31 Aralık 2014(*)
	Balance sheet assets		
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	28.936.499	22.394.984
2	(Assets deducted from Core capital)	(79.053)	(63.419)
3	Total risk amount of balance sheet assets (sum of lines 1 and 2)	28.857.446	22.331.565
	Derivative financial assets and credit derivatives		
4	Cost of replenishment for derivative financial assets and credit derivatives	20.043	-
5	Potential credit risk amount of derivative financial assets and credit derivatives	4.913	-
6	Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	24.956	-
	Financing transactions secured by marketable security or commodity		
7	Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	139.204	63.645
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)	139.204	63.645
	Off-balance sheet transactions		
10	Gross notional amount of off-balance sheet transactions	9.880.604	8.691.256
11	(Correction amount due to multiplication with credit conversion rates)	-	-
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11)	9.880.604	8.691.256
	Capital and total risk		
13	Core Capital	1.955.492	1.663.132
14	Total risk amount(sum of lines 3, 6, 9 and 12)	38.902.210	31.086.466
	Leverage ratio		
15	Leverage ratio	5,03	5,35

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

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XI. Explanations on risk management objectives and policies:

The aim of the Bank's Risk management system is basically to ensure identification, measurement, monitoring and controlling of risks exposed, through establishment of policies, implementation procedure and limits for monitoring, controlling and in case of need changing the risk/return structure of future cash flows, and accordingly nature and level of operations.

Basically the Bank is exposed to market, liquidity, credit and strategic risk, reputation risk, and operational risk and determines risk policies, procedures to be implemented, and risk limits approved by Board of Directors for risks that can be quantified. The related limits are monitored, reported and maintained within the set limits by the units under Internal Systems and the related departments in the Bank. Risk Management Unit, organized within the frame of Risk Management regulations, undertakes activities for measuring, monitoring, controlling and reporting risks.

Market Risk

Market Risk is the probability of loss that the bank may be exposed to due to the bank's general market risk, foreign exchange risk, specific risk, commodity risk, settlement risk and counterparty credit risk in trading book.

Exchange rate risk or foreign currency risk which is one of the factors that constitutes market risk, defines the probability of loss due to the effects of possible changes in currency to all the Bank's foreign currency assets and liabilities. Security position risk is the negations in the Bank's revenues and thus shareholders' equity, cash flows, asset quality and finally in meeting the commitments arising from negative movements in security prices included in the Bank's trading accounts.

Within the framework of market risk, the Bank calculates foreign currency position risk, general market risk for security position risk and specific risks via standard method and reports to the legal authority. The Bank also measures the foreign currency position risk by various internal methods for testing purposes. The variations between daily predicted value at risk and actual values and back testing practices are used to determine the accuracy and performance of these tests. The potential durability of portfolio against unpredictable risks that can be exposed is measured by stress tests including stress scenarios.

The Bank continuously monitors the compliance of market risk with the limits determined by legal regulations. Additionally foreign currency risk is reviewed by Assets and Liabilities Committee. The Bank's strategy for the currency risk is keeping it at a balance and not having any short or long position.

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XI. Explanations on risk management objectives and policies (continued):

Liquidity Risk

The Bank's liquidity risk consists of funding liquidity risk and market liquidity risk.

Funding liquidity risk explains the probability of loss occurs in case of unable to meet the Bank's all anticipated and unanticipated cash flow requirements without damaging daily operations or the financial position.

Market liquidity risk is the probability of loss in case of the Bank's failure to close any position or stabilize market prices due to market depth or over fluctuations.

Maturity mismatch, impairment of the asset quality, unpredictable source outflows, decrease in profit and economic crisis situations are the factors that might cause the occurrence of the liquidity risk.

For liquidity risk, cash flows are monitored daily and preventive and remedial precautions are taken to meet obligations on time and in the required manner. Liquidity risk is evaluated on a weekly basis from Assets and Liabilities committee.

Regarding liquidity risk of the Bank, in order to meet liquidity needs arising from unpredictable movements in the markets, the Bank prefers to implement the policy of maintaining quality liquid assets in adequate proportion by considering previous liquidity experiences and minimum liquidity adequacy ratios set by legal regulations.

Credit Risk

Credit risk represents the Bank's possibility of losses due to loan customers not fulfilling the terms of their agreements partially or in full. At the same time, this risk includes market value loss arising from the deterioration of the financial position of the counterparty. Within the scope of the definition of the credit risk used, on balance and off balance sheet portfolios are included.

In the Bank, credit allocation authority belongs to the Board of Directors. The Board of Directors takes necessary measures by establishing policies related to allocation and approval of loans, credit risk management policies and other administrative issues; by ensuring implementation and monitoring of these policies. The Board of Directors transferred its credit allocation authority to the Credit Committee and Head-office in line with the policies and procedures defined by the legal regulations. Head-office Credit Committee exercises the credit allocation authority through units of the Bank/ regional offices and branches. The Bank grants credits on the basis of limits determined for each individual customer and group of customers separately and core banking system prevents customers' credit risks being in excess of their limits.

The Bank pays attention in order not to result in sectoral concentration that might affect credit portfolio in a negative way. Maximum effort is being made to prevent risks from concentrating on few customers. Credit risk is continuously monitored and reported by units under internal systems and other risk management divisions. By this way, harmonization of credit risk with credit risk management policy and application standards is maintained.

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XI. Explanations on risk management objectives and policies (continued):

Operational Risk

Operational risk is defined as the possibility of loss occurring due to insufficient or unsuccessful internal processes, persons and systems or external incidents. Although legal risk and compliance risk are included in this risk group, reputation risk and strategy risk (arising from misjudgements at wrong times) are excluded.

Operational risk is a risk type that exists in all functions of the Bank. It might arise from employee mistakes, an error caused by the system, transactions made based on inadequate or incorrect legal information, information flow failure among levels under Bank organization structure, ambiguity in limits of authorization, structural and/or operational changes, natural disasters, terror and fraud.

Operational risk is categorized under five groups according to its sources: employee risk, technological risks, organization risk, legal-compliance risk and external risks.

The Bank also takes necessary preventive measures in order to keep operational risk at an acceptable level.

Other Risks

Other risks the Bank is exposed to are strategic risk, reputation risk, counterparty risk, compliance risk, residual risk, country risk, and concentration risk.

The Bank's risk management system, in order to prevent and/or control strategic risks, is prepared against changes in economic, political and socio-political conditions, laws, legislation and similar regulations that could affect the Bank's operations, status and strategies significantly and observes these issues in contingency and business continuity plan implementations.

Reputation risk is defined as events and situations arising from all services, functions and relations of the Bank that would cause to lose confidence in the Bank and damage its image. The Bank's risk management system in order to prevent and/or control reputation risk, switches on a proactive communication mechanism by giving priority to its customers whenever it is determined that the Bank's reputation or image is damaged. The system, ready for the worst case scenarios in advance, takes into account the level of the relationship between operational risks and reputation risk, its level and its effect.

Residual risk is the risk that arises in case that the risk mitigation techniques are not as effective as expected. Senior management procures the implementation of residual risk management policy and strategy that is approved by Board of Directors. Moreover, It considers maturity match between credit and collateral, some factors like changes due to negative market movements for risk management.

Counterparty credit risk is the probability that one of the parties of a transaction where both sides are imposed with liability becomes default on his liability before the last payment in the cash flow of the transaction. The Bank should manage counterparty credit risk in accordance with the volume, quality and complexity of its activities within the framework of legal legislation.

Compliance risk means those risks which are related to sanctions, financial losses and/ or loss of reputation that the Bank may suffer in the event that the Bank's operations and the attitudes and acts of the Bank's staff members are not in conformity and compliance with the current legislation, regulations and standards. The Head of Legislation and Compliance Unit, who shall be appointed by the Board of Directors, shall be accountable for the purposes of planning, arranging, conducting, managing, assessing, monitoring and coordinating the corporate compliance activities.

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XI. Explanations on risk management objectives and policies (continued):

Country risk is the probability of loss that the Bank may be exposed to in case borrowers in one country fail or shirk to fulfill their foreign obligations due to uncertainties in economic, social and political conditions. The Bank constitutes its commercial connections with foreign fiscal institutions and countries, as a result of feasibility studies made for country's economic conditions within legal restrictions and through consideration of market conditions and customer satisfaction.

Concentration risk is the probability of experiencing large scale losses due to one single risk amount or risk amounts in particular risk types that may threaten the body of the Bank and the capability of operating its principal activities. Policies in regards to concentration risk are classified as sectoral concentration, concentration to be created on the basis of collateral, concentration on the basis of market risk, concentration on the basis of types of losses, concentration arising from participation fund and other financing providers.

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

a. Information on fair value of financial assets and liabilities :

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated profit share accruals of corresponding financial assets or liabilities.

The fair values of financial assets and liabilities are calculated based on the following principles:

The fair values of held-to-maturity investments are determined based on market prices.

The fair value of loans and receivables are determined by calculating the discounted cash flows using the current market profit share rates.

Carrying value of funds collected via special current accounts and participation accounts is assumed to approximate their fair value as they are valued at year-end unit values.

The fair values of funds collected from financial institutions are determined by calculating the discounted cash flows using the current market profit share rates.

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XII. Explanations on presentation of financial assets and liabilities at fair value (continued):

	Carrying value		Fair value	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Financial Assets				
Money market placements	-	-	-	-
Banks	2.482.614	1.648.235	2.482.614	1.648.235
Financial assets at fair value through profit and loss	22.283	5.611	22.283	5.611
Financial assets available for sale	1.051.566	659.760	1.051.566	659.760
Held to maturity investments	762.890	783.309	771.264	794.685
Loans and financial lease receivables	19.505.392	16.183.692	19.198.865	15.593.643
Financial Liabilities				
Funds collected from banks via current accounts and profit sharing accounts	526.489	572.717	526.489	572.717
Other current and profit sharing accounts	19.819.689	16.070.501	19.819.689	16.070.501
Funds provided from other financial institutions	5.344.245	3.688.424	4.904.160	3.682.518
Marketable securities issued	-	-	-	-
Miscellaneous payables	686.386	510.172	686.386	510.172

b. Information on fair value measurement recognized in the financial statements:

TFRS 7 (Financial Instruments: Turkish Financial Reporting Standard Related to Explanations) sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish a basis for fair value measurement. Aforesaid fair value hierarchy is determined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level I);
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in Level 1 (Level II);
- Data not based on observable data regarding assets and liabilities (Level III).

Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles are given in the table below:

Current period (**)	Level I	Level II	Level III	Total
Financial assets				
Financial assets at fair value through profit and loss	790	21.493	-	22.283
Public sector debt securities	-	-	-	-
Equity securities	790	-	-	790
Derivative financial assets held for trading	-	20.822	-	20.822
Other	-	671	-	671
Financial assets- available for sale	1.038.701	-	10.743	1.049.444
Equity securities (*)	-	-	10.743	10.743
Public sector debt securities	887.157	-	-	887.157
Other marketable securities	151.544	-	-	151.544
Financial liabilities				
Derivative financial liabilities held for trading	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-

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XII. Explanations on presentation of financial assets and liabilities at fair value (continued):

Prior period	Level I	Level II	Level III	Total
Financial assets				
Financial assets at fair value through profit and loss	5.611	-	-	5.611
Public sector debt securities	-	-	-	-
Equity securities	5.611	-	-	5.611
Derivative financial assets held for trading	-	-	-	-
Other	-	-	-	-
Financial assets- available for sale	658.085	-	-	658.085
Equity securities (*)	-	-	-	-
Public sector debt securities	588.615	-	-	588.615
Other marketable securities	69.470	-	-	69.470

Financial liabilities

Derivative financial liabilities held for trading	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-

(*) The shares of Visa Europa, which are not traded in an active market and presented under equity securities in available for sale assets and carried at cost since it is impossible to determine its fair value before December 31, 2015, are revalued basing on its indicator transaction value (cash to be collected and preferred stock) related to mentioned shares' take-over to Visa Inc. and the related revaluation difference are presented in shareholders' equity.

(**) In the current period, there is no classification between level I and level II.

As of December 31, 2015 and 2014 the Bank carries the real estates at fair value under tangible assets. Level III section is used in determining the related fair values.

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

The Bank does not perform purchases, sales and custody services on behalf of its customers. The Bank has no fiduciary transactions.

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XIV. Explanations on business segments:

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

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	2.772.567	17.685.898	2.263.190	6.840.344	29.561.999
Total Liabilities	13.119.733	8.367.686	5.570.834	399.832	27.458.085
Total Equity	-	-	-	2.103.914	2.103.914
Net profit share income/(expense)(*)(**)	(335.961)	1.289.175	(66.717)	(816)	885.681
Net fees and commissions income/(expense)	15.291	144.737	(17.866)	(6.165)	135.997
Other operating income /(expense)	14.574	16.274	65.787	(584.392)	(487.757)
Provision for loan losses and other receivables	(14.738)	(94.013)	-	(48.392)	(157.143)
Profit/(loss) before tax	(320.834)	1.356.173	(18.796)	(639.765)	376.778
Provision for tax	-	-	-	(73.915)	(73.915)
Net profit / (loss) for the period	(320.834)	1.356.173	(18.796)	(713.680)	302.863

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	1.935.081	14.168.295	1.844.257	5.098.791	23.046.424
Total Liabilities	11.475.842	5.358.452	4.057.039	364.164	21.255.497
Total Equity	-	-	-	1.790.927	1.790.927
Net profit share income/(expense)(*)(**)	(349.075)	1.059.456	(11.407)	-	698.974
Net fees and commissions income/(expense)	8.849	129.097	(8.955)	(655)	128.336
Other operating income /(expense)	12.578	36.621	2.289	(403.670)	(352.182)
Provision for loan losses and other receivables	(12.559)	(91.955)	-	(45.062)	(149.576)
Profit/(loss) before tax	(340.207)	1.133.219	(18.073)	(449.387)	325.552
Provision for tax	-	-	-	(72.921)	(72.921)
Net profit / (loss) for the period	(340.207)	1.133.219	(18.073)	(522.308)	252.631

- (*) The distribution difference in the retail, commercial and corporate segments stems from fund allocation and fund collection methods of the Bank.
- (**) Since the management uses net profit share income/ (expense) as a performance measurement criteria, profit share income and expense is presented net.

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Section five

Explanations and notes on the unconsolidated financial statements

I. Explanations and notes related to assets:

1. a) Cash and balances with the Central Bank of Republic of Turkey (CBRT):

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash / Foreign currency	124.648	283.565	88.803	106.119
CBRT	698.140	3.371.781	263.590	2.670.136
Other (*)	71.416	355.248	-	538
Total	894.204	4.010.594	352.393	2.776.793

(*) Includes precious metals amounting to TL 12.370 (December 31, 2014: TL 538) and cash in transit amounting to TL 414.294 (December 31, 2014: None) as of December 31, 2015

b) Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	695.445	377.110	263.328	278.761
Unrestricted time deposit	-	-	-	-
Restricted time deposit (*)	2.695	2.994.671	262	2.391.375
Total	698.140	3.371.781	263.590	2.670.136

(*) As of December 31, 2015, the reserve requirement held in standard gold is TL 433.751 (December 31, 2014: TL 340.792).

In accordance with the "Communiqué Regarding the Reserve Requirements numbered 2005/1", banks operating in Turkey are required to maintain reserves in CBRT for TL and foreign currency liabilities. According to the Communiqué Regarding the Reserve Requirements, reserve requirements can be maintained in TL, USD and/or EURO and standard gold.

As of December 31, 2015, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11,5% depending on maturity of deposits and the compulsory rates for the foreign currency liabilities are within an interval from 5% to 25% depending on maturity of deposits.

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

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

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

None. (December 31, 2014: None)

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	-	-	-	-
Swap Transactions	-	20.822	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	20.822	-	-

3. a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic (*)	599.970	1.456.406	511.402	731.224
Abroad	-	426.238	-	405.609
Foreign head offices and branches	-	-	-	-
Total	599.970	1.882.644	511.402	1.136.833

(*) Includes blockaged amount TL 569.474 (December 31, 2014: TL 475.384) booked under TL accounts arising from POS transactions.

b) Information on foreign bank accounts:

	Current period		Prior period	
	Unrestricted amount	Restricted amount	Unrestricted amount	Restricted amount
European Union Countries	194.411	-	83.042	-
USA and Canada	77.021	-	225.731	-
OECD Countries (*)	5.316	-	2.696	-
Off-shore banking regions	3.096	-	758	-
Other	146.394	-	93.382	-
Total	426.238	-	405.609	-

(*) OECD countries other than EU countries, USA and Canada.

4. Information on financial assets available-for-sale:

a) Information on financial assets available for sale subject to repurchase transactions, given as a guarantee or blocked:

The Bank has collateralized sukuk investments with a nominal amount of TL 217.577 and carrying value of TL 226.102 to CBRT with respect to money market transactions and subjected to repurchase agreements. (December 31, 2014: None)

As of December 31, 2015, available for sale investments given as a guarantee or blocked amount to TL 34.132. (December 31, 2014: None)

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

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

	Current Period	Prior Period
Debt securities	1.040.924	658.435
Quoted on a stock exchange(*)	1.040.924	658.435
Unquoted	-	-
Share certificates	12.865	1.675
Quoted on a stock exchange	-	-
Unquoted (**)	12.865	1.675
Impairment provision (-)	2.223	350
Total	1.051.566	659.760

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

(**) Besides including unquoted equity securities, The shares of Visa Europa, which are not traded in an active market and carried at cost since it is impossible to determine its fair value before December 31, 2015, are revalued basing on its indicator transaction value related to mentioned shares' take-over to Visa Inc. and the related revaluation difference is presented in financial statements of December 31, 2015

5. Information on loans and receivables:

a) Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	80.073	62.236	8.808	35.469
Corporate shareholders	79.777	61.294	8.663	35.119
Real person shareholders	296	942	145	350
Indirect loans granted to shareholders	47.947	62.416	50.238	69.492
Loans granted to employees	8.985	28	7.742	-
Total	137.005	124.680	66.788	104.961

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		
	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
Cash loans						
Loans	17.754.205	212.812	18.546	616.194	55.255	20.557
Export loans	405.706	2.365	-	838	-	-
Import loans	1.431.798	19.465	2.312	10.718	803	40
Business loans	9.269.509	161.888	10.572	398.946	44.946	11.359
Consumer loans	2.700.852	6.505	1.009	25.316	175	62
Credit cards	189.347	-	-	4.092	-	-
Loans given to financial sector	4.337	-	-	-	-	-
Other (*)	3.752.656	22.589	4.653	176.284	9.331	9.096
Other receivables	-	-	-	-	-	-
Total	17.754.205	212.812	18.546	616.194	55.255	20.557

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

(*) Details of other loans are provided below:

Commercial loans with installments	1.917.320
Other investment credits	860.946
Loans given to abroad	490.739
Profit and loss sharing investments (**)	362.430
Loans for purchase of marketable securities for customer	263.529
Other	33.976
Total	3.928.940

(**) As of December 30, 2015, the related balance represents profit and loss sharing investment projects (12 projects) which are real estate development projects in various regions of Istanbul and Ankara. Revenue sharing of profit and loss sharing investment projects is done within the framework of the signed contract between the Bank and the counterparty after the cost of the projects is clarified and net profit of projects is determined once the project / stages of the project are completed. In case the transaction subject to the profit and loss sharing investment project results in a loss, the Bank's share of loss is limited with the funds invested in the project by the Bank. In the current period the Bank recognized TL 54.862 (December 31, 2014: TL 57.388) income in the accompanying financial statements in relation to such loans and presented in the profit share on loans in the income statement

	Extension of Repayment Plan	
	Standard loans and other receivables	Loans and other receivables under close monitoring
1 or 2 times	212.812	55.255
3, 4 or 5 times	-	-
Over 5 times	-	-

Extension Periods	Extension of Repayment Plan	
	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 months	32.996	14.773
6 - 12 months	28.349	3.137
1 - 2 years	41.995	10.596
2 - 5 years	94.057	24.855
5 years and over	15.415	1.894

In accordance with the Communiqué "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for These Loans" published in Official Gazette dated December 30, 2011 and numbered 28158, information related to the loans granted to maritime sector :

As of December 31, 2015, the Bank has loan receivables amounting to TL 21.971 arising from rescheduled loans within the scope of related Communiqué.

c) Maturity analysis of cash loans:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled(**)	Loans and Other Receivables	Restructured or Rescheduled
Cash Loans				
Short term loans and other receivables	4.013.248	46.538	72.664	8.323
Loans	4.013.248	46.538	72.664	8.323
Other receivables	-	-	-	-
Medium and long-term loans and other receivables(*)	13.509.599	184.820	467.718	67.489
Loans	13.509.599	184.820	467.718	67.489
Other receivables	-	-	-	-
Total	17.522.847	231.358	540.382	75.812

(*) Loans with original maturities longer than a year are classified as "Medium and Long Term Loans".

(**) Includes extensions, reductions and other changes in payment plans.

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

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

	Short-term	Medium and long-term	Total
Consumer loans-TL	22.080	2.698.962	2.721.042
Housing loans	3.613	2.427.216	2.430.829
Vehicle loans	3.581	119.160	122.741
Consumer loans	14.886	152.586	167.472
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	57.240	-	57.240
With installment	21.188	-	21.188
Without installment	36.052	-	36.052
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	3.145	1.981	5.126
Housing loans	-	243	243
Vehicle loans	95	1.266	1.361
Consumer loans	3.050	472	3.522
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	3.859	-	3.859
With installment	1.752	-	1.752
Without installment	2.107	-	2.107
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL(real person)	-	-	-
Overdraft account-FC(real person)	-	-	-
Total	86.324	2.700.943	2.787.267

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I. 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	39.142	1.303.165	1.342.307
Business loans	7.241	365.312	372.553
Vehicle loans	19.252	306.872	326.124
Consumer loans	12.649	630.981	643.630
Other	-	-	-
Commercial installment loans-FC indexed	863	527.186	528.049
Business loans	-	189.345	189.345
Vehicle loans	548	80.080	80.628
Consumer loans	315	257.761	258.076
Other	-	-	-
Commercial installment Loans-FC	-	46.964	46.964
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	46.964	46.964
Other	-	-	-
Corporate credit cards-TL	132.340	-	132.340
With installment	28.942	-	28.942
Without installment	103.398	-	103.398
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (legal entity)	-	-	-
Overdraft account-FC(legal entity)	-	-	-
Total	172.345	1.877.315	2.049.660

e) Allocation of loans by customers:

	Current Period	Prior Period
Public	13.012	106.554
Private	18.357.387	15.327.778
Total	18.370.399	15.434.332

f) Breakdown of domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	17.879.660	15.093.302
Foreign loans	490.739	341.030
Total	18.370.399	15.434.332

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. Explanations and notes related to assets (continued):

ğ) Specific provisions for loans:

	Current Period	Prior Period
Loans and receivables with limited collectability	20.420	23.769
Loans and receivables with doubtful collectability	56.714	40.451
Uncollectible loans and receivables	192.801	212.500
Total	269.935	276.720

In addition to specific provision for loans amounting TL 269.935 (December 31, 2014: TL 276.720), provision amounting to TL 10.912 (December 31, 2014: TL 10.541) have been provided for fees and commissions and other receivables with doubtful collectability which sums up to total TL 280.847 (December 31, 2014: TL 287.261). Specific provision for loans amounting to TL 179.220 (December 31, 2014: TL 183.120) 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)	49.844	9.817	14.785
Restructured loans and other receivables	49.844	9.817	14.785
Rescheduled loans and other receivables	-	-	-
Prior period			
(Gross amounts before specific provisions)	62	1.132	19.288
Restructured loans and other receivables	62	1.132	19.288
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	39.183	48.450	228.801
Additions in the current period (+)	295.816	17.714	37.087
Transfers from other categories of non-performing loans (+)	-	177.282	100.133
Transfers to other categories of non-performing loans (-)	177.282	100.133	-
Transfers to standard loans (-)	-	1.711	267
Collections in the current period (-)	34.115	27.902	53.019
Write offs (-)	3	1.098	91.435
Corporate and commercial loans	-	1.097	89.199
Retail loans	3	1	2.212
Credit cards	-	-	24
Other	-	-	-
Closing balance of the current period	123.599	112.602	221.300
Specific provisions (-)	20.420	56.714	192.801
Net balance at the balance sheet	103.179	55.888	28.499

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

Non-performing loans and receivables in the amount of TL 457.501 (December 31, 2014: TL 316.434) comprise TL 281.719 (December 31, 2014: TL 194.337) of participation account share of loans and receivables provided from participation accounts.

In addition to non-performing loans and other receivables included in the above table, there are fees, commissions and other receivables with doubtful collectability amounting to TL 10.912 (December 31, 2014: TL 10.541). In the current period, collections from fees, commissions and other receivables with doubtful collectability amounted to TL 3.763.

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	1.114	43	-
Specific provision (-)	317	12	-
Net balance on balance sheet	797	31	-
Prior period:			
Period end balance	15	12	-
Specific provision (-)	4	7	-
Net balance on balance sheet	11	5	-

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)	103.179	55.888	28.499
Loans to individuals and corporates (gross)	123.599	112.602	221.300
Specific provision (-)	20.420	56.714	192.801
Loans to individuals and corporates (net)	103.179	55.888	28.499
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-
Prior period (net)	15.414	7.999	16.301
Loans to individuals and corporates (gross)	39.183	48.450	228.801
Specific provision (-)	23.769	40.451	212.500
Loans to individuals and corporates (net)	15.414	7.999	16.301
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-

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

i) Liquidation policy for uncollectible loans and receivables:

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

i) Information on "Write-off" policies:

The write-off policy of the Bank for receivables under follow up is to retire the receivables from assets in case of determination of the inability of collection through follow-up by the decision of Bank management.

Loans and other receivables, which have been deemed uncollectible according to the "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans" published in the Official Gazette numbered 26333 dated November 01, 2006, have been written-off as per the decision of the Bank Management dated October 28, 2015 numbered 1480. In 2015, non-performing loans amounting to TL 94.592 were written-off (2014 – TL 19.336).

j) Other explanations on loans and receivables:

Aging analysis of past due but not impaired financial assets per classes of financial instruments is stated below:

Current Period	Less than 30 days	31-60 days	61-90 days	Total
Loans and Receivables				
Corporate Loans	1.307.983	296.077	294.939	1.898.999
Consumer Loans	135.307	25.018	4.579	164.904
Credit Cards	37.982	739	386	39.107
Total	1.481.272	321.834	299.904	2.103.010

Prior Period	Less than 30 days	31-60 days	61-90 days	Total
Loans and Receivables				
Corporate Loans	422.348	92.033	221.102	735.483
Consumer Loans	79.128	14.155	2.874	96.157
Credit Cards	3.708	990	339	5.037
Total	505.184	107.178	224.315	836.677

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

6. Information on held-to-maturity investments:

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

As of December 31, 2015, held to maturity investments given as a guarantee or blocked amount to TL 80.576. Held to maturity investments subject to repurchase agreements amount to TL 553.490 (December 31, 2014 : Held to maturity investments given as a guarantee or blocked amount to TL 30.982, held to maturity investments subject to repurchase agreements amount to TL 113.775).

6.2) Information related to government securities held to maturity:

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities (*)	762.890	783.309
Total	762.890	783.309

(*) Consists of Sukook certificates issued by Undersecretariat of Treasury of Turkey.

6.3) Information on held-to-maturity investments:

	Current Period	Prior Period
Debt Securities	762.890	783.309
Quoted on a stock exchange(*)	762.890	783.309
Unquoted	-	-
Impairment provision(-)	-	-
Total	762.890	783.309

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

6.4) Movement of held-to-maturity investments:

	Current Period	Prior Period
Balance at beginning of period	783.309	745.390
Foreign currency differences on monetary assets	-	-
Purchases during period	391.427	350.000
Disposals through sales and redemptions	(476.442)	(366.063)
Impairment provision (-)	-	-
Income accruals	64.596	53.982
Closing balance	762.890	783.309

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

7. Associates (net):

a) Information on unconsolidated associates:

Since the Bank does not have the necessary shareholding percentage to become a qualified shareholder and have significant influence over this associate, it has not been consolidated.

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

The balances of Kredi Garanti Fonu A.Ş. presented in the table below have been obtained from the unaudited financial statements as of September 30, 2015.

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income/loss	Prior period income/loss	Fair value
316.348	313.416	5.836	-	-	19.899	-	-

b) Information on consolidated associates:

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

8. Information on subsidiaries (net):

a) Information on unconsolidated subsidiaries:

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

b) Information on consolidated subsidiaries:

i) The balances of Bereket Varlık Kiralama A.Ş. presented in the table below have been obtained from the audited financial statements as of December 31, 2015.

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

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
1.018.176	106	4	-	-	(67)	(77)	-

ii) In the Board of Directors meeting dated February 25, 2015, the Bank has taken a resolution on establishment a real estate portfolio management company with the name of "Albaraka Gayrimenkul Portföy Yönetimi A.Ş. whose capital is TL 5.000. The company is registered on June 3, 2015 and the foundation of the company is published on Trade Registry Gazette dated June 9, 2015 numbered 8837. The balances of Albaraka Gayrimenkul Portföy Yönetimi A.Ş. presented in the table below have been obtained from the audited financial statements as of December 31, 2015.

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

Name	Address (City/ Country)	Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Albaraka Gayrimenkul Portföy Yön.A.Ş.	İstanbul / Türkiye	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
4.808	4.745	7	-	-	(255)	-	-

9. Information on investments in joint- ventures:

The Bank has founded Katılım Emeklilik ve Hayat A.Ş ("Company") – a private pension and insurance company- through equal partnership with Kuveyt Turk Katılım Bankası A.Ş in the form of joint venture in accordance with Board of Directors' decision dated May 10, 2013 numbered 1186, and permission of BRSA dated September 24, 2013 numbered 4389041421.91.11-24049. Company registered on December 17, 2013 and noticed in Trade registry gazette dated December 23, 2013 and numbered 8470. The financials from unaudited financial statements as of December 31, 2015 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	24.970	236.128	237.340	24.948	29.400

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

10. Information on lease receivables (net):

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	325.587	257.672	208.180	173.564
1 to 4 years	577.191	523.390	352.652	315.581
More than 4 years	187.285	166.365	221.780	220.501
Total	1.090.063	947.427	782.612	709.646

b) Information on net investments through finance lease:

	Current Period	Prior Period
Gross finance lease receivables	1.090.063	782.612
Unearned finance lease receivable (-)	142.636	72.966
Net receivable from finance leases	947.427	709.646

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

c) General explanation on finance lease contracts:

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

Information on leasing receivables:

	Standard loans and Other receivables			Loans and other receivables under close monitoring				
	Loans and other receivables	Restructured or rescheduled	Extension of Repayment Plan	Other	Loans and other receivables	Restructured or rescheduled		
							Extension of Repayment Plan	Other
Finance lease receivables (Net)	916.510	89.366	-		30.917	-		

11. Information on derivative financial assets for hedging purposes:

None. (December 31, 2014: None)

12. Information on tangible assets:

Current period	Immovables	Leased tangible assets	Vehicles	Other	Assets held for sale	Total
Cost						
Opening balance: January 1, 2015	338.576	-	1.667	196.420	70.775	607.438
Additions	9.492	-	801	22.112	27	32.432
Revaluation differences	31.988	-	-	-	-	31.988
Disposals	(16.035)	-	(821)	(2.559)	(20.482)	(39.897)
Impairment losses(-)/Reversal of impairment losses	-	-	-	-	94	94
Transfers	-	-	-	-	23.549	23.549
Ending balance: December 31, 2015	364.021	-	1.647	215.973	73.963	655.604
Accumulated depreciation(-)						
Opening balance: January 1, 2015	27.733	-	1.278	88.827	2.461	120.299
Depreciation expense	7.494	-	230	30.083	1.307	39.114
Reversal of depreciation of the disposed assets	(2.540)	-	(609)	(566)	(1.233)	(4.948)
Transfers	-	-	-	-	-	-
Ending balance: December 31, 2015	32.687	-	899	118.344	2.535	154.465
Total cost at the end of the year	364.021	-	1.647	215.973	73.963	655.604
Total accumulated depreciation at the end of the year	(32.687)	-	(899)	(118.344)	(2.535)	(154.465)
Closing net book value	331.334	-	748	97.629	71.428	501.139

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

Prior period	Immovables	Leased tangible assets	Vehicles	Other	Assets Held for sale	Total
Cost						
Opening balance: January 1, 2014	262.486	-	2.077	155.578	56.224	476.365
Additions	2.226	-	14	49.058	218	51.517
Revaluation differences	73.598	-	-	-	-	73.598
Disposals	-	-	(424)	(8.216)	(7.619)	(16.259)
Impairment losses(-)/Reversal of impairment losses	266	-	-	-	(1.093)	(828)
Transfers	-	-	-	-	23.045	23.045
Ending balance: December 31, 2014	338.576	-	1.667	196.420	70.775	607.438
Accumulated depreciation(-)						
Opening balance: January 1, 2014	21.837	-	1.423	71.083	1.408	95.751
Depreciation expense	5.896	-	277	25.653	1.255	33.082
Reversal of depreciation of the disposed assets	-	-	(422)	(7.909)	(202)	(8.534)
Transfers	-	-	-	-	-	-
Ending balance: December 31, 2014	27.733	-	1.278	88.827	2.461	120.299
Total cost at the end of the year	338.576	-	1.667	196.420	70.775	607.438
Total accumulated depreciation at the end of the year	(27.733)	-	(1.278)	(88.827)	(2.461)	(120.299)
Closing net book value	310.843	-	389	107.593	68.314	487.139

As of December 31, 2015, the immovables of the Bank have been revalued by an independent valuer and revaluation fund of TL 189.092 (December 31, 2014: TL 153.179) net of deferred tax and depreciation has been reflected in the financial statements. The carrying value of the aforesaid immovables would have been TL 109.007 (December 31, 2014: TL 106.810) if revaluation method had not been adopted.

13. Information on intangible assets:

a) Opening and ending book values and accumulated depreciation balances:

	Current Period	Prior Period
Cost	86.623	50.447
Accumulated depreciation (-)	42.351	23.556
Total (net)	44.272	26.891

b) Intangible assets movement between the beginning and end of the period:

	Current Period	Prior Period
Opening balance	26.891	15.929
Additions	36.115	20.565
Disposals (-) net	-	-
Depreciation expense (-)	18.734	9.603
Closing net book value	44.272	26.891

14. Information on investment property:

None. (December 31, 2014: None)

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

15. Information related to deferred tax asset:

As of December 31, 2015, the Bank calculated deferred tax asset of TL 44.887 (December 31, 2014: TL 35.388) and deferred tax liability of TL 29.716 (December 31, 2014: TL 43.681) on all tax deductible/ taxable temporary differences arising between the carrying amounts and the tax base of assets and liabilities in the financial statements that will be considered in the calculation of taxable earnings in the future periods and presented them as net in the accompanying financial statements. (December 31, 2014: TL 8.293 Deferred Tax Liability)

	Tax Base	Deferred Tax Amount
Rediscount on profit share and prepaid fees and commission income and unearned revenues	165.320	33.064
Provisions for retirement and vacation pay liabilities	53.033	10.607
Difference between carrying value and tax base of tangible assets	3.680	736
Provision for impairment	2.070	414
Other	332	66
Deferred tax asset	224.435	44.887
Revaluation difference of property	90.650	18.130
Financial assets available for sale valuation difference	2.630	2.673
Trading securities valuation difference	-	-
Rediscount on profit share	7.020	1.404
Other	48.280	7.509
Deferred tax liability	148.580	29.716
Deferred tax asset (net)	75.855	15.171

16. Information on assets held for sale and assets of discontinued operations:

Assets held for sale consist of tangible assets which have been acquired due to non-performing loans and are accounted in the unconsolidated financial statements in accordance with the Communiqué of "Principles and Procedures on Bank's Disposal of Precious Metals and Assets Held for Sale".

	Current Period	Prior Period
Opening Balance	27.678	28.407
Additions	37.242	34.403
Disposals	(18.246)	(12.634)
Transfers (*)	(23.549)	(23.045)
Impairment Provision(-)/Reversal of Impairment Provision	306	547
Net closing balance	22.819	27.678

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

As of December 31, 2015, 22.539 of the assets held for sale is comprised of real estates, TL 280 is comprised of other tangible assets.

The Bank has no discontinued operations and assets of discontinued operations. (December 31, 2014: None)

17. Information on other assets:

As of the balance sheet date, the Bank's other assets balance is TL 218.262 (December 31, 2014: TL 76.411) and does not exceed 10% of balance sheet total excluding off balance sheet commitments.

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II. Explanations and notes related to liabilities:

1. Information on funds collected:

a) Information on maturity structure of funds collected:

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts									
Non-Trade TL	771.214	-	-	-	-	-	-	-	771.214
II. Real Persons Participation Accounts Non-Trade TL		418.623	5.626.945	84.267	-	91.904	533.772	-	6.755.511
III. Current Account other-TL	1.236.070	-	-	-	-	-	-	-	1.236.070
Public Sector	38.481	-	-	-	-	-	-	-	38.481
Commercial Institutions	1.138.310	-	-	-	-	-	-	-	1.138.310
Other Institutions	52.254	-	-	-	-	-	-	-	52.254
Commercial and Other Institutions	6.056	-	-	-	-	-	-	-	6.056
Banks and Participation Banks	969	-	-	-	-	-	-	-	969
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	947	-	-	-	-	-	-	-	947
Participation Banks	20	-	-	-	-	-	-	-	20
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	128.900	2.253.037	62.236	-	22.997	106.211	-	2.573.381
Public Sector	-	-	2.114	-	-	-	-	-	2.114
Commercial Institutions	-	127.370	1.899.813	48.471	-	21.761	102.397	-	2,199.812
Other Institutions	-	1.528	162.999	13.765	-	1,236	3.814	-	183.342
Commercial and Other Institutions	-	2	170.828	-	-	-	-	-	170.830
Banks and Participation Banks	-	-	17.283	-	-	-	-	-	17.283
V. Real Persons Current Accounts Non- Trade FC	1.005.988	-	-	-	-	-	-	-	1.005.988
VI. Real Persons Participation Accounts Non-Trade FC		259.827	3.269.145	85.684	-	176.141	558.294	-	4.349.091
VII. Other Current Accounts FC	1.142.114	-	-	-	-	-	-	-	1.142.114
Residents in Turkey-Corporate	796.423	-	-	-	-	-	-	-	796.423
Residents Abroad-Corporate	207.863	-	-	-	-	-	-	-	207.863
Banks and Participation Banks	137.828	-	-	-	-	-	-	-	137.828
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	106.227	-	-	-	-	-	-	-	106.227
Participation Banks	31.601	-	-	-	-	-	-	-	31.601
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other- FC		109.229	1.805.612	164.175	-	55.447	84.338	-	2.218.801
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	77.065	1.087.442	84.549	-	34.474	16.457	-	1,299.987
Other institutions	-	901	231.702	-	-	2.980	-	-	235.583
Commercial and Other Institutions	-	995	237.658	4.087	-	2.201	67.881	-	312.822
Banks and Participation Banks	-	30.268	248.810	75.539	-	15.792	-	-	370.409
IX. Precious Metals Deposits	105.805	41.027	132.729	7.025	-	3.736	3.686	-	294.008
X. Participation Accounts Special Fund Pools TL		-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC		-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+....+IX+X+XI)	4.261.191	957.606	13.087.458	403.387	-	350.225	1.286.301	-	20.346.178

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

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts									
Non-Trade TL	651.085	-	-	-	-	-	-	-	651.085
II. Real Persons Participation									
Accounts Non-Trade TL	-	3.221.702	2.450.686	129.932	-	38.739	433.932	-	6.274.991
III. Current Account other-TL	1.084.752	-	-	-	-	-	-	-	1.084.752
Public Sector	27.473	-	-	-	-	-	-	-	27.473
Commercial Institutions	1.027.822	-	-	-	-	-	-	-	1.027.822
Other Institutions	28.554	-	-	-	-	-	-	-	28.554
Commercial and Other Institutions	49	-	-	-	-	-	-	-	49
Banks and Participation Banks	854	-	-	-	-	-	-	-	854
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	801	-	-	-	-	-	-	-	801
Participation Banks	51	-	-	-	-	-	-	-	51
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	512.441	984.970	123.546	-	30.191	120.187	-	1.771.335
Public Sector	-	18.575	41	-	-	-	-	-	18.616
Commercial Institutions	-	446.099	883.116	24.953	-	8.209	115.749	-	1.478.126
Other Institutions	-	35.074	65.275	7.311	-	886	4.438	-	112.984
Commercial and Other Institutions	-	12.693	7.107	-	-	-	-	-	19.800
Banks and Participation Banks	-	-	29.431	91.282	-	21.096	-	-	141.809
V. Real Persons Current									
Accounts Non- Trade FC	764.756	-	-	-	-	-	-	-	764.756
VI. Real Persons Participation									
Accounts Non-Trade FC	-	1.711.026	1.199.277	151.563	-	26.657	422.339	-	3.510.862
VII. Other Current Accounts FC	743.223	-	-	-	-	-	-	-	743.223
Residents in Turkey-Corporate	576.703	-	-	-	-	-	-	-	576.703
Residents abroad-Corporate	51.011	-	-	-	-	-	-	-	51.011
Banks and Participation Banks	115.509	-	-	-	-	-	-	-	115.509
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	115.091	-	-	-	-	-	-	-	115.091
Participation Banks	418	-	-	-	-	-	-	-	418
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts									
other- FC	-	408.717	922.390	43.286	-	117.148	11.558	-	1.503.099
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	327.919	679.277	5.108	-	92.161	951	-	1,105,416
Other Institutions	-	26.777	7.295	9	-	-	-	-	34.081
Commercial and Other Institutions	-	25.756	10.315	-	-	2.379	10.607	-	49.057
Banks and Participation Banks	-	28.265	225.503	38.169	-	22.608	-	-	314,545
IX. Precious Metals Deposits	132.119	96.393	102.886	3.586	-	611	3.520	-	339.115
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)	3.375.935	5.950.279	5.660.209	451.913	-	213.346	991.536	-	16.643.218

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II. 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	4.031.698	3.576.170	3.495.029	3.349.906
Foreign currency accounts	1.556.831	1.296.029	4.115.302	3.265.958
Foreign branches' deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

Funds collected by Participation Banks (except foreign branches) from current and participation accounts denominated in Turkish Lira or foreign currency up to a limit of maximum TL 100 (including both capital and profit shares) for each real person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law numbered 5411.

b.2) Funds collected which are not under the guarantee of insurance fund:

Funds collected of real persons which are not under the guarantee of insurance fund:

	Current Period	Prior Period
Foreign Branches' Profit Sharing Accounts and Other Accounts	21.595	29.444
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	8.825	7.451
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Turkey in order to engage solely in Off-Shore Banking Activities	-	-

2. Information on derivative financial liabilities held for trading:

None (December 31; 2014: None)

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

3. Information on borrowings:

The Bank has obtained a Syndicated Murabaha Loan from international markets amounting to USD 87.500.000 and EUR 98.250.000 with maturity of one year, amounting to USD 458.500.000 and EUR 56.250.000 with maturity of more than one year, totaling to USD 546.000.000 and EUR 154.500.000. (December 31, 2014: one year maturity: USD 151.000.000 and EUR 54.400.000, more than one year maturity: USD 135.000.000 and EUR 98.000.000).

As of December 31, 2015, the Bank has wakala borrowings in accordance with investment purpose wakala contracts from banks in the amounts of USD 161.448.187 and EUR 112.419.953 (December 31, 2014: USD 359.955.589 and EUR 113.435.323).

The Bank has issued sukuk at September 30, 2014 in the amounts of USD 350.000.000 with five year maturity and 6.25% yearly profit rate determined to collect funds from various investors. The Bank has practised this transaction through its subsidiary Bereket Varlık Kiralama A.Ş. founded particularly for the related issue.

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	-	1.158.248	-	884.691
Loans from foreign banks, institutions and funds	-	2.946.440	-	2.331.307
Total	-	4.104.688	-	3.215.998

b) Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	-	884.552	-	1.746.725
Medium and Long-Term	-	3.220.136	-	1.469.273
Total	-	4.104.688	-	3.215.998

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

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

4. Breakdown of items in other liabilities which exceed 10% of the balance sheet total and breakdown of items which constitute at least 20% of grand total:

None. (December 31, 2014: None)

5. Lease payables:

a) Information on finance lease transactions:

a.1) Information on financial lease agreements:

The Bank has no obligation from finance lease operations as of balance sheet date.

a.2) Explanations on the changes in agreements and new obligations originating from these changes:

None.

a.3) Explanations on the obligations originating from finance leases:

None.

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

b) Explanations on operational leases:

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

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

	Current Period	Prior Period
Less than a year	40.057	34.737
1 to 4 years	103.291	92.312
Over 4 years	96.642	95.845
Total	239.990	222.894

6. Information on hedging derivative financial liabilities:

None. (December 31, 2014: None)

7. Information on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General provision for	170.885	153.910
I. Group loans and receivables (Total)	142.268	115.490
Participation Accounts' Share	87.710	67.736
Bank's Share	54.558	47.754
Others	-	-
Additional provision for loans and receivables with extended maturities for loans and receivables in Group I	8.270	49
Participation Accounts' Share	3.586	44
Bank's Share	4.684	5
Others	-	-
II. Group loans and receivables (Total)	14.436	23.414
Participation Accounts' Share	8.356	15.227
Bank's Share	6.080	8.187
Others	-	-
Additional provision for loans and receivables with extended maturities for loans and receivables in Group II	3.494	8.743
Participation Accounts' Share	2.692	5.694
Bank's Share	802	3.049
Others	-	-
Non-cash loans	14.181	15.006
Others	-	-

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

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

As of December 31, 2015, provision for foreign exchange losses on foreign currency indexed loans and lease receivables amounting to TL 27.874 (December 31, 2014: TL 15.086) 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 December 31, 2015, the Bank has provided specific provisions amounting to TL 22.394 (December 31, 2014: TL 15.328) 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 (*)	88	88
Total	88	88

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

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II. 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(*)	40	23.117
Provision for unindemnified letter of guarantees	18.469	15.328
Payment commitments for cheques	3.925	2.574
Provision for promotions related with credit cards and promotion of banking services	80	217
General reserves for possible losses	88	88
Financial assets at fair value through profit and loss	429	-
Other (**)	4.910	5.061
Total	27.941	46.385

(*) 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:

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 30.235 (December 31, 2014: TL 26.201), vacation pay liability amounting to TL 7.048 (December 31, 2014: TL 6.328) and performance premium reserve amounting to TL 15.750 (December 31, 2014 : None) totaling to TL 53.033 (December 31, 2014: TL 32.529). The Bank has calculated the reserve for employee termination benefits using actuarial valuation methods as indicated in TAS 19. Accordingly, following actuarial assumptions were used in the calculation of the total liability.

	Current Period	Prior Period
Discount rate (%)	8,40	8,40
Estimated increase rate of salary ceiling (%)	6,90	6,00
Rate used in relation to possibility of retirement (*) (%)	62,26	73,71

(*) The rate has been calculated depending on the years of service of the employees; the rate presented in the table represents the average of such rates.

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

	Current Period	Prior Period
Prior period ending balance	26.201	16.526
Provisions made in the period	6.480	4.324
Actuarial gain/(loss)	358	6.958
Paid during the period	(2.804)	(1.607)
Balance at the end of the period	30.235	26.201

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

8. Information on taxes payable:

a) Explanations on current tax liability:

a.1) As of December 31, 2015, the Bank's corporate tax payable is TL 21.165 (December 31, 2014: TL 24.034) after offsetting prepaid corporate tax.

a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	21.165	24.034
Banking insurance transaction tax	11.775	11.050
Taxation on securities income	11.747	9.391
Value added tax payable	895	710
Taxation on real estate income	665	561
Foreign exchange transaction tax	-	-
Other	6.130	5.048
Total	52.377	50.794

a.3) Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	2.645	2.190
Social security premiums-employer	2.876	2.380
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	187	154
Unemployment insurance-employer	373	308
Other	-	-
Total	6.081	5.032

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

b) Information on deferred tax liability:

There is not any deferred tax liability as of December 31, 2015. The information for December 31, 2014 is as follows:

	Tax Base	Deferred Tax Amount
Rediscount on profit share and prepaid fees and commission income and unearned revenues	137.820	27.564
Provisions for retirement and vacation pay liabilities	32.529	6.506
Difference between carrying value and tax base of tangible assets	4.105	821
Provision for impairment	2.215	443
Other	271	54
Deferred tax asset	176.940	35.388
Revaluation difference of property	191.475	38.295
Financial assets available for sale valuation difference	12.485	2.497
Trading securities valuation difference	1.930	386
Rediscount on profit share	125	25
Other	12.390	2.478
Deferred tax liability	218.405	43.681
Deferred tax liability (net)	41.465	8.293

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

None. (December 31, 2014: None)

10. Detailed explanations on number, maturity, profit share rate, creditor and option to convert to share certificates; if any; of subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Domestic Banks	-	-	-	-
Loans from other Institutions	-	-	-	-
Loans from Foreign Banks	-	-	-	-
Loans from other Foreign Institutions	-	1.239.557	-	472.426
Total	-	1.239.557	-	472.426

The Bank obtained subordinated loan on May 7, 2013 from the investors not resident in Turkey through its structured entity Albaraka Türk Sukuk Limited amounting to USD 200.000.000 with 10 years maturity with a grace period of 5 years. The profit rate of the subordinated loan with grace period of five years with 10 years total maturity' was determined as 7,75%.

The 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 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.

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

11. 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 Bank has taken a resolution on transition to registered capital system. The Bank's application to the Capital Market Board on the same date was approved on March 7, 2013 and the registered capital ceiling was determined as TL 2.500.000 to be valid until December 31, 2017.

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

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

There is no capital increase in the current period.

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

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

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

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

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

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

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

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

There is no privilege given to stocks representing the capital.

- g) Information on marketable securities valuation reserve:**

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference (*)	4.203	6.488	9.155	835
Foreign exchange difference	-	-	-	-
Total	4.203	6.488	9.155	835

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

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

1. Explanations on off balance sheet:

a) Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for credit card limits	521.562	510.257
Payment commitments for cheques	500.882	353.093
Asset purchase and sale commitments	187.332	-
Loan granting commitments	116.862	59.439
Tax and funds liabilities arising from export commitments	2.035	1.506
Commitments for promotions related with credit cards and banking activities	599	523
Other irrevocable commitments	203	3.832
Total	1.329.475	928.650

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

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

	Current Period	Prior Period
Guarantees	7.730.288	6.872.641
Bank loans	28.324	33.055
Letters of credit	639.592	589.270
Other guaranties and sureties	265.853	583.543
Total	8.664.057	8.078.509

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

	Current Period	Prior Period
Letters of guarantees	7.730.288	6.872.641
Long standing letters of guarantees	4.956.813	4.602.603
Temporary letters of guarantees	293.937	345.357
Advance letters of guarantees	278.642	289.778
Letters of guarantees given to customs	247.773	219.657
Letters of guarantees given for obtaining cash loans	1.953.123	1.415.246
Sureties and similar transactions	265.853	583.543
Total	7.996.141	7.456.184

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III. Explanations and notes related to off-balance sheet (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	1.953.123	1.415.246
With original maturity of 1 year or less	441.733	903.720
With original maturity of more than 1 year	1.511.390	511.526
Other non-cash loans	6.710.934	6.663.263
Total	8.664.057	8.078.509

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

	Current period				Prior period			
	TP	(%)	FC	(%)	TP	(%)	FC	(%)
Agricultural	73.452	1,72	39.514	0,90	99.639	2,41	25.056	0,64
Farming and stockbreeding	60.693	1,42	13.675	0,31	54.739	1,32	23.906	0,61
Forestry	11.284	0,26	23.341	0,53	44.856	1,08	-	-
Fishery	1.475	0,04	2.498	0,06	44	0,01	1.150	0,03
Manufacturing	932.582	21,81	2.434.207	55,47	1.119.292	26,98	1.955.461	49,77
Mining	22.933	0,54	61.431	1,40	33.103	0,80	78.965	2,01
Production	678.558	15,87	1.627.801	37,09	772.471	18,62	1.335.795	34,00
Electricity, gas and water	231.091	5,40	744.975	16,98	313.718	7,56	540.701	13,76
Construction	1.176.191	27,51	645.842	14,72	1.077.293	25,96	606.437	15,43
Services	1.691.894	39,57	1.150.416	26,21	1.662.751	40,06	1.076.420	27,40
Wholesale and retail trade	690.202	16,14	555.381	12,65	276.452	6,66	97.533	2,48
Hotel, food and beverage services	22.976	0,54	96.734	2,20	8.320	0,20	77.802	1,98
Transportation and telecommunication	65.131	1,52	71.640	1,63	50.769	1,22	182.038	4,63
Financial Institutions	17.638	0,41	118.816	2,71	79.009	1,90	522.572	13,30
Real estate and renting services	622.039	14,55	103.532	2,36	134.764	3,25	39.300	1,00
Self-employment services	119.216	2,79	187.680	4,28	15.253	0,37	4.073	0,10
Education services	31.998	0,75	1.319	0,03	21.604	0,52	41	0,01
Health and social services	122.694	2,87	15.314	0,35	1.076.580	25,94	153.061	3,90
Other	401.283	9,39	118.676	2,70	190.390	4,59	265.770	6,76
Total	4.275.402	100	4.388.655	100,00	4.149.365	100,00	3.929.144	100,00

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

	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	4.238.879	4.368.945	36.523	19.710
Letters of guarantee	4.232.955	3.445.448	36.523	15.362
Bank loans	-	28.324	-	-
Letters of credit	-	635.244	-	4.348
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	5.924	259.929	-	-

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

2. Explanations on derivative transactions:

	Derivative transactions according to purpose	
	December 31,2015	December 31,2014
Trading Derivatives		
Foreign Currency Related Derivative Transactions (I)	417.005	-
Currency Forwards-Purchases, sales	-	-
Currency Swaps-Purchases, sales	417.005	-
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
Interest Rate Related Derivative Transactions (II)	-	-
Interest rates forwards-Purchase, sales	-	-
Interest rates swaps-Purchases, sales	-	-
Interest rates options-Purchases, sales	-	-
Interest rates futures-Purchases, sales	-	-
Other Trading Derivatives (III)	-	-
A. Total Trading Derivatives (I + II + III)	417.005	-
Hedging Derivatives	-	-
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total Hedging Derivatives	-	-
Total Derivatives Transactions (A+B)	417.005	-

3. Explanations on contingent assets and liabilities:

The Bank has made a provision amounting to TL 88 (December 31,2014: TL 88), as presented under "Other Provisions" note in Section Five Note II.7.ç ,for the lawsuits opened by various real persons and legal entities against the Bank with high probability of realization and cash outflows. Although there are other ongoing lawsuits against the Bank, the Bank considers the probability of a negative result in ongoing litigations resulting in cash outflows as remote.

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

The Bank has no operations like money placements on behalf of real persons or legal entities, charitable foundations, retirement insurance funds and other institutions.

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IV. Explanations and notes related to the statement of income:

1. Information on profit share income:

a) Information on profit share income received from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share received from loans (*)	1.527.470	181.419	1.255.868	120.550
Short Term Loans	418.602	20.455	552.910	13.494
Medium and Long Term Loans	1.100.716	160.958	695.778	107.045
Profit Share on Non-Performing Loans	8.152	6	7.180	11

(*) 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	6.718	3.545	492	-
Domestic Banks	-	-	-	-
Foreign Banks	-	36	-	1.882
Head Offices and Branches Abroad	-	-	-	-
Total	6.718	3.581	492	1.882

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	62.858	7.761	36.656	4.498
From held-to-maturity investments	64.596	-	53.982	-
Total	127.454	7.761	90.638	4.498

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit shares income received from associates and subsidiaries	-	2.326	-	920
Total	-	2.326	-	920

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IV. 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	-	50.701	-	39.791
CBRT	-	-	-	-
Domestic banks	-	3.127	-	473
Foreign banks	-	47.574	-	39.318
Head offices and branches abroad	-	-	-	-
Other institutions	-	112.827	-	60.245
Total	-	163.528	-	100.036

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	255	61.491	179	25.684
Total	255	61.491	179	25.684

c) Profit share expenses paid to marketable securities issued:

None. (December 31, 2014 : None)

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IV. 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:

Account name	Profit sharing accounts						Accumulated profit sharing account	Total
	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	More than 1 year		
TL								
Funds collected from banks through current and profit sharing accounts	-	4.139	2.914	-	6	-	-	7.059
Real persons' non-trading profit sharing accounts	112.942	351.446	8.701	-	6.821	42.840	-	522.750
Public sector profit sharing accounts	382	420	-	-	-	-	-	802
Commercial sector profit sharing accounts	22.591	120.309	5.278	-	1.015	8.901	-	158.094
Other institutions profit sharing accounts	1.575	17.858	1.173	-	101	369	-	21.076
Total	137.490	494.172	18.066	-	7.943	52.110	-	709.781
FC								
Banks	1.196	6.806	807	-	643	-	-	9.452
Real persons' non-trading profit sharing accounts	15.439	47.227	2.237	-	2.703	11.079	-	78.685
Public sector profit sharing accounts	-	-	-	-	-	-	-	-
Commercial sector profit sharing accounts	3.377	15.647	727	-	1.593	246	-	21.590
Other institutions profit sharing accounts	643	4.430	129	-	74	743	-	6.019
Precious metals deposits	927	2.757	165	-	55	103	-	4.007
Total	21.582	76.867	4.065	-	5.068	12.171	-	119.753
Grand total	159.072	571.039	22.131	-	13.011	64.281	-	829.534

3. Information on dividend income:

	Current Period		Prior Period	
	TP	YP	TP	YP
From trading financial assets	10	-	180	-
From financial assets at fair value through profit and loss	-	-	-	-
From available for sale financial assets	-	-	-	-
Other	509	-	-	-
Total	519	-	180	-

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

	Current Period	Prior Period
Income	6.809.954	3.295.553
Income from capital market transactions	2.243	1.484
Income from derivative financial instruments	73.239	21.681
Foreign exchange income	6.734.472	3.272.388
Loss (-)	6.757.384	3.242.296
Loss on capital market transactions	20	10
Loss on derivative financial instruments	5.146	540
Foreign exchange losses	6.752.218	3.241.746
Trading income/loss (net)	52.570	53.257

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

5. Explanations related to other operating income:

	Current Period	Prior Period
Reversal of prior year provisions	89.166	79.768
Income from sale of assets	16.742	9.863
Reimbursement for communication expenses	3.798	3.295
Reimbursement for bank statement expenses	120	980
Cheque book charges	806	754
Other income	2.775	2.159
Total	113.407	96.819

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

	Current Period	Prior Period
Specific provisions for loans and other receivables	130.834	86.262
Loans and receivables in III. Group	43.412	64.093
Loans and receivables in IV. Group	46.642	10.500
Loans and receivables in V. Group	36.222	6.530
Doubtful commission, fee and other receivables	4.558	5.139
General provision expenses	12.869	45.361
Provision expenses for possible losses	-	31
Impairment losses on marketable securities	194	26
Financial assets at fair value through profit and loss	124	26
Financial assets available for sale	70	-
Impairment losses on associates, subsidiaries, joint ventures and held to maturity investments	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Held to maturity investments	-	-
Other	13.246	17.896
Total	157.143	149.576

TL 78.376 (December 31, 2014: TL 59.340) of the total specific provisions provided for loan and other receivables amounting to TL 130.834 (December 31, 2014: TL 86.262) is the participation accounts portion of specific provision provided for loans and other receivables.

TL 9.287 (December 31, 2014: TL 18.515) of the total general loan loss provisions provided for loan and other receivables amounting to 12.869 (December 31, 2014: TL 45.361) is the participation accounts portion of general loan loss provision provided for loans and other receivables.

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

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	354.129	281.884
Provision for retirement pay liability	3.676	2.717
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	39.114	31.812
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	18.734	9.603
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	404	1.347
Depreciation expenses of assets to be disposed	1.307	1.257
Impairment expenses of assets held for sale and assets of discontinued operations	1.036	3
Other operating expenses	136.719	106.864
Operating lease expenses	53.531	41.220
Maintenance expenses	10.639	6.256
Advertisement expenses	10.192	8.166
Other expenses	62.357	51.222
Loss on sale of assets	1.215	351
Other(*)	97.919	66.600
Total	654.253	502.438

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

	Current Period	Prior Period
Saving Deposit Insurance Fund	32.571	27.223
Taxes, Duties, Charges and Funds	23.735	19.445
Bonus Reserve Expenses	15.750	-
Expertise and Information Expenses	11.825	9.170
Audit and Consultancy Fees	7.632	7.174
Other	6.406	3.588
Total	97.919	66.600

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

As the Bank does not have any discontinued operations, there is no explanation related to income/loss from discontinued operations before taxes.

The Bank's income before tax increased by 16 % compared to prior period and is realized as TL 376.778. Income before tax comprises net profit share income in the amount of TL 885.681 and fees and commission income in the amount of TL 135.997. Total other operating expenses amount to TL 654.253.

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

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

Tax provision for continued operations:

	Current Period	Prior Period
Income before tax	376.778	325.552
Tax calculated with tax rate of 20%	75.356	65.110
Other additions and disallowable expenses	18.276	15.939
Deductions	(15.466)	(7.767)
Provision for current taxes	78.166	73.282
Provision for deferred taxes	(4.251)	(361)
Continuing Operations Tax Provision	73.915	72.921

Since the Bank does not have any discontinued operations, there is no tax provision for discontinued operations.

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

The Bank has no discontinued operations. Net income for the period has been realized as TL 376.778 (December 31, 2014: TL 325.552) by deducting tax provision expense amounting to TL 73.915 (December 31, 2014: TL 72.921) from profit from continued operations amounting to TL 302.863 (December 31, 2014: TL 252.631).

11. Explanations on net income/ loss:

a) The nature and amount of certain income and expense items from ordinary operations; if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Bank's performance for the period:

None.

b) The effect of the change in accounting estimates to the net income/loss; including the effects on the future period:

None.

c) Income / loss of minority interest:

None.

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IV. 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	33.618	30.130
Clearing room fees and commissions	15.482	16.039
Commissions on money orders	10.602	8.323
Appraisal fees	8.808	7.389
Insurance and brokerage commissions	8.229	5.109
Other	12.842	12.230
Total	89.581	79.220

Other Fees and Commissions Paid	Current Period	Prior Period
Funds borrowed fees and commissions	17.941	11.526
Credit cards fees and commissions	8.002	6.092
Member firm-POS fees and commissions	11.162	7.469
Other	14.204	7.329
Total	51.309	32.416

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

- a) There is no declaration of dividends made subsequent to the balance sheet date, and prior to the announcement of the financial statements.

Decision related to the dividend distribution will be taken in the General Assembly. General Assembly has not been held as of the date of finalization of the accompanying financial statements.

- b) "Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are recognized in the "Marketable securities valuation reserve" account under equity, until the financial assets are sold, disposed of or impaired at which time they are transferred to the statement of income. TL 876 increase has occurred after the revaluation of available-for-sale securities (December 31, 2014: TL 18.415 increase).
- c) Revaluation funds related to tangible and intangible assets and foreign exchange differences arising from translation of tangible and intangible assets of foreign branch of the Bank are accounted under equity in revaluation reserve on tangible assets and revaluation reserve on intangible assets.
- d) Foreign exchange differences arising from translation of income statement of foreign branch of the Bank are accounted in other capital reserves amounts to TL 4.368. (December 31, 2014: TL 1.305).

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

- a) Components of cash and cash equivalents and accounting policy applied in their determination: "Cash" is defined as cash in vault and foreign currency cash, money in transit, cheques purchased, unrestricted balance with the Central Bank and demand deposits at banks. "Cash equivalents" is defined as money market placements and time deposits at banks with original maturities less than three months.

- (i). Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
Cash	737.011	503.284
Cash in TL/foreign currency	194.922	128.349
Cash in transit	-	-
CBRT	542.089	374.935
Cash equivalents	1.171.537	1.028.493
Domestic banks	767.242	700.780
Foreign banks	404.295	327.713
Total cash and cash equivalents	1.908.548	1.531.777

- (ii). Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
Cash	1.895.062	737.011
Cash in TL/foreign currency	408.213	194.922
Cash in transit	414.294	-
CBRT	1.072.555	542.089
Cash equivalents	1.912.992	1.171.537
Domestic banks	1.486.902	767.242
Foreign banks	426.090	404.295
Total cash and cash equivalents	3.808.054	1.908.548

2. Cash and cash equivalent items which are restricted for the usage of the Bank by legal or other limitations:

Restricted time deposits held at the Central Bank of Turkey and blockaged amount arising from POS are not considered as cash and cash equivalent items.

3. Explanation about other cash flow items and the effect of the changes in foreign exchange rates on cash and cash equivalents:

The "Others" item under "Operating profit before changes in operating assets and liabilities" amounting to TL 178.518 (December 31, 2014: TL 161.836) mainly comprises other operating expenses excluding personnel expenses and amortization expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 191.237 (December 31, 2014: TL 88.741) mainly comprises changes in miscellaneous payables, other liabilities and taxes and other duties payable.

Effect of the changes in foreign currency rates on cash and cash equivalents has been calculated approximately as TL 124.317 as of December 31, 2015 (December 31, 2014: TL 58.299).

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

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

a) Current period:

Risk Group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of the period	-	-	5	-	50.238	69.492
Balance at the end of the period	-	-	8	-	47.939	62.444
Profit share and commission income received	2.326	-	-	-	23	582

b) Prior period:

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of period	-	-	28	-	1.476	15.514
Balance at end of period	-	-	5	-	50.238	69.492
Profit share and commission income received	920	-	-	-	437	257

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

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

Risk Group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect Shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and profit sharing accounts						
Balance at the beginning of period	1.594	5.703	5.354	3.224	248.343	185.192
Balance at the end of period	7.810	1.594	5.563	5.354	266.101	248.343
Profit share expense	521	500	123	152	13.214	7.368

(*) As of December 31, 2015 wakala borrowings obtained from risk group of the Bank through investment purpose wakala contracts amount to USD 125.440.079 and EURO 90.816.893 (December 31, 2014: USD 241.859.711 and EURO 100.017.980). The profit share expense relating to such borrowings for the period between January 1, 2015 – December 31, 2015 is TL 12.345 (December 31, 2014: 16.656 TL). The Bank has issued Sukuk in the amounts of USD 350.000.000 through "Bereket Varlık Kiralama A.Ş." which exists in the risk group of the Bank. The expense for the related issue is TL 61.491 as of December 31, 2015.

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

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

As of December 31, 2015; the Bank has paid TL 12.014 (December 31, 2014: TL 10.033) to top management.

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

1. Information on the domestic and foreign branches and representative offices of the Bank:

	Number	Number of Personnel			
Domestic Branches	212	3.720			
			Country		
Foreign Representation Office	-	-	-		
				Total Assets (thousand TL)	Statutory Share Capital
Foreign Branches	1	16	Iraq	244.001	USD 7.000.000
Off-Shore Branches	-	-	-	-	-

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure:

In 2015, the Bank has opened 11 domestic branches.

IX. Explanations related to subsequent events:

According to the framework of Repurchase Programme approved in the General Assembly of the Bank dated March 25, 2015, The Bank has repurchased its shares with a nominal value of TL 1.900 between January 18, 2016 and January 26, 2016.

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Section six

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

None.

Section seven

Independent Auditors' report

- I. Explanations on independent auditors' report:**

The Bank's unconsolidated financial statements as of and for the period ended December 31, 2015 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a Member Firm of Ernst & Young Global Limited) and the independent auditors' report dated February 22, 2015 is presented at the beginning of the financial statements and related notes.

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

None.