

Corporate Governance Rating

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

Publication Date: 11/07/2019

Sector: Banking

ALBARAKA TÜRK KATILIM BANKASI A.Ş.

Ratings

Overall Score	9.04	AAA(Trk)/aa (Stable)
Shareholders	9.05	AAA(Trk)/aa (Stable)
Public Disclosure & Transparency	9.25	AAA(Trk)/aa (Stable)
Stakeholders	9.08	AAA(Trk)/aa (Stable)
Board of Directors	8.86	AAA(Trk)/a (Stable)

Company Profile

Trade Name	ALBARAKA TÜRK KATILIM BANKASI A.Ş.
Address	Saray Mah. Dr. Adnan Büyükdenez Cad. No:6 34768 Ümraniye/İstanbul
Chairman	Mr. Adnan Ahmed Yusuf ABDULMALEK
CEO	Mr. Melikşah UTKU
Investor Contact	Phone: +90.216.666.03.03 yim@albarakaturk.com.tr
Web	www.albarakaturk.com.tr
Investor Relations	Mr. Mustafa KARAMEHMETOĞLU

Analysts

Ceyhun Kır

+90 212 352 56 73

ceyhun.kir@jcrer.com.tr

Diğer SEMERCİLER

+90 212 352 56 73

dincer.semerciler@jcrer.com.tr

Financial Data	2018*	2017*	2016*	2015*	2014*
Total Assets (000,000 USD)	8,026	9,535	9,320	10,152	9,925
Total Assets (000,000 TRY)	42,222	36,332	32,800	29,517	23,014
Total Deposit (000,000 TRY)	28,539	25,244	23,151	20,341	16,643
Total Net Loans (000,000 TRY)	26,185	25,193	22,722	19,505	16,184
Equity (000,000 TRY)	3,552	2,645	2,273	2,096	1,786
Net Profit (000,000 TRY)	173	265	220	301	248
Market Share (%) **	20.42	22.62	24.72	24.58	22.08
ROAA (%)	0.53	0.92	0.85	1.42	1.60
ROAE (%)	6.78	12.90	12.17	19.28	19.56
Equity/Assets (%)	8.41	7.28	6.93	7.10	7.76
CAR - Capital Adequacy Ratio (%)	15.21	17.78	13.45	15.16	13.89
Asset Growth Rate (Annual) (%)	16.21	10.77	11.12	28.26	33.68

* End of year ** On solo basis among the Participation Banking Sector

Bank Overview

Albaraka Türk Katılım Bankası A.Ş. (Albaraka Türk or Bank) {credit ratings by JCR-ER on May 07, 2019: [FC: BBB-/A-3 Negative, 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 with a network of 231 branches and a staff force of 3930 as of June 30, 2019. Shares of Albaraka have been publicly traded on the Borsa İstanbul (BIST) since 2007. As of June 2019, the Bank's shareholding structure was as follows; 66% of the shares were held by foreign shareholders, 8.77% by local investors and 25.23% were publicly traded shares.

The Board of the Bank is composed of 12 members, 11 of whom have non-executive positions and one work actively in the Bank. Two members of the Board are independent and three members of the audit committee are accepted as independent members in according to the Communiqué 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 internal regulations to broaden the exercise of minority rights beyond the current legislation