

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allah, the Most Gracious, the Most Merciful

الحمد لله رب العالمين والصلاة والسلام على أشرف المرسلين نبينا محمد وأله وصحبه أجمعين

Praise be to Allah, the Lord of the Worlds and peace and blessings upon the noblest Prophet, Muhammed (s) and his family and companions.



ISLAMIC COMPLIANCE CERTIFICATE PARTICIPATION ACCOUNT

A. The Islamic legal opinion

The legal relation of the Participation Account between KT Bank AG and its customers is based on the principles of "mudaraba". In this form of financing one party provides money which is invested by the other in an enterprise. The generated profit is splitted between the participants. The customer presents in this participation the investor and the bank presents the trader. The KT Bank AG invests the capital of the customers in Islamic compliant projects and keeps a part of the profit for itself.

In financing by mudaraba the following principles have to be respected:

1. The Mudarib (KT Bank AG) shall not give a guarantee regarding the deposit. It is not permitted for the bank, unless the bank acts intentionally or carelessly, to guarantee the refund of the invested capital in case of loss. In case of a nominal guarantee of the deposit the contract can not be classified as participation financing, but has to be regarded as "Qard" (loan). The generated profit in this case would be interest. However it is permitted that a third party, without charging a fee for this, unilaterally guarantees the total amount of the deposit or a part of it.
2. The splitting rate, regarding the profit, has to be set at the beginning. The rate does not result from the invested capital, but only from the profit that has been generated from this capital, for example 1/3, 1/2 or 20% of the profit will go to one of the contractual partners, the rest to the other contractual partner.

B. The Participation Account Contract

The details of the Mudarabah-Contract are content of the regulations and conditions of the participaiton account contract that the customer has read and signed while opening the account. The signing of the contract represents his consent with the terms of the Mudarabah-Contract.

C. Decision of the Ethics Council

The Ethics Council of KT Bank AG has analyzed the structure, the regulations and the conditions of this participation account contract. They have concluded, that it is in line with the principles, that have to be met by the Mudarabah-financing concerning Islamic law.

And Allah knows it best.


Dr. Anwar Shuaib Al-Abdulsalam
Chairman Ethics Council


Dr. İsmail Halitoğlu
Vice-chairman Ethics Council


Ali Öztürk
Member Ethics Council