


**Corporate Governance  
Rating Report**

This Report has been prepared by JCR-ER in compliance to the regulations of Capital Market Board of Turkey

**Revised Report  
BANKING**

		<b>8.81</b> AAA(Trk)/a (Positive)
Corporate Governance Score & Outlook	Shareholders	<b>8.83</b> AAA(Trk)/a (Stable)
	Public Disclosure & Transparency	<b>9.04</b> AAA(Trk)/aa (Stable)
	Stakeholders	<b>8.90</b> AAA(Trk)/a (Stable)
	Board of Directors	<b>8.58</b> AAA(Trk)/a (Positive)

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Company Information	
Trade Name	ALBARAKA TÜRK KATILIM BANKASI A.Ş.
Address	Saray Mah. Dr. Adnan Büyükdeniz Cad. No:6 34768 Ümraniye/İstanbul
Chairman	Mr. Adnan Ahmed Yusuf ABDULMALEK
CEO	Mr. Melikşah UTKU
Investor Relations	Phone: +90.216.666.03.03 yim@albarakaturk.com.tr
Web	www.albarakaturk.com.tr
Corporate Governance	Mr. İhsan Fehmi SÖZKESEN

Albaraka Türk Katılım Bankası A.Ş.					
Financial Data	1Q2017**	2016*	2015*	2014*	2013*
Total Assets (mn USD)	9,081	9,287	10,152	9,925	8,081
Total Assets (mn TRY)	33,021	32,800	29,517	23,014	17,216
Total Deposit (mn TRY)	23,668	23,151	20,341	16,643	12,529
Total Net Loans (mn TRY)	22,892	22,722	19,505	16,184	12,060
Equity (mn TRY)	2,278	2,273	2,096	1,786	1,497
Net Profit (mn TRY)	36	220	301	248	241
Market Share (%) ***	24.22	24.68	24.55	22.08	17.92
ROAA (%)	n.a.	0.85	1.42	1.60	2.02
ROAE (%)	n.a.	12.17	19.28	19.56	22.03
Equity/Assets (%)	6.90	6.93	7.10	7.76	8.69
Capital Adequacy Ratio (%)	16.53	13.45	15.16	13.89	14.82
Asset Growth Rate (%)	0.52	11.12	28.26	33.68	39.65

**Overview**

Albaraka Türk Katılım Bankası A.Ş. (Albaraka Türk or Bank) {credit ratings by JCR-ER on May 15, 2017: [FC: BBB-/A-3 Stable, LC: AA(Trk)/(A-1+) (Trk Negative)]} is a participation bank carrying out activities in the field of interest-free banking. Established in 1984 in Turkey through the leadership of the middle eastern ABG-Albaraka Banking Group (with financial activities in the Gulf Region, Middle East and North Africa), the IDB-The Islamic Development Bank and Turkish entrepreneurs, Albaraka Türk has continued its operations since the beginning of 1985 with a network of 213 branches and a staff force of 3743 as of March 31, 2016. Shares of Albaraka have been publicly traded on the Borsa İstanbul (BIST) since 2007. As of June 2016, the Bank's shareholding structure was as follows; 65.98% of the shares were held by foreign shareholders, 9.20% by local investors and 24.82% were publically traded shares.

The Board of the Bank is composed of 13 members, 12 of whom have non-executive positions and one work actively in the Bank. Two members of the Board are independent and two members of the audit committee are accepted as independent members in according to the Communique II-17.1.

**Strengths**

- The liability insurance for board members and top managers were renewed
- Utilization of its website as an effective transparency platform
- Efficient activities in field of corporate responsibility, environment and ethics
- Provision of safe, healthy and spacious staff working areas
- An efficient capital structure for sustainability of existing growth trend without any deterioration in its corporate structure

**Constraints**

- Absence of female in the Board and top management
- Non-disclosure of remuneration provided for senior management per person
- Absence of a performance evaluation system for the Board members
- Absence of internal regulations to broaden the exercise of minority rights beyond the current legislation

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**"Global Knowledge supported by Local Experience"**

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