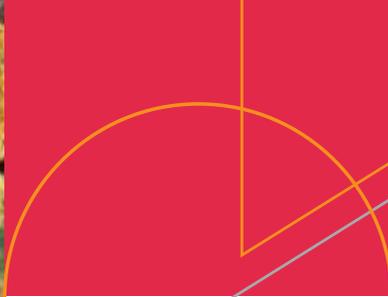


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ANNUAL
REPORT



Annual Report Compliance Opinion



**Güney Bağımsız Denetim ve
SMMM A.Ş.**

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Opinion of compliance on the annual report

To the General Assembly of
Albaraka Türk Katılım Bankası A.Ş.

We have audited the accuracy and consistency of the financial information provided in the annual report of Albaraka Türk Katılım Bankası Anonim Şirketi (the Bank) prepared as of December 31, 2009 with the audit report for the related period then ended. The Management of the Bank is responsible for the annual report. Our responsibility, as independent auditors, is to express an opinion on the audited annual report.

Our audit was performed in accordance with the auditing standards and principles and procedures of preparation and issuance of annual reports set out by the Banking Act No: 5411. Those standards require that we plan and perform our audit to obtain reasonable assurance whether the annual report is free from material misstatement. We believe that our audit provides a reasonable and sufficient basis to form our opinion.

In our opinion, financial information included in the accompanying annual report presents fairly, in all material respects, the information on the financial position of Albaraka Türk Katılım Bankası A.Ş. as of December 31, 2009 in accordance with the principles and procedures set out as per Article 40 of the Banking Act No: 5411, includes the summary report of the Board of Directors and our audit opinion and is consistent with information provided in the audited financial statements and explanatory notes.

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

Metin Canoğulları
Partner

March 12, 2010
Istanbul, Turkey

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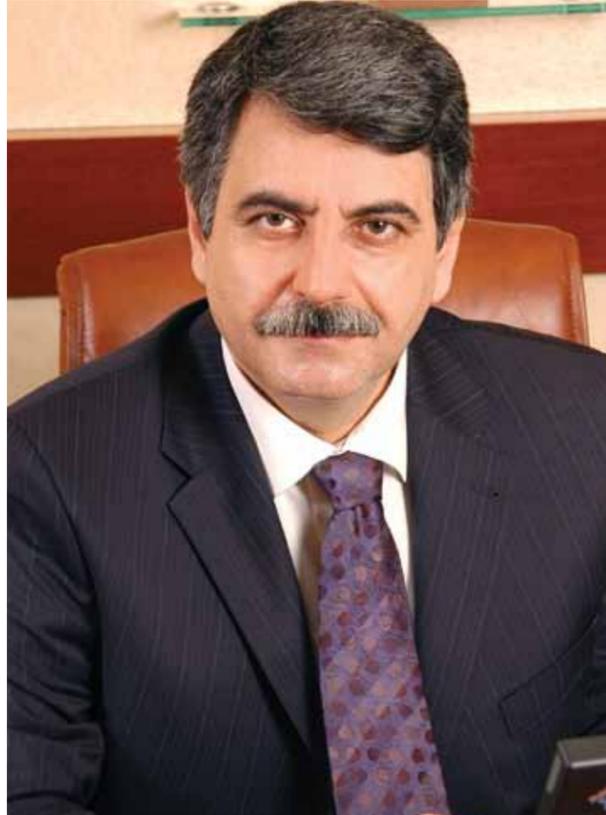
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A life full of success



Dr. Adnan Büyükdeniz... A valuable academician, one of the veterans in the finance sector, a successful economist, a photography addict and a colorful person filled with love and life... Our General Manager, a man who embraced life fully in his 51 years, left us leaving his indelible mark, due to an illness that he struggled with for a long time...

We commemorate Büyükdeniz with respect, affection, longing and blessing. Büyükdeniz, which means large sea, lived up to the meaning of his surname by sharing with us his expansive knowledge and experience, he made a large contribution to the development of participation banking in Turkey, and won the appreciation of every segment with his wisdom and immense experience.

He was a model in every respect

Dr. Adnan Büyükdeniz who was a Board Member and General Manager of Albaraka Türk Participation Bank, was born in Adana in 1958. Büyükdeniz, drew attention at a young age by his academic achievements and went to the USA with a scholarship awarded to him by the Turkish-American Cultural Exchange Program in 1974. He completed his high-school education in Texas in 1975. Entering Boğaziçi University in 1976, Büyükdeniz graduated from the department of economics in 1980. In England the same year, where he continued his graduate studies, Büyükdeniz received his economics diploma with a "Certificate of Excellence" from the London School of Economics in 1981, and a Master of Science degree in the economics branch in 1982. Having worked as an Economics Research Expert in TÜSİAD between the years 1983 and 1985, Büyükdeniz continued as a consultant in the same association between the years 1985 and 1994. He joined Albaraka Türk Participation Bank at the end of 1985. He completed his doctoral studies at Istanbul University in 1990 with his thesis on "Interest policies and their effects in Turkey after 1980".

Büyükdeniz was appointed to General Management in the June, 2003, after serving as an Assistant Credit Marketing Manager, International Banking Manager, and Senior Assistant of General Manager in Albaraka Türk Participation Bank.

Having served as board member at various banking and investment fund enterprises in Turkey and abroad, Büyükdeniz shared his knowledge and experience with the younger generation by lecturing on "Money Theory and Policy", "International Economics" and similar topics at Marmara University between the years 1992 and 2000. Throughout his life he participated in the academic community through his teachings and publications.

Also a successful photographer

Büyükdeniz, who strengthened the respect he gained with his knowledge, experience and powerful management skills by winning the love of the Albaraka Türk family with his empathy-oriented approach, was also an example in his social and business life. Büyükdeniz concentrated on the cultural efforts in Albaraka Türk and became the architect of the professional culture texture that was created throughout the corporation. With Büyükdeniz's vision, Albaraka Türk organized calligraphy contests and photography exhibitions, and signed under various cultural works. These projects continue today, and have provided a forum for Albaraka Türk to reach a wider public outside of its business arena.

One of Büyükdeniz's biggest passions was undoubtedly photography. Having produced prolifically for nearly 15 years in the art of photography, which he adored, Büyükdeniz both contributed to the sector with the photograph albums he published and added color to our lives. A member of the Istanbul Photography and Movie Amateurs Association (IFSAK), Büyükdeniz published a photograph collection called "Yerkürenin Renkleri" (The Colors of the Terrestrial Globe) composed of the photographs he took during his business trips in Turkey and abroad.

Frames that move emotions

Shooting predominantly human and scenic photographs, Büyükdeniz described his style as follows: "As one photographer had put it, the photograph actually has an irony. In a sense, the difference between what you see with the naked eye and what you record is your spiritual world. I believe a successful photograph has to be frames that move emotions. The photographs I take are generally photographs that include people. I had started doing this practice by shooting a historical sight without people but I realized that these are living spaces.

A mosque, church, mansion, etc. I value the photographs that have people in them."

Even though Büyükdeniz was the authority in the world of numbers, he found numbers cold and distant from the emotional world; he believed that photography provided a chance to escape from this cold existence. He gave warmth to his community, to the world of spirits and thought, by enhancing it with photographs. As Albaraka Türk signed professional achievements with Büyükdeniz, it realized that the world of emotions should not be neglected.

We have shared the honor of working with Büyükdeniz and were mere spectators while he struggled with illness and left us at an early age. We have decided to dedicate this year's activity report to him to commemorate our general manager, a man who added essential values to Albaraka Türk. We have colored the pages of the activity report with Adnan Büyükdeniz's photographs. This choice reflects Büyükdeniz's belief that the business world can use color as a communication tool, hence our activity report is warmer and more accessible to the general public. We must not forget that, we have formed cold numbers with warm feelings. We are able to achieve success in numbers due to the importance we give to the social touch. For this reason, we wanted to immortalize Büyükdeniz's life philosophy, that he converged with numbers at every opportunity, and reflect what we learned from him in this document which will be read by many throughout the year. Albaraka Türk's success is hidden in its ability to observe life in every aspect. We have adopted the principle to internalize what we see into our professional daily activities.

We are proud to present our annual report from Adnan Büyükdeniz's viewfinder.

We were able to achieve the success in numbers due to the importance we give to the social touch. Thus, in every chance in this activity report, we are immortalizing his life philosophy that he converged with numbers.

1 Financial Highlights

Financial Information for the Past Five Years (Thousand TRY)

	2005	2006	2007	2008	2009
Total Assets	1,969,458	2,491,813	3,690,029	4,789,107	6,414,914
Funds Raised	1,725,709	2,154,014	2,998,108	3,985,110	5,464,645
Credits and Other Receivables	1,500,379	1,983,273	2,854,852	3,757,572	4,685,994
Equity Capitals	182,817	245,905	533,780	638,102	710,666
Net Profit	46,417	69,381	84,979	136,242	105,279

Primary Financial Ratios

	2005	2006	2007	2008	2009
Credits/Total Assets	76.18%	79.59%	77.37%	78.46%	73.05%
Funds Raised/Total Assets	87.62%	86.44%	81.25%	83.21%	85.19%
Equity Profitability	25.39%	28.21%	15.92%	21.35%	14.81%
Asset Profitability	2.36%	2.78%	2.30%	2.84%	1.64%
Non-performing Credit Ratio	2.08%	1.75%	1.50%	2.82%	3.63%
Net Non-performing Credit Ratio	0.49%	0.01%	0.34%	1.08%	0.41%
Ratio of Reserve Allotment for					
Non-performing Credits	76.59%	99.33%	77.27%	61.64%	88.81%
Capital Adequacy Ratio	12.77%	15.29%	21.72%	18.12%	15.33%
Net Profit per Share (TRY) (for 1TRY par value stock)	0.37	0.43	0.32	0.51	0.20

Budgeted targets and realization status for the year 2009, determined at our Bank's Board of Directors meeting dated 12.29.2008 is stated on the table below.

2009 Budgeted Target and Realization (Thousand TRY)

	Budgeted Target	Realization	%
Total Assets	5,703,794	6,414,914	112.47
Funds Raised	4,762,649	5,464,645	114.74
Credits	4,218,425	4,685,994	111.08
Equities	750,007	710,666	94.75

Divident Distribution Proposal and Amendments on Articles of Incorporation, Capital and the Shareholding Structure

At its meeting on 02.26.2010, our Bank's Board of Directors decided on offering the distribution of the year 2009 profit as stated below and on condition that the profit distribution permission of the dividends that will be paid to the Partners is obtained from Banking Regulation and Supervision Agency as of 30th, March 2010 to the General Assembly of Shareholders.

Period Income	TRY 105,278,919.52
Profit of the Previous Year	TRY 346,604.24
Accounting Profit	TRY 105,625,523.76
Primary Reserve	TRY 5,281,276.19
Distributable Net Period Profit	TRY 100,344,247.57
Dividends to Partners (Gross)	TRY 53,900,000.00
Secondary Reserve	TRY 2,695,000.00
Excess Reserve Carried Forward	TRY 43,749,247.57

Amendments Made on the Articles of Incorporation

According to the decisions taken at the Ordinary Meeting of the General Assembly held on 31st, March 2009, the 7th article of our articles of incorporation concerning capital increase has been amended and bank capital has been increased to TRY 539 million from TRY 269.5 million. The amendment on the articles of incorporation has been registered by Istanbul Trade Registry Office on 9th, April 2009 and has been published on Turkish Trade Registration Gazette that is numbered 7292 and dated 15th, April 2009.

Capital and the Shareholding Structure

Capital and the Shareholding Structure	Total Shares (TRY)	%
Foreign Partnership	356,591,882.00	66.16
Albaraka Banking Group*	291,373,378.00	54.06
Islamic Development Bank	42,265,852.00	7.84
Alharthy Family	18,629,256.00	3.46
Other	4,323,396.00	0.80
Local Partnership	62,608,374.00	11.61
Public	119,799,744.00	22.23
Total	539,000,000.00	100.00

* Albaraka Banking Group bought TL 13,941,056 (2.59% of Total Shares) of shares from publicly floated shares, hence it has increased its shareholdings to TL 305,314,434 (56.65% of Total Shares) as of 12.31.2009



Agenda of
the Ordinary
General
Assembly
Meeting



At our Bank's Board of Directors meeting dated 02.26.2010, it has been decided that the Shareholders' Ordinary General Assembly is to meet on 25th, March 2010 at 11:00 at Grand Cevahir Hotel at the address Darülaceze Caddesi No:9 Okmeydanı/Şişli/Istanbul to debate and resolve the articles on its agenda.

ALBARAKA TURK PARTICIPATION BANK

AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING DATED 03.25.2010

1. Inauguration, formation of Presiding Council,
2. Authorizing the Presiding Council to sign the minutes of meeting of the General Assembly,
3. Taking a resolution on the reading, reviewing and approval of the Board of Director's Annual Report, Audit Report, Independent Audit Firm report and Balance Sheet and Income Statement of the account period of the fiscal year 2009,
4. Approval of the appointment done by the Board of Directors to the position of the deceased Board of Directors member,
5. Acquitting the Board of Directors members,
6. Acquitting the Supervisory Board members,
7. Reviewing and deciding about the Board of Directors' offer on period income,
8. Permitting the Members of the Board to conduct business with our bank, in line with articles 334 and 335 of Turkish Commercial Code,
9. Briefing the General Assembly with respect to Codes of Corporate Governance on our Bank's profit distribution policy for the years 2010 and beyond,
10. Presenting the General Assembly details of our bank's donations in 2009,
11. Presenting the information on company information policy to the General Assembly,
12. Presenting the information on Company Codes of Conduct to the General Assembly,
13. Making a decision on the approval of the Independent Audit Firm chosen by the Board of Directors to conduct the Bank's independent audit in the years 2010 and 2011,
14. Remarks and Requests.

SUMMARY OF THE BOARD DIRECTORS' ANNUAL REPORT

Dear Shareholders,

Welcome to our Bank's 25th Ordinary General Assembly meeting.

While we are presenting our Board of Directors' Report, Auditors' Report and Income Statements, which include annual results regarding 2009 year, for your consideration and approval we are respectfully saluting our shareholders, representatives and guests who joined this meeting.

2009 had been a successful year for our bank despite the problems experienced in the world markets.

As of 12.31.2009, from a year earlier;

Our total assets increased by **34%** and reached TRY 6,414,914,000,
Our funds collected increased by **37%** and reached TRY 5,464,645,000,
Our credits utilized increased by **25%** and reached TRY 4,685,994,000,
Our equity increased by **11%** and reached TRY 710,665,000,
Our Non-Cash Credits increased by **30%** and reached TRY 3,871,269,000.

As Board of Directors, we have considerably exceeded our budget targets.

The construction of our new Headquarters is progressing with full speed, we are planning to move to our building by the end of this year.

We have been presented our Annual Report that indicates our activities for 2009 including our Balance Sheet and Income Statement for your consideration and approval,

Regards,

ALBARAKA TURK PARTICIPATION BANK
BOARD OF DIRECTORS

Our Vision

To become the leading bank in Turkey, Middle East and Europe in rendering interest-free financial services.

Our Mission

Continuously adding new values to our

- Customers,
 - Shareholders,
 - Employees,
 - Society and environment,
- with our effectiveness, speed, quality, competitive rates and organizational productivity.

Our Goals

Albaraka Türk Participation Bank (Albaraka Türk) complies with the Corporate Management Principles accepted and made public with Capital Markets Board decision numbered 35/835 dated 07.04.2003 and is applying these principles. The Bank has enriched the contents of its activity report and web site within the scope of compliance to corporate management principles in the aforementioned activity period.

The shareholders have started to utilize Albaraka Türk's web site more comprehensively.

Our operations within the scope of Corporate Management Principles are placed on this site.

Our Sound Pillars

- It has a sound and widespread international shareholding structure including Albaraka Banking Group and Islamic Development Bank.
- Albaraka Türk is an institutionalized brand with high recognition level since 1985.
- It is the first and pioneering participation bank in interest-free banking in Turkey.
- We offer quality service with friendly employees.
- It's non-performing loans ratio is as low as 3.63%.
- It achieves the prevention of risk concentration by diversifying its risks to a large number of SME's and into many different sectors.
- It has a very strong and widespread network of corresponding banks of over 782 banks all around the world.
- It conforms to high-confidence banking with its conception of meticulous risk management in banking operations.
- With its efficient customer relationship management and it's long-standing relation with its customers, it possesses a strong basis of customers.



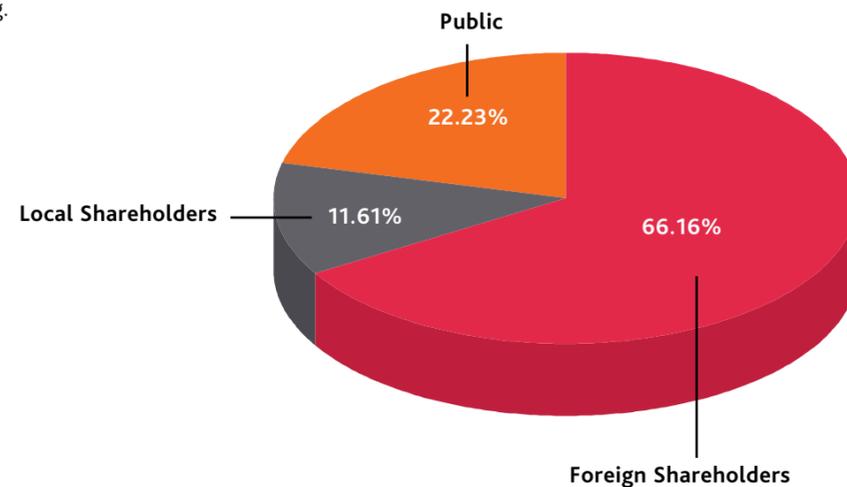
Albaraka Türk is an assertive bank in all the fields it operates with its mission to add value to its customers, partners, employees and Turkey.

Albaraka Türk Participation Bank, is the first and pioneering interest-free bank in Turkey. It was established in 1984 and started operating by the beginning of the year 1985. It's operations are subject to Banking Law Nr.5441 and it was founded by Albaraka Banking Group (ABG), one of the most prominent finance institutions in the Middle East, Islamic Development Bank (IDB) and a local industrial group which has served the Turkish economy for more than a half of a century. The shareholding structure of Albaraka Türk that it sees as the very guarantee of it's confidence and reputation is as follows: 66.16% foreign shareholders, 11.61% local shareholders and 22.23% public.

Albaraka Türk generates funds by means of current accounts and profit and loss participation accounts, and in return allocates these funds through Morabaha based retail and commercial finance, financial leasing, and project based profit/loss partnerships. Albaraka Türk is authorized as to conduct all types of national and international banking operations within the framework of interest-free banking.

Albaraka Türk has set its vision as "to become the regional top player in offering financial products and services between Turkey and the countries in the Gulf, Middle East and North Africa" where Albaraka Türk's major shareholder Albaraka Banking Group banks are operating. Albaraka Türk offers fast, reliable, and high quality foreign trade (import, export and foreign exchange) intermediary services by means of its web of more than 782 correspondent banks based in more than 72 countries worldwide spreading from Singapore to the United Kingdom, from South Africa to Morocco, from Australia to Kazakhstan.

An international participation bank which has adopted the mission of adding value to its customers, shareholders, employees and Turkey, Albaraka Türk is also ambitious in the personal banking field. The Bank which has 42 branches in Istanbul and 59 branches in most of the leading industrial and commercial centers carries on its operations with a total of 101 branches.



<p>1985 Albaraka Türk commenced its operations as the first interest-free banking institution in Turkey.</p>	<p>2003 Albaraka Banking Group was established.</p>
<p>1992 Number of branches reached 10; Asset size grew over USD 400 million.</p>	<p>2005 Special Finance Houses were converted to Participation Banks. Albaraka Türk was named as Albaraka Türk Participation Bank.</p>
<p>1998 Launch of Credit cards via an agreement with VISA; Number of branches reached 22.</p>	<p>2007 Initial Public Offering (IPO)</p>
<p>2002 Number of branches increased to 24, shareholders' equity reached USD 70 million. More focus and concentration on retail banking.</p>	<p>2008 Branch Size: 100</p>
<p>2009 Albaraka Türk Participation Bank realized its brand transformation according to Albaraka Banking Group's target of "one mission, one vision, one identity" in Turkey.</p>	

Albaraka Banking Group offers diversified financial services in corporate and commercial banking, foreign trade operations and international banking, retail banking fields with 11 banks and 1 agency in 3 continents and 12 countries today.

Its origins going back to the 1960's but commencing its first operations in 1978 in Jordan, Albaraka Banking Group (ABG) was founded in Bahrain in the year 2002 to assemble 11 banks and 1 agency which engages in retail, corporate, participation and investment banking in the interest-free system and which are Albaraka subsidiaries under a single roof.

The headquarters of the Group is at Manama, the capital city of Bahrain. The Group has 300 branches in a total of 12 countries together with a bank opened in Syria and an agency opened in Indonesia after Jordan, Lebanon, Egypt, Tunisia, Algeria, Sudan, South Africa, Indonesia, Pakistan and Turkey.

The Group's CEO, Adnan Ahmed Yusuf is a name with an experience of nearly 40 years in banking after administrative

sciences education in England. He believes in an improved system where achievement is awarded. ABG completed its primary public offering in May 2006 and was listed on the Bahrain and Dubai stock exchanges. Today the Group which is an incorporated company listed in Bahrain Stock Exchange and NASDAQ Dubai Stock Exchange, has USD 1.5 billion registered capital and a total of approximately USD 1.52 billion assets.

The Group derives its vision from "its belief that society needs an improved system where success is awarded".

One third of the Group's branches are in Turkey. The Company which was changed to Albaraka Banking Group name in 2002 renewed its corporate identity in Turkey and Pakistan in November 2009. The Group acts strictly adhering to Islamic law

at the retail banking, corporate banking, investment banking and treasury transactions it operates.

The Group's share ratio in Turkey is 56.6% where it has the most branches. Having a significantly strong network in Jordan as well, Albaraka Banking Group holds 58.8% of the shares of "Jordan Islamic Bank for Finance & Investment" in this country. Carrying out Bahrain and Pakistan operations together, the Group holds 91.1% shares of the branches in these two countries.

Owning 86.2% of the shares in Sudan, the Group also holds 55.9% of the shares in Algeria. The Group holds 73.3%, 78.4%, 98% and 53.6% of the shares in Egypt, Tunisia, Lebanon and the Republic of South Africa respectively. The Group which owns 23% of its bank in Syria has an agency in Indonesia.

Where we are?

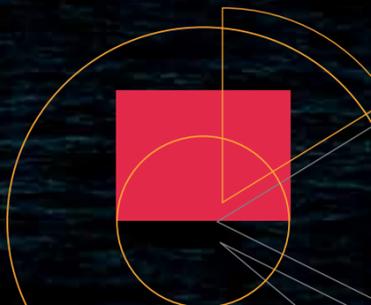
- Bahrain
- Algeria
- Indonesia (Agency)
- The Republic of South Africa
- Lebanon
- Egypt
- Pakistan
- Sudan
- Syria
- Tunisia
- Turkey
- Jordan

ABG, assembled its associations in Turkey, Bahrain, South Africa, Lebanon, Pakistan, Sudan, Syria, Tunisia, Algeria, Jordan, Egypt and Indonesia under a single roof with a single brand vision.



Message from
the Chairman

Istanbul
1998



We have displayed our competitive power in 2009 as well

Albaraka Türk which has adopted the mission of contributing to the prosperity of its shareholders, employees, society and environment continued to be our source of pride in 2009 with the trust it aroused in the market in addition to its figures.



Dear Shareholders,

We have completed the year 2009 when the effects of global crisis were mostly felt, exceedingly successfully especially considering the circumstances. Thus, we have again showed how well prepared we are for competition under challenging conditions as well.

Hereby, I want to share with you how both Albaraka Banking Group (ABG) and Albaraka Türk spent 2009.

Our bank that is entering its twenty fifth year, is the flag ship of its largest partner ABC. The group provides services in Bahrain, Algeria, South Africa, Lebanon, Jordan, Egypt, Pakistan, Sudan, Syria, Tunisia and Turkey with its corporate, commercial, retail and investment banking subsidiaries acting according to interest-free banking principles. In addition, it also has an agency in Indonesia.

In 2009, which was a period when the global banking sector experienced serious problems, the total assets of the Group increased nearly 21% compared to the previous year and reached USD 13 billion 166 million. The funds collected became USD 10 billion 999 million with an increase of nearly 24% compared to the previous year and its credit portfolio became USD 9 billion 432 million with a nearly 17% annual growth.

At the end of the year 2009, the total of the Group's equity accrued as USD 1 billion 737 million and net profit as USD 167 million 386 thousand.

This success was reached in spite of the unfavorable circumstances prevailing in the regional and international finance market currently and extremely challenging conditions caused by the global economic crisis. These results reflect its success in utilizing the possibilities created by the present condition and continuing to strengthen its technical and capital skills and expanding its geographical network according to the determined plans at the same time in addition to the Group's strong financial resources and effective marketing skills.

As ABC, we have also signed an important change in 2009 with "one mission, one vision, one identity" slogan. We changed our logo. We aimed to create a single brand vision and a stronger brand perception. We only updated our brand perception protecting our values. Albaraka Türk is also renewed with the same service principles and quality. We received very positive feedbacks concerning the brand transformation.

As the first and pioneering of the banks operating on interest-free bases in Turkey, Albaraka Türk also left behind a challenging year equally full of achievements. Operating with its 101 branches, Albaraka Türk has a very special positioning

in ABC. Albaraka Türk contributes greatly to the Group's successful financial performance since 1985 with the excellent performance it has displayed in issues such as profitability, size of assets as well as the increase in the number of employees and branches. Albaraka Türk which has adopted the mission of providing added value to the prosperity of its shareholders, employees, society and environment continued to be our source of pride in 2009 with the trust it aroused in the market in addition to the figures.

I present my thanks to you; our dear customers, employees and all our shareholders who have contributed to this success on behalf of our Board of Directors.

We wish to share at the end of the year 2010 the achievements of ABC and Albaraka Türk which grows each year over the previous one.

Best Regards,

Adnan Ahmed Yusuf ABDULMALEK
Chairman

We are rising over strong foundations

As Albaraka Türk we have left behind the year 2009 with the pride of knowing how strong a foundation we are built on. We have combined our fighter spirit with our experience. 2009 has been a good year for Albaraka Türk. We are even more hopeful of 2010.



Dear Shareholders,

A building will only be as strong as the foundation of the building. We have realized the same this year once again. We have experienced the pride of completing 2009 in which more challenging financial conditions subsisted compared to the previous years with the strength we get from the soundness of our foundations, our principles and experience.

Our Bank's strategy for the year 2009 when the global economy went through a critical test was to ensure maintaining the sustainable balance between profitability and growth it has established successfully till now. And we have succeeded in this.

When considered in terms of all banking sector, the sector average of active growth accrued around 13%, and this was around 31% in participation banks. And our bank increased its total of assets to TRY 6 billion 415 million with a growth of 34%.

We also achieved a very significant growth in the funds collected. The funds collected reached TRY 5 billion 465 million with an increase of nearly 37% compared to the previous year. The funds utilized reach to TRY 4 billion 686 million with a

growth of nearly 25% compared to the previous year. Thus we stood by the Turkish economy by effectively keeping credit channels open at a period when global finance conditions were troublesome. On the other hand, again in the same period, the non-cash funds reached TRY 3 billion 871 million with an increase of nearly 30% compared to the previous year.

When we compare 2009 results with budget data, we see that we have displayed a performance above our budget targets.

Albaraka Türk signed under important changes especially in retail banking and Research & Development issues in 2009. Şifrematik, "Collective EFT and Transfer" and "Regular Payment" and instant password determination and "Bereket Puan" (Gift Point) applications for credit card users are on the top of changes in the retail banking field. "Altın Depo Hesabı" (Gold Store Account), Western Union Express Money Transfer, Participation Account with Flexible Term, SSK-Bağkur-Retirement Fund Allowance Payments and Health Care Service Providers Payments projects are also added to the services offered by Albaraka Türk as a result of Research & Development efforts.

In addition to being the pioneering corporation of participation banking in our country, Albaraka Türk is also among the most important subsidiaries of Albaraka Banking Group (ABG) which is one of the strongest finance institutes of the world. According to ABG's 'one vision, one mission and one identity' target, Albaraka Türk took action to be a part of a common corporate identity in visual sense as the other banks within the Group's body. In the year 2009 when we realized the brand transformation process, the changing of emblem and logo that are the face of the banks' corporate identity has been carried out in all Albaraka Türk branches.

We continued our active manner in cultural and social activities in 2009 as well. As we supported the values that we believe we have to protect once more with photograph exhibitions, books for adults and children, we invested in the future of our country

and world with the support we have provided to Turkish Green Crescent Charity and Bereket Vakfı.

Although Albaraka Türk's corporate transformation process has innovative factors in line with participation banking values, no change was implemented in the bank's corporate values and its customer-focused principle. As a bank that has created many innovative "firsts", Albaraka Türk shall always continue to strive for providing the best service to its customers in 2010 as well with its principles, values, customer-oriented service concept and renewed face.

Our bank, always striving to realize the "better service" concept by gaining strength each passing day shall continue to be a bank that can realize its profitability and investments to the extent it has aimed with the strong financial structure and stable growth policy it has established since the day it was founded. In this framework, Albaraka Türk will continue to stand by the non-financial sector in 2010 and will utilize its growth potential without any compromise of its asset quality. With this perspective, I would like to specifically point out that our works to open branches shall continue in 2010.

I wish that the year 2010 will be much better than our expectations for our country and bank with the pride and achievements of the 25th year.

Best Regards,

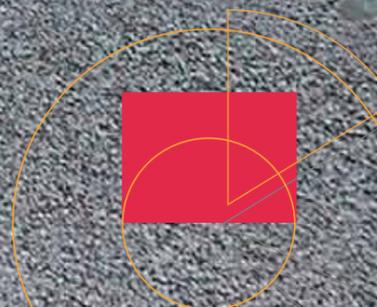
Fahrettin YAHŞI
Board Member and General Manager



Activities in
2009



"The Gypsy Girl"
Gaziantep
2006



Due to the global economic crisis that began towards the end of 2008, Albaraka Türk left behind a challenging year like all of the finance institutions in the world. Displaying its competitive spirit despite all of these challenges, the Bank had a successful year in many different areas from retail banking to Research & Development.

Albaraka Türk left behind a successful year from financial indicators to Research & Development efforts, from corporate and retail banking to cultural and social activities. The value of the performance that Albaraka Türk displayed in 2009 can be understood better when it is considered that 2009 was the year when the effects of the global crisis was felt most.

While the bank increased its total assets by 34%, the funds it raised by 37%, the credits it made available by 25% and its equities by 11%, it achieved a lower net profit at the ratio of 23% compared to the previous year.

Generating nearly half of its total business volume from the Marmara Region alone, the second region Albaraka Türk generated the most business volume in 2009 was Central Anatolia and the third was Southeastern Anatolia Region.

Having a cash credit and non-cash credit total of TRY 6 billion 507 million at the end of 2008 at commercial and corporate banking activities, Albaraka Türk increased this number to TRY 8 billion 277 million at the end of 2009. 57% of this figure was composed of cash risks and the remaining portion composed of non-cash risks. Albaraka Türk also left behind quite an active year in the retail banking area that it has been further focusing on since 2002. As of 2009, the foreign credit cards can also be used at all of Albaraka Türk's automated teller machines.

Furthermore, Soft Token application has started in addition to OTP (One-time password) application at the internet branch. In addition to these, Albaraka Türk started "Collective EFT and Transfer" and "Regular Payment" and instant password determination addressing internet banking customers and "Bereket Puan" (Gift Point) applications for credit card users.

In utilisation of personal finance products, Albaraka Türk

achieved a total increase of 72.28% in the year 2009. This increase was realized by 58.27% in personal finance for housing, by 82.44% in retail finance for vehicle and by 171.37% at consumer personal financing.

The bank also increased the business volume it generates from personal credit card users by 7% and the business volume it generates from "Business Card" users by 44% in 2009. Global economic crisis disturbed import-export balances in the whole world. Consequently, this condition was reflected negatively on finance institutions. In 2009, Albaraka Türk also had a decrease in foreign trade volume by 20 percent when compared to 2008 despite considerable increase ratios it particularly had in the recent years. However, the 25% increase in the commission revenues despite this decrease in transaction volume ensured a volume parallel to the previous years in total revenues from foreign trade operations.

Signing important changes in terms of Research & Development efforts in 2009, Albaraka Türk realized projects of "Altın Depo Hesabı" (Gold Store Account), Western Union Express Money Transfer, Participation Account with Flexible Term, SSK-Bağkur-Retirement Fund Allowance Payments and Health Care Service Providers Payments.

Albaraka Türk provided training with a total of 3 thousand 456 days and 20 hours for its employees to improve themselves in 2009. The number of employees receiving training has increased by 33% since 2008 with the average of 43 hours annual training program per employee in 2009.

Displaying its dedication in sustaining the values of the past, which are about to be forgotten today, in its efforts in cultural activities as well, Albaraka Türk also maintained its level in the works it has supported in 2009. In 2009, while the book named

'Seyyahların Aynasında Şehirlerin Sultanı İstanbul' (The Sultan of Cities, Istanbul on the Mirror of Travelers) prepared by Prof. Dr. Ümit Meriç took its place in Albaraka Türk Kültür Yayınları (Albaraka Türk Cultural Publications), the calligraphy works that ranked in the Calligraphy Competition in 2008 were illuminated as well. Albaraka Türk also organized exhibitions with the photographs in Hicaz Railroad Photography Album and works that ranked in Albaraka Türk Photograph Competition themed 'Hard Gotten' the first of which was made in 2007.

Publishing two illustrated children's books named Deli Dumrul and Zürafil in 2009, Albaraka Türk increased the total number of children's books it had published to 20.

TRENDS IN FUNDS COLLECTED

Albaraka Türk raised TRY 5 million 464 thousand 645 of funds in 2009. The equivalent of this fund in foreign exchange was USD 3 million 665 thousand 88. The Bank succeeded in achieving an increase of 37.13% in TRY and 41.36% in USD compared to 2008. 60.22% of this fund was composed of TRY accounts and 39.78% of foreign currency accounts. The most striking ratio in funds was the increase of share in TRY accounts of around 10 percent compared to the previous year.

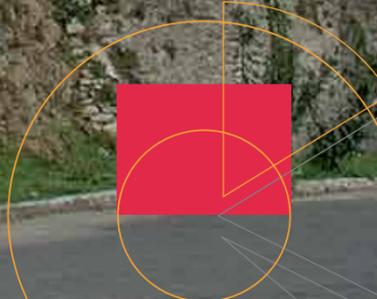
(Thousand TRY/USD)	2009		2008		Change (%)	
	TRY	USD Equivalent	TRY	USD Equivalent	TRY	USD Equivalent
Domestic Currency Funds	3,290,809	2,207,116	2,029,617	1,320,505	62.14%	67.14%
Current Accounts	585,144	392,451	300,888	195,763	94.47%	100.47%
Participation Accounts	2,705,665	1,814,665	1,728,729	1,124,742	56.51%	61.34%
Foreign Currency Funds	2,173,836	1,457,972	1,955,493	1,272,279	11.17%	14.60%
Current Accounts	403,567	270,669	334,960	217,931	20.48%	24.20%
Participation Accounts	1,770,269	1,187,303	1,620,533	1,054,348	9.24%	12.61%
USD Accounts	1,163,075	780,064	1,099,455	715,325	5.79%	9.05%
EUR Accounts	607,194	407,239	521,078	339,023	16.53%	20.12%
TOTAL	5,464,645	3,665,088	3,985,110	2,592,784	37.13%	41.36%
1 USD:		1,491		1,537		
Share of TRY Accounts	60.22%		50.93%			
Share of Foreign Currency						
Accounts	39.78%		49.07%			
Total	100.00%		100.00%			
Current Accounts	988,711	663,120	635,848	413,694	55.49%	60.29%
Participation Accounts	4,475,934	3,001,968	3,349,262	2,179,090	33.64%	37.76%
TOTAL	5,464,645	3,665,088	3,985,110	2,592,784	37.13%	41.36%
Share of Current Accounts	18.09%		15.96%			
Share of Participation						
Accounts	81.91%		84.04%			
Total	100.00%		100.00%			



Fields of
Activities



Bolaman/Ordu
2005



Even though the effects of the global financial crisis that began in 2008 were felt, Albaraka Türk, in general left behind a successful year in the corporate and commercial credits field. As the cash credits of the Bank grew by 25% compared to 2008, the non-cash credits grew at a ratio of 30%.

Mainly supporting the non-financial sector with the products and services it offers since the day it was founded, Albaraka Türk is a bank that defines itself on a level that covers all sectors with a macro perspective in the corporate and commercial credits field and positions its operations within this scope. According to our primary banking principles, all producers and merchant businesses that produce an economic value regardless of its scale are in Albaraka Türk's target customer group.

Amongst the basic characteristics that differentiate Albaraka Türk from other banks in corporate and commercial credits area is first of all its system for funds placement. Albaraka Türk can place funds directed completely at goods and service financing within its operation principles and systematic and interest-free banking. At this point, whatever the economic conjuncture is, the financing of the real economy forms the basis of Albaraka Türk's credit operations. As a natural result of this structure, Albaraka Türk is in constant contact with real economic actors and

the relationships can constantly remain warm. This general line defines the basic differences that differentiate Albaraka Türk from its competitors. If it is to be stated in a more concrete term, Albaraka Türk knows real economy very well and it is very experienced and competent regarding this issue.

Regardless of the economic atmosphere, the fact that the terms of the funds utilized from Albaraka Türk was not changed afterwards and the credits are not recalled before their dues was among the factors underlying the success of Albaraka Türk. As a matter of fact, these factors that form a solid base for the businesses to be able to make their forecasts and plans regarding future in a more clear way ensures the customer preferences to be in Albaraka Türk's favor.

Even though the effects of the global financial crisis that began in October 2008 were felt in 2009, Albaraka Türk left behind a successful year in the corporate commercial credit

field. As a matter of fact, as it grew 24.7% in total compared to 2008 in cash credits and the non-cash credits showed a growth of 30.6%. The growth ratio accrued as 27.2% in total.

When the distribution of cash credits are examined according to the sectors, we see the following table: 39.38% industry sector, 25.55% construction sector, 19.95% services, 12.77% other sectors and 2.35% agriculture sector. And in non-cash credits while construction was leading with 41.60%, industry sector took the second place with 35.08%. While services formed 17.33% of the share, other sectors received a share of 3.16% and agriculture 2.83%. Letters of guarantee and letters of credit increased in parallel to each other. The rate of increase in letters of guarantee was 31.5% and it was 32.8% in letters of credit.

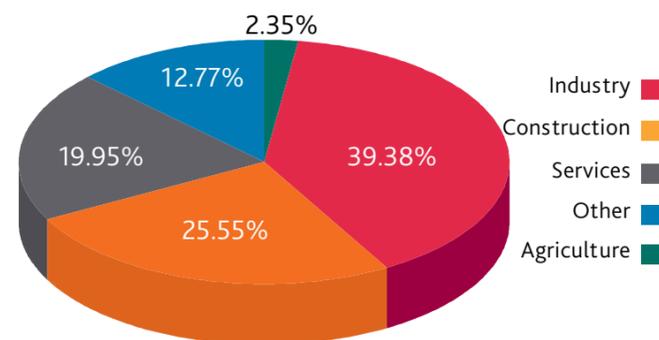
2009 was a year when substantial increases were experienced compared to the previous year in terms of commission revenues gained from corporate commercial credits. As a matter of fact, as the commission revenues

gained from the cash and non-cash total credits were TRY 68.3 million in 2008, the total revenue gained in this area by the end of 2009 increased to TRY 82.4 million and displayed an increase of 20.6% in total.

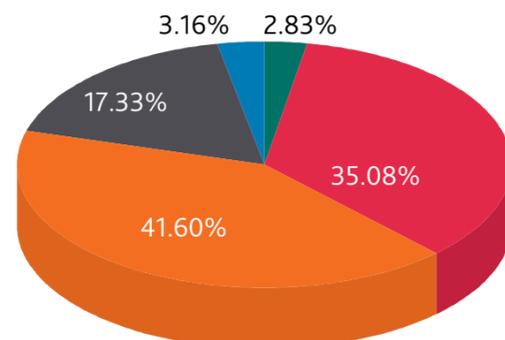
Albaraka Türk places the profit and loss contribution funds it collects from account owners off to the market predominantly with "Corporate Financing Support" method within the interest-free principle and the context of financing goods and services. The second point is formed of the Retail Financing Support credits given to individuals. All of the funds collected by Albaraka Türk are injected into the economy acting with the main purpose of essentially supporting the real economy.

When we look at the issue under the light of these data, we can conveniently say that Albaraka Türk left behind a year in which corporate commercial credits generally grew and the revenues increased compared to the previous years.

Sectoral Distribution of Cash Credits



Sectoral Distribution of Non-cash Credits



In retail banking where it has been further concentrating on since 2002, Albaraka Türk displayed many important progresses from ATM's at which cards that originate outside of Turkey are also used to soft token use in internet banking.

Designating its vision in retail banking field as being able to meet all retail banking needs of existing and potential customers effectively, Albaraka Türk displays a competitive stand with principles that can rapidly keep up with the changing conditions of the current finance market.

Carrying on personal banking operations by the Retail Banking Management established in 2002, the Bank is strictly devoted to its fundamental sensitivities and has a solid guarantee position for the funds it places.

With all its automatic cash points in EMV (Europay, MasterCard, Visa) standards, cards that originate from outside Turkey can also be used at these machines of Albaraka Türk. The Bank also started Soft Token application in addition to OTP (One-time password) application in its internet branch. Albaraka Türk commissioned "Collective EFT and Transfer" and "Regular Payment" and instant password determination applications that address its internet banking customers. Albaraka Türk also redesigned its current customer relationship module in customer relationship service to increase customer satisfaction to maximum level.

Bereket Puan (Gift Point)

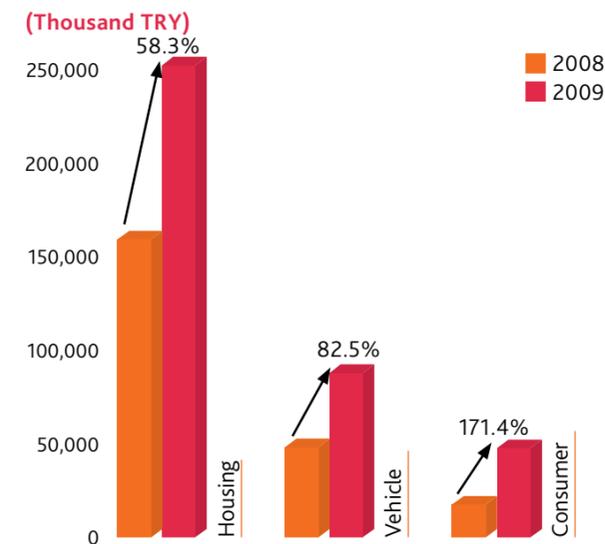
Also starting "Bereket Puan" application directed at credit card customers, Albaraka Türk gives points equivalent to 0.15 percent of the spending total to all types of expenditures. The TRY equivalent of these points is credited as dues on bank abstracts in every six months.

Also commissioning barcode application to improve the quality of the tracking system in card deliveries, Albaraka Türk aims to change to contactless payment system in the first quarter of 2010 and contactless commercial payment system in the last quarter of 2010.

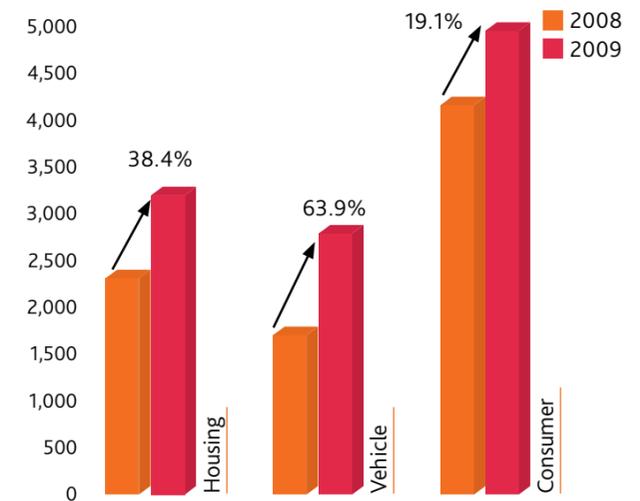
Retail Financing Products

In 2009, there has been an increase of 72.28% in total in the usage of Albaraka Türk's personal financing products. This increase took place at the ratio of 58.27% in retail finance for housing, at the ratio of 82.44% in personal finance for vehicle and ratio of 171.37% at consumer retail financing.

Type of Financing	2009 (Thousand TRY)	2008 (Thousand TRY)	Rate of Increase (%)
Housing	249,583	157,692	58.3
Vehicle	86,888	47,625	82.5
Consumer	47,265	17,417	171.4
Total	383,736	222,734	72.3



Type of Financing	2009	2008	Rate of Increase (%)
Housing	2,524	1,824	38.4
Vehicle	2,201	1,343	63.9
Consumer	3,912	3,284	19.1
Total	8,637	6,451	33.9

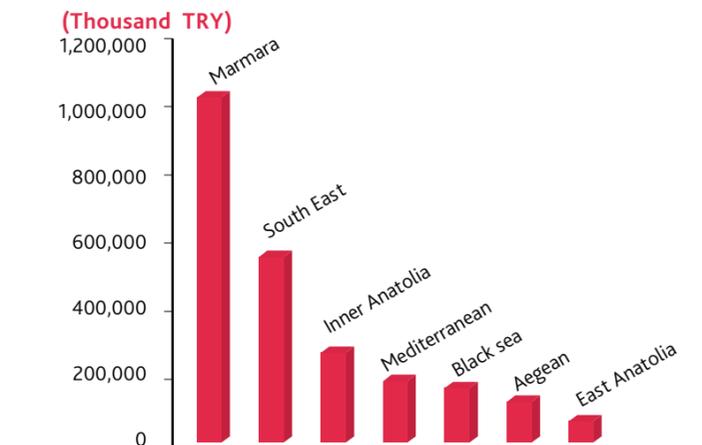


Year 2008 - 2009 POS (Member Business) Comparison Table

(Thousand TRY)			
Year 2008 Total Business Volume	TRY 2,089,221		
Year 2009 Total Business Volume	TRY 2,341,584	12.08%	
December 2008 Number of Terminals	11,843		
December 2009 Number of Terminals	12,265	3.56%	

Years	Personal Credit Card		Business Card	
	Number	Business Volume (Thousand TRY)	Number	Business Volume (Thousand TRY)
2008	19,315	83,570	8,775	103,808
2009	31,973	89,435	16,156	149,323
Rate of Increase	66%	7%	84%	44%

Regional Business Volume Distribution



Leaving behind a successful year in terms of retail banking, Albaraka Türk believes that it will have substantial achievements in 2010 as well.

Unable to display in 2009 the foreign trade increase that changed between 35% and 85% in the previous years, Albaraka Türk experienced a decrease of 20% in this area. However the Bank succeeded in showing a progress parallel to previous years with the 25% increase it ensured in the commission revenues obtained from foreign transactions.

Albaraka Türk's vision in foreign trade operations and international banking is primarily to work with optimum costs with local corresponding banks in the target markets where its corporate customers operate in. In this field, Albaraka Türk also carries out efforts to ensure cooperation with local and foreign corresponding banks within reciprocity principle and offer products and services that meet the needs of its customers in every area with ICIEC, SEP, ITFC, Teverruk and similar complementary goods.

Above all, the added value of Albaraka Türk should by no means be ignored which undertakes the pioneering role in bringing to the real economy, the savings of investors who are sensitive to interest concept in Turkey. Having never compromised the basic principles of high quality, customer oriented solutions, conservative policy and support of production and producer since 1985 when a new period started in banking area, Albaraka Türk still maintains the excitement and enthusiasm it has provided with its present top management and participatory employees. The maintenance of the policies adopted at its foundation -during the time course- by the top management without compromise brought along the loyalty concept of the Bank before the corporate and retail customers in the local market. The most important asset of the bank and its most

differentiating qualities against its present competitors is its employee structure that adopted team spirit and the loyalty concept it has formed throughout the years.

The presence of the banks of its main partner ABG (Albaraka Banking Group) in North Africa, Middle East and Gulf geographies which are the niche markets it targets, provides an undeniable advantage to Albaraka Türk in these hinterlands. The brand awareness formed by ABG in the aforementioned geographies, the mutual business volumes realized and cooperation possibilities created in the framework of long term relationships, enabled Albaraka Türk to always to be one step ahead of its competitors in marketing operations in these areas. The on the job Training and Orientation Programme that has been conducted since 2002 to further enrich the present relations also created an advantage by means of the Bank's inviting the authorized representatives serving in the equivalent fields of corresponding banks operating in target markets to Albaraka Türk. Thus, the reputation of Albaraka Türk before the invited banks increased. In addition, Albaraka Türk managed to achieve results in the shortest terms and with optimum costs against its competitors by means of establishing face to face communication during invitations and developing these relationships.

(Thousand USD) Last Five Years in Foreign Trade Operations and International Banking

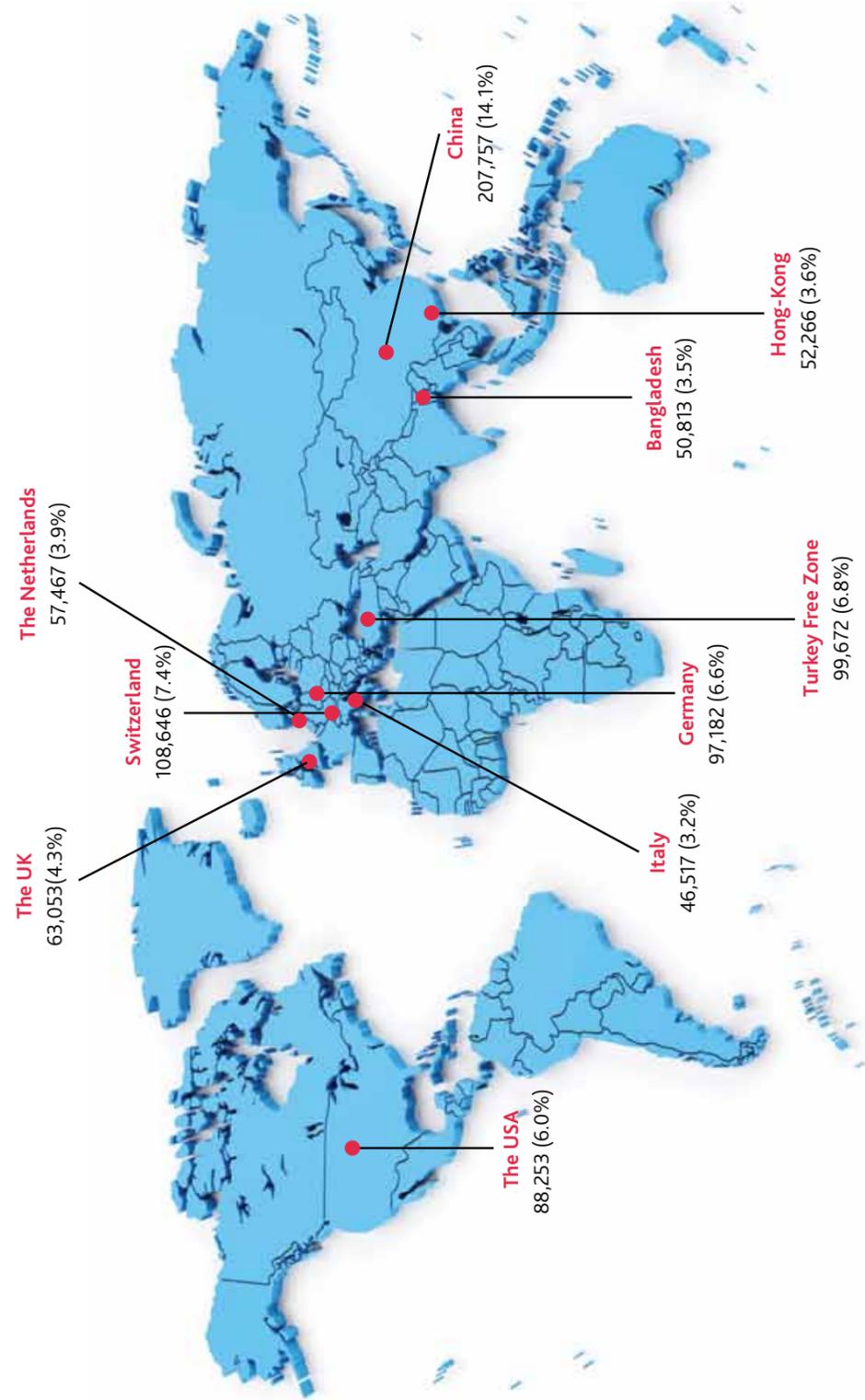
	2005	2006	Change	2007	Change	2008	Change	2009	Change
Import	690,096	897,876	30.11%	1,415,734	57.68%	1,717,271	21.30%	1,456,729	-15.17%
Export	351,389	430,002	22.37%	568,506	32.21%	558,303	-1.79%	444,111	-20.45%
Invisible Transactions	928,194	1,524,282	64.22%	3,315,238	117.50%	4,904,605	47.94%	3,841,741	-21.67%
External Guarantees	41,674	130,507	213.16%	256,338	96.42%	504,083	96.65%	425,321	-15.62%
Tota	1,969,679	2,852,160	44.80%	5,299,478	85.81%	7,180,179	35.49%	5,742,581	-20.02%

It will not be quite right to only compare the 2009 figures with those of 2008 to have an idea on the annual foreign trade volume of Albaraka Türk. Since 2009 has been a year when the wounds of the devastation of the global economy in 2008 were relieved throughout the world, this process was also reflected on the foreign trade figures negatively. According to most economists, the global economy recessed this much for the first time in the last half century. Thus, instead of the comparison of only the 2009 foreign trade figures with the 2008 figures, taking the upward trend from the previous years also into consideration enables better understanding of the process.

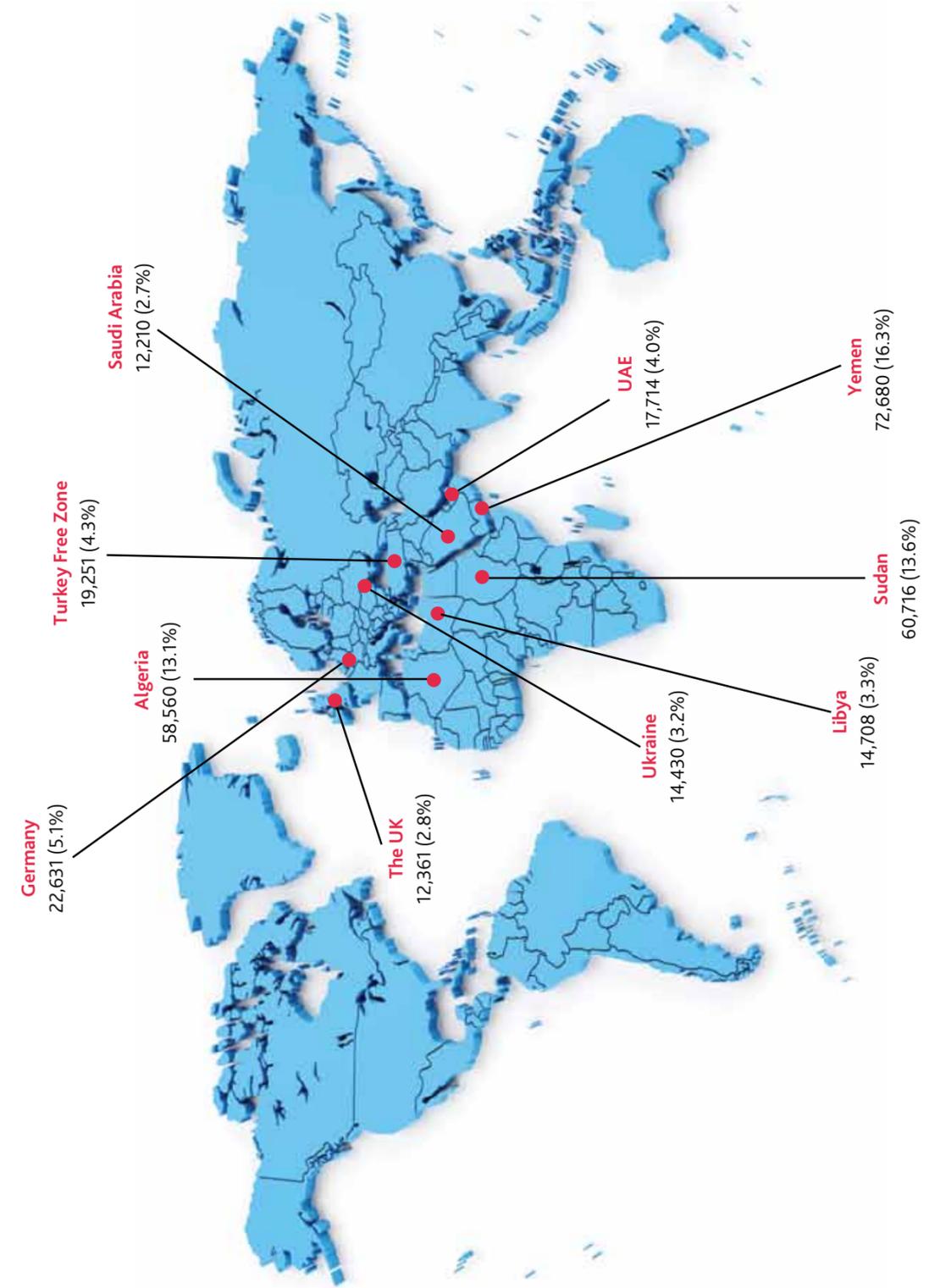
When considered from this perspective, it is observed that the foreign trade volume of Albaraka Türk has shown an increase of 86% in 2007 compared to 2006. When 2007 is compared with

2008, this ratio is around 35%. However the recession period experienced in 2009 after the crisis reduced the foreign trade volume of Albaraka Türk by 20% compared to 2008. However, the 25% increase obtained from the commission revenues in foreign operations despite this decrease in transaction volume ensured achieving a volume parallel to the previous years in total revenues obtained from foreign trade operations. Thus the negative reflection of global recession on Albaraka Türk has been minimized.

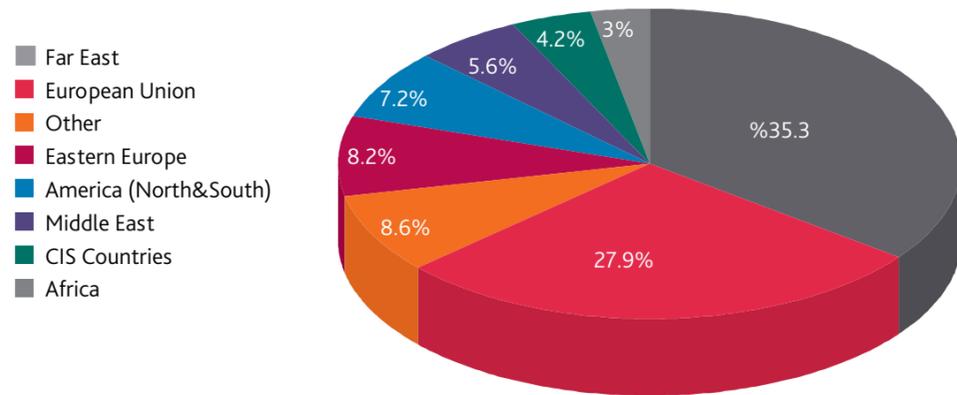
FIRST 10 COUNTRIES IN 2009 IMPORTS (Thousand USD)



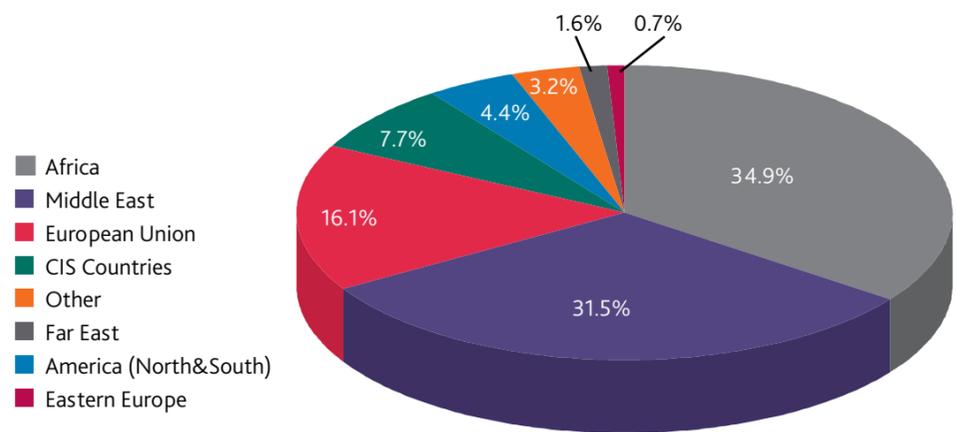
FIRST 10 COUNTRIES IN 2009 EXPORTS (Thousand USD)



REGIONAL DISTRIBUTION OF 2009 IMPORTS



REGIONAL DISTRIBUTION OF 2009 EXPORTS



Providing services with 141 corresponding banks in 66 countries in 2008, the service network of Albaraka Türk changed as 391 banks in 72 countries in 2009. Furthermore, Albaraka Türk which had 710 corresponding banks with SWIFT contact with in international trade operations increased this number to 782 in 2009. Soon after participation in international events and equal platforms like IMF, SIBOS, regional fairs and seminars; periodic country/ correspondence visits to present corresponding banks and potential corresponding banks and the synergy established with ABG as much as possible followed by benefiting from issues on mutual corresponding banks has been strategies that has been adopted by Albaraka Türk in the year 2009 and practiced as long as the conditions were favorable.

Within the year 2009 when the country and bank limits were decreased, cooperation with new risk partners was not preferred and the effects of the recession from the previous year was deeply felt, Albaraka Türk did not apply any reduction in the present correspondence limits and established new limit contacts and gained advantages in pricing in favor of its corporate customers in its present cooperation.

In general, the priority has always been cooperation with local corresponding banks in countries where the trade partners of Albaraka Türk customers were located at -within the framework of reciprocity principle- rather than global corresponding banks that may cause time and price disadvantage in foreign trade and international operations. Alabaraka Türk's strategy to keep global corresponding banks as B plan against local corresponding banks brought along the satisfaction of the customers' partners thus their own satisfaction. This concept of maintaining this strategy applied in 2010 and the following years has been adopted.

Preferring respectable banks like Standard Chartered, KBC Bank NV, The Bank of New York Mellon, Habib American Bank which can provide efficiency due to mobility in nostro corresponding accounts abroad, Albaraka Türk directed the traffic of invisible transactions towards nostro accounts at these correspondents

substantially. Since this strategy applied provides additional price advantage in commercial transactions and cuts in account management fees, it has been decided to apply this strategy also in the coming years.

Albaraka Türk succeeded in increasing its operation transaction volume which was USD 8 billion 760 million in 2008 to USD 25 billion 583 million in 2009. The fund volume which is USD 3 billion 711 million that is used as usury in the international commodity market accrued as 2 billion 529 million American Dollars in 2009. Thus the total volume has reached USD 28 billion 114 million from USD 12 billion 471 million and gained an increase of up to 125.43%.

Because 2009 was a challenging year that had specific characteristics, Albaraka Türk left behind a challenging but successful year in which it has displayed its competitive manner in foreign trade operations and international banking field.

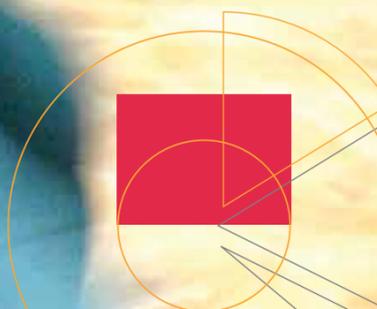
While two thirds of Albaraka Türk's export volume was formed by African countries and Middle East region, nearly the same rate is formed by Far Eastern and European Union countries in import volume.



**Research &
Development
Activities**



"Whirling to Eternity"
Konya
2007



2009 has been quite an active year for Albaraka Türk in terms of Research & Development efforts. The Bank put its signature to Altın Depo Hesabı (Gold Store Account), Western Union Express Money Transfer, Participation Account with Flexible Term, SGK Fund Allowance Payments and Health Care Service Providers Payments projects.

Offering different choices to customers by enlarging product portfolio and thus increasing profitability becomes even more important every day in the banking sector where competition increases rapidly. Every day new products and ideas appear especially in the retail banking area. The Research & Development concept for Albaraka Türk means actualizing all kinds of product or service that are in line with interest-free banking principles and are/will be accepted by the customers and thus increase customer satisfaction.

The primary approach of Albaraka Türk in Research & Development efforts is the use of present resources in the most efficient means. Utilising the present support mechanisms of the studies or projects and inclining towards applicable services and products facilitates Albaraka Türk's designing the Research & Development process. Even if using and applying the given yields better results within the framework of this method and strategy that is pursued to increase revenue, reduce costs and to be able to offer new products and services for which the profitability has been tested in the sector to use quickly, Albaraka Türk puts maximum effort for being innovative and original in its works.

Acting with the purpose of being an active participation bank, Albaraka Türk acts with the purpose of increasing the

satisfaction of present customers and reaching potential customers by increasing the number and quality of services and products in its field of activity.

Putting its signature under projects such as Altın Depo Hesabı (Gold Store Account), Western Union Express Money Transfer, Participation Account with Flexible Term, SGK-Bağkur-Retirement Fund Allowance Payments and Health Care Service Providers' Payments, Albaraka Türk left behind a year which was also successful in this sense.

Altın Depo Hesabı (Gold Store Account)

With the Gold Store Account which is a precious metal account that can be opened as special current account and enables using the savings as gold, substantial accumulations can be achieved with small savings starting from a minimum of 0.01 gram. As the customer who purchase and sale transaction over the momentary price on the market does not pay commission and expense, he has the comfort of making gold investment without any tax cuts, experiencing a loss of value, and without custody cost and the risk of theft. In addition, as the gold in the account is pure gold, the customers do not pay labour cost. In addition to these, Albaraka Türk offers physical gold delivery facility through Istanbul Gold Exchange to its customers who have gold above a given weight in his Gold Store Account.

Beginning to be practiced on 2nd, November 2009, the Gold Store Account received great attention from the customers in a short time. As of 31st, December 2009, a total 442 Gold Store Account have been opened in 91 branches and 233.825 gram gold balance ingenerated in these accounts.

Western Union Express Money Transfers

This account that enables sending money to many places of the world, and payment of the money orders received to be paid in dollar or euro, is under the guarantee of "Western Union" company which has been operating for more than 150 years. With Western Union Express Money Transfers which is a fast, practical, convenient and reliable service, the real persons who are settled abroad or have contacts with abroad can do standard money transfer/payment transactions in a very short time from Albaraka Türk branches.

While 8 thousand 438 transactions were done with Western Union Express Money Transfer which was started to be used on 1st, June 2009, the transaction volume reached TRY 11 million 346 thousand 518.

Participation Account with Flexible Term

Developed for the purpose of increasing the satisfaction of participation account customers to the highest level, Participation Account with Flexible Term enables setting terms on daily basis other than the classical participation account terms.

SGK (Social Security Institution) Allowance Payments

The retirement pensions of SGK, Bağkur and Retirement Fund members can be paid from all branches of Albaraka Türk regularly.

Health Care Service Provider Payments

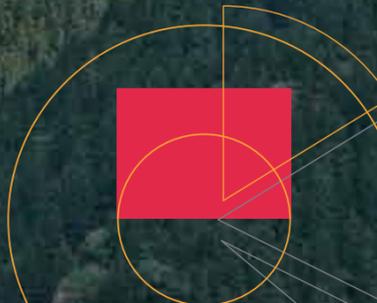
Social Security Institution progress payments obtained from the operations of pharmacies, hospitals and optics can be transferred to the account regularly by Albaraka Türk branches.

Altın Depo Hesabı (Gold Store Account), Western Union Express Money Transfer, Participation Account with Flexible Term, SGK Fund Allowance Payments and Health Care Service Providers Payments are only a few of the successful projects...



Cultural and Social Activities

Sümela Monastery
Maça/Trabzon
2006



With its social responsibility concept, Albaraka Türk supports many cultural and social projects for the improvement of the quality of life of the society it exists in.

Albaraka Türk shows that it is not only a finance institution with its support of different branches of arts from the art of calligraphy to photography. Albaraka Türk displays its unique stand with the sensitivity it displays to the values which are about to be lost.

Placing great importance on supporting cultural publications and preparation of new cultural publications with this point of view, Albaraka Türk attracted attention with its selectivity and care in this area in 2009 too.

The book named 'Seyyahların Aynasında Şehirlerin Sultanı İstanbul' (The Sultan of Cities, İstanbul on the Mirror of Travelers) prepared by Prof. Dr. Ümit Meriç in connection with İstanbul's being chosen as 2010 Capital of Culture took its place in Albaraka Türk Kültür Yayınları (Albaraka Türk Cultural Publications). The book tells about the observations of travelers who visited İstanbul between 15th century and 20th century.

Albaraka Türk organizes calligraphy competitions traditionally to bring the respectability it deserves to the art of calligraphy and support the calligraphers who create works in this field. The calligraphy works that ranked in the Calligraphy Competition

done in 2008 were illuminated.

Preparation works are done for exhibiting the illuminated calligraphy works in 2010. Furthermore, planning to continue the support it gives to the traditional art of calligraphy with a cultural publication, Albaraka Türk also continues its efforts to publish a book on this subject to have the art of calligraphy be acknowledged and known by wider circles.

Albaraka Türk organized an exhibition composed by the photographs in the Hejaz Railway Photography Album which was an important cultural study, the first edition of which was done in 1999 and which sheds light upon history. The exhibition was opened in Ağrı İbrahim Çeçen University and Erzurum Railroad Terminal and received great attention.

A photograph exhibition was created from the works that ranked in Albaraka Türk Photograph Competition themed 'Hard Gotten' the first of which was made in 2007. The exhibition organized with the cooperation of Tradesmen and Artisans Society was opened to visitors in Mamak in Ankara and Eyüp and Eminönü in İstanbul as a part of Ahi-order week. Preparing reading books for children at specific periods every

year, Albaraka Türk distributes these books that attract great attention from the children through its branches. Continuing its efforts in this area since 2009, Albaraka Türk published two more illustrated children's books named Deli Dumrul and Zürafil. Together with these books, the total number of the bank's children's books it had published increased to 20. Albaraka Türk will continue to publish books to enrich the children's world of fantasy in 2010 as well.

Besides these endeavors, Albaraka Türk became the sponsor of International Health and Arts Festival which was organized by Turkish Green Crescent Charity for the first time in 2009.

Furthermore, the Bank gave donation to Bereket Foundation that gives scholarship to undergraduate, graduate and doctorate students in 2009 like every year.

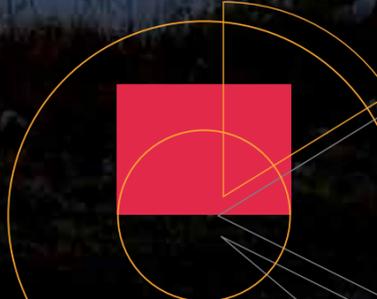
2010 is a special year for Albaraka Türk. The Bank which is to celebrate the 25th anniversary of its foundation is preparing to make various cultural events real. Planning to make a documentary film on the history of Albaraka Türk and banking in Turkey, the Bank aims to also publish a book that relates this process with photographs.

Albaraka Türk which will celebrate its 25th year in 2010 will crown its achievements with social and cultural activities.



**Human
Resources**

"Fragile"
Abant/Bolu
2005



Acting with the sense of reaching its targets with well educated human resources that suit to the bank culture, Albaraka Türk forms its human resources policies accordingly.

Human resources for Albaraka Türk start with the recruitment process which is the first step of forming a successful team. Employment of people who are suitable to corporate culture - willing to work in interest-free banking field- qualified, efficient and with knowledge and experience required for the job, with expectations agreeing with the realities of the corporation forms the most basic priorities of Albaraka Türk in choosing employees. Aiming to get maximum level of performance from the employees, Albaraka Türk realizes this by creating a healthy job environment, increasing the professional and personal competence of all personnel with the training programs it carries out and encouraging team work.

Albaraka Türk which designates the first criteria of keeping the human quality high as to employ the most ideal candidate for the position requiring personnel, also organizes training centre and on the job training to accelerate the adaptation process of people who are beginners on the job and to develop their relationships with the present personnel. In addition, the Bank gives the necessary training and information in parallel with the technologic developments emerging in the sector and changes in legislations to the related personnel.

Educational Status of Albaraka Türk Personnel

Educational Status	2008 (%)	2009 (%)
Postgraduate	3.7	3.9
Graduate	73.9	74.8
Associate Degree	4.1	4.2
High school	16.0	15.1
Primary Education	2.3	2.0

In the recruitment process, after the assessment of the interview and exam of the candidates who has the following basic criteria:

- Willing to work in interest-free banking field,
- Suitable for corporate culture,
- Graduated from formal departments of Universities that provide undergraduate studies and are related with banking,
- Younger than 28 years of age (for inexperienced candidates),
- Finished his military service or exempt,
- Having effective communications skills,
- Prone to team work,

Albaraka Türk provides the employment of the ideal personnel for the position that needs personnel. Recruitments for

supervision and marketing staff can be done with group exams done within the year.

In the recruitment process, the background of candidates who made a job application to the bank are reviewed carefully by the authorized personnel and the candidates found suitable for the concerned position are included in the exam/ interview process. The candidates are informed of the application process as soon as possible.

As an indicator of the importance Albaraka Türk gives to the candidates who make job applications, it succeeded in having

Year 2009 Recruitment Data

Number of Branches Opened	1
Number of Candidates Interviewed	1,520
Number of Personnel Employed	210
Number of Personnel Who Left	71
Increase in Personnel Number	139
Total Personnel Number	1,935

the "Award for Human Respect" given by Kariyer.net in the years 2007 and 2008. Albaraka Türk acts with the awareness of its social responsibilities as well in terms of human resources. Within this frame, the Bank organizes soccer tournament every year in Istanbul and Ankara for the purpose of increasing the motivation of its personnel and reinforce team work. In addition, organizing nature excursions in the body of Nature Club, Albaraka Türk also carries out planting works in the memorial forest that bears its name.

It aims to increase the knowledge, skills and competence of all its employees with training programs and performance evaluation activities within Career Management.

Training and Recruitment

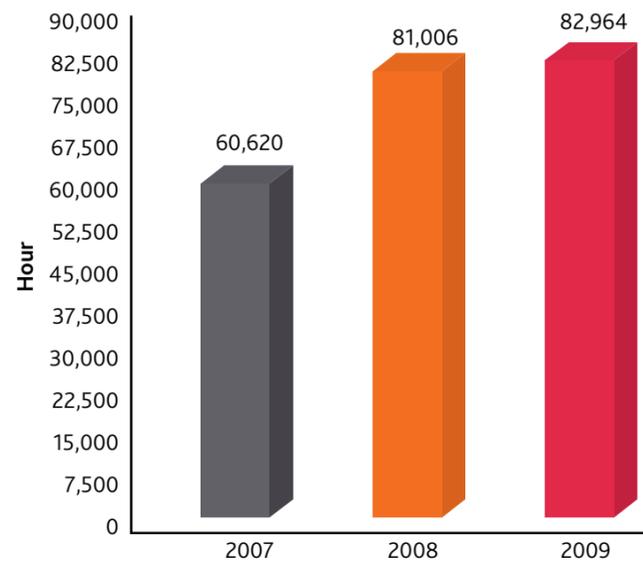
Training policy and targets are composed with the purpose of enhancing the necessary information and skills, supporting individual and professional development of our employees in line with the mission, vision and strategies of the Bank.

Initial training programs are introduced to newly employed clerks, assistant specialists and assistant inspectors in order to enable them to gain the necessary abilities suitable for their jobs in our Bank. In these programs, courses on personal development and customer relations are given as well as the technical aspects of banking.

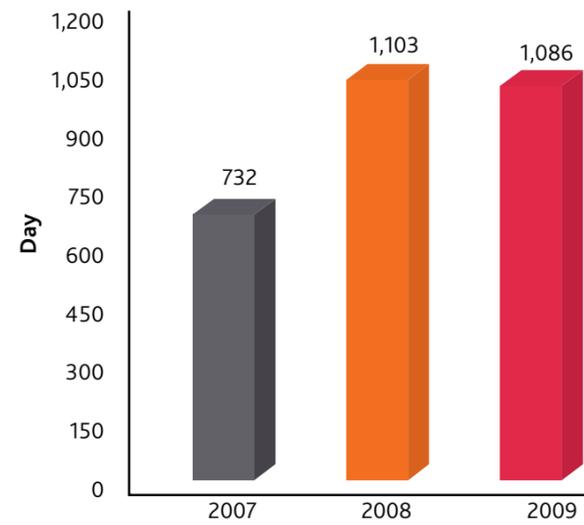
In case of promotion or appointments, job and/or class-room training programs are organized to enable our employees to obtain the necessary information and skills about their new duties and also about the technological and legislative changes regarding their current responsibilities.

Albaraka Türk ensured a total of 82 thousand 964 hours of training to its employees in 2009. It organized an average of 43 hours training program per employee annually. Since 2008, the number of trained personnel of Albaraka Türk increased by 33%.

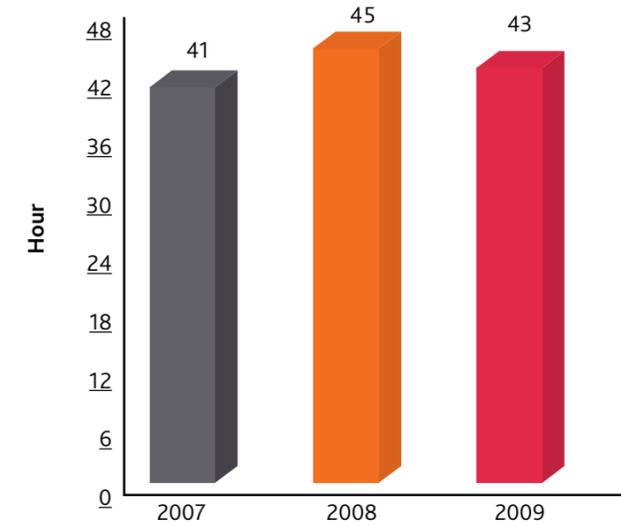
Total Training (Hour)



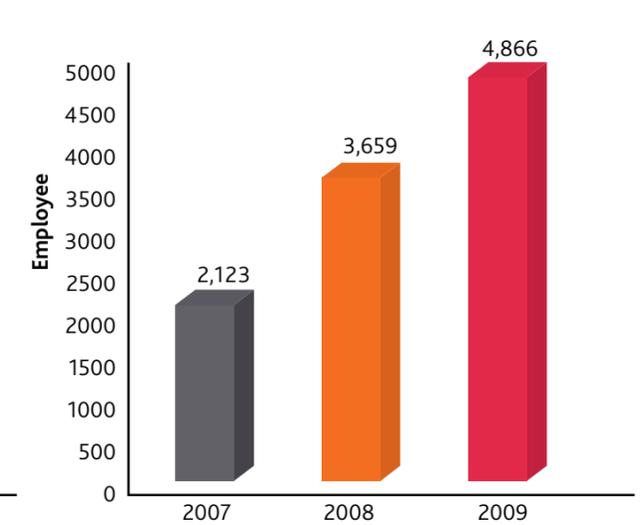
Total Training (Day)



Training Hours per Employee (Hour)



Number of Employees Who Received Training



NOTE: Number of Employees in the Year 2007 1,482
 Number of Employees in the Year 2008 1,796
 Number of Employees in the Year 2009 1,935

Having a flexible organization that can renew itself and can keep up with the competition required by the age, Albaraka Türk carried out a change in its organization structure in 2009.

Albaraka Türk which has a customer oriented organization structure that will meet the demands and expectations of the customers and can offer high quality products and services, has an organization structure that can renew itself and can keep up with the competition required by the age.

The research-development and documentation works necessary for making the organization structure and the operations within this structure more productive and effective and for the application and extending of contemporary management techniques for the aim of increasing the effectiveness, productivity and quality in all the activities of the Bank's.

Certain changes were executed within the organization structure of Albaraka Türk in 2009. The Project Management Directorate department was established for the project activities carried out within the body of the bank to operate healthier and be completed faster

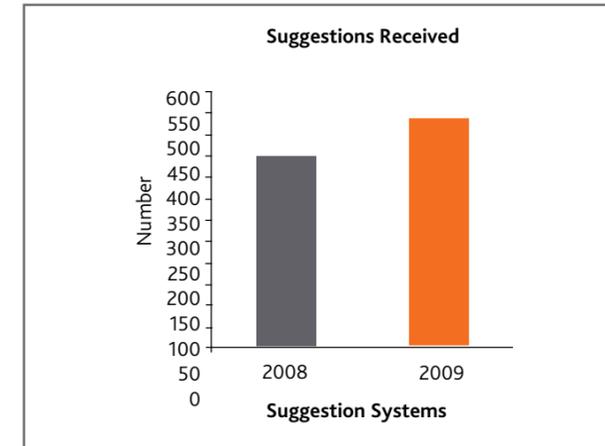
To enable the marketing of personal products to be done more actively, the Retail Banking Directorate was configured as Retail Marketing Directorate. Changes were executed in marketing, allocation and operation processes.

Assembling all operations in a single centre to carry out operational transactions faster and reduce operational risks and operational costs is also amongst the plans of Albaraka Türk in 2010.

The pioneer of interest-free banking in Turkey, Albaraka Türk is at the position of a large family with its unique structure and quality concept, with its customers and employees. In this context, the bank maintains customer satisfaction at high level constantly with its superior service concept and special attention and sincere approach to the customer. Having an ISO 9001:2000 Quality Management Systems Certificate since 2004, Albaraka Türk also successfully passed the certificate renewal audit done by certification company SGS in the middle of 2009.

Conducting in-house auditing program twice a year to determine the effectiveness and efficiency of quality management system and locate the areas that will be improved on the system, Albaraka Türk ensured the inspection of all of its units and branches in 2009 within this scope.

The work flows of our Bank's processes with the critical control



points of processes and process control lists which include control descriptions has been formed in accordance with management by process concept to support the operations that intend to increase process effectiveness and efficiency.

"Banking Automation System Menu Authorization Project" started for the aim of enabling the role based authorization of the employees using Banking Automation System within the framework of their job descriptions in accordance with the separation of assignments principle has been completed and was started to be used in 2009.

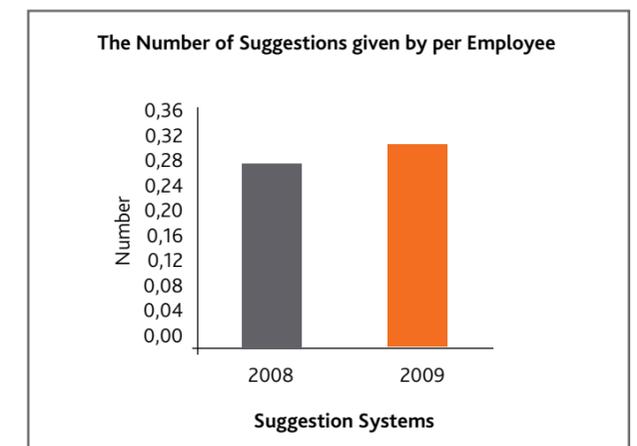
The Suggestion System, implemented with the goal of transforming the intellectual capital of our employees to the structural capital and to develop their ideas, has been operated successfully. Improvement operations had been done to increase the effectiveness of The Suggestion System and to increase the contribution of employees to the system. Total number of suggestions that had been taken from employees

Albaraka Türk received 537 suggestions through the suggestion system in 2009.

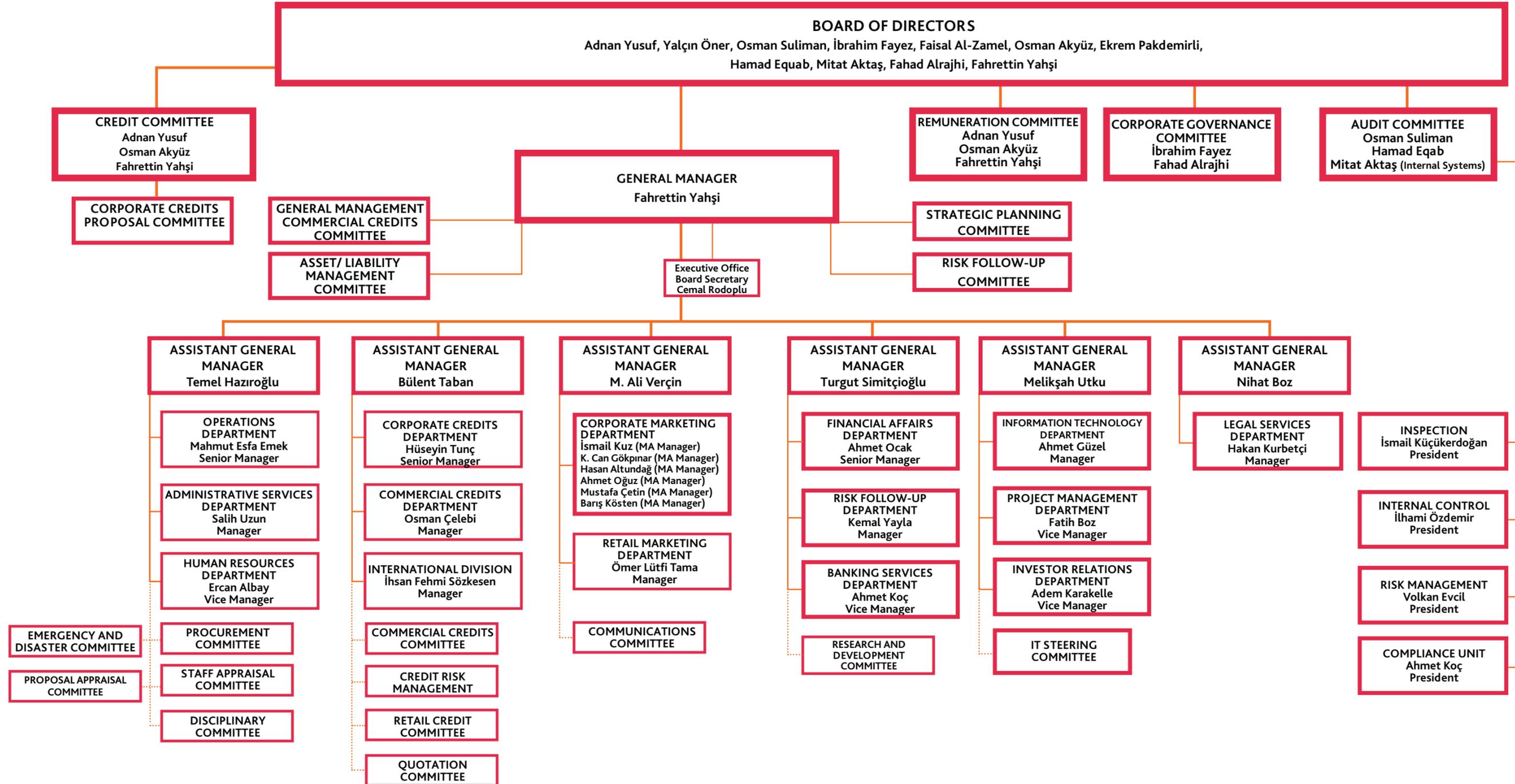
was 537 in the year of 2009. Considering the year before increasing of the number of suggestions is %19.1. Number of suggestions given by per employee have been increased form 0.28 to 0.31 (this information has been obtained by taking the employees using the e-mail system of our bank into account). "Forum Project" has been started to support the intellectual development of the bank employees by enabling them to think, search and share their opinion on any topic; and to form a participating communication environment that will provide opportunity to evaluate any topic in a wide perspective and do brain-storming with the target group.

Albaraka Türk gives great importance to team work with its organization structure and unique quality concept. In this context, learning efforts are done as a team according to the "Learning Organization" concept. In 2009, Albaraka Türk started the "Rainbow Project" to increase the effectiveness of its processes and the profitability of the Bank. Four teams were formed for the Project and the Project was completed successfully. The knowledge and experiences attained as the result of team work were shared with the Bank's personnel within the frame of vision sharing.

In addition to these, Development of Quality Awareness Training is given to the employees who are beginners to increase quality awareness.

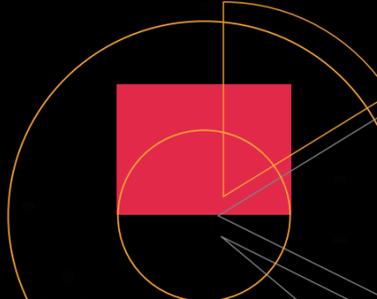


ALBARAKA TURK PARTICIPATION BANK ORGANIZATION CHART





**Board of
Directors**



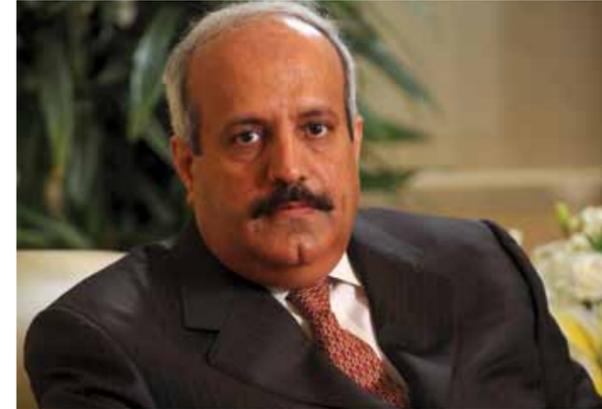
2 Board of Directors

About the Board of Directors, Auditors of the General Assembly and Senior Management

Position	Name-Surname	Education	Inception of Work	Experience in Banking Sector	Share Ratio(%)
BOARD OF DIRECTORS (*)					
Chairman	Adnan Ahmed Yusuf ABDULMALEK	Masters Degree	2005	36	0.00**
Vice Chairman	Yalçın ÖNER	Masters Degree	1985	37	0.0006
Board Member	Osman AKYÜZ	Bachelors Degree	1996	23	0.0220
Board Member	İbrahim Fayez Humaid ALSHAMSI	Bachelors Degree	2005	39	0.00**
Board Member	Osman Ahmed SULIMAN	Bachelors Degree	2005	44	0.00**
Board Member	Faisal Abdulaziz AL ZAMEL	Masters Degree	2003	20	0.00**
Board Member	Prof. Dr. Ekrem PAKDEMİRLİ	Ph. Degree	2007	8	0.00**
Board Member	Mitat AKTAŞ	Masters Degree	2008	25	0.00**
Board Member	Hamad Abdulla A. EQAB	Bachelors Degree	2008	16	0.00**
Board Member	Fahad Abdullah A. ALRAJHI	Bachelors Degree	2008	22	0.00**
Board Member	Fahrettin YAŞI	Masters Degree	2009	21	-
AUDITORS OF THE GENERAL ASSEMBLY (*)					
Auditor	Prof. Dr. Ateş Arif VURAN	Ph. Degree	1986	23	-
Auditor	Memduh COŞKUNER	Bachelors Degree	1998	21	-
Auditor	Seyfettin YENİDÜNYA	Bachelors Degree	2003	24	-
SENIOR MANAGEMENT					
General Manager	Fahrettin YAŞI	Masters Degree	2009	21	-
Assistant General Manager	M. Ali VERÇİN	Bachelors Degree	2005	16	-
Assistant General Manager	Nihat BOZ	Bachelors Degree	2009	23	0.0048
Assistant General Manager	Temel HAZIROĞLU	Bachelors Degree	2003	24	0.0342
Assistant General Manager	Bülent TABAN	Masters Degree	2003	18	-
Assistant General Manager	Turgut SİMİTÇİOĞLU	Bachelors Degree	2009	20	-
Assistant General Manager	Melikşah UTKU	Masters Degree	2009	6	-

* Appointed for a term of three years at the Ordinary General Assembly Meeting dated 20th, March 2008.

** The share totals in the Bank of the said people are between TRY 1-6.



Adnan Ahmed Yusuf ABDULMALEK (Chairman): Mr. Adnan Yusuf was born in 1955 in Manama (Bahrain). He studied Administrative Sciences in the Hull University (England) where he also completed his post-graduate degree. He commenced his banking career in 1973 at Habib Bank. He worked at the American Express Bank between 1975 and 1980 as assistant manager of credit transactions. He then held the following positions at Arab Banking Corporation (ABC) from 1980 onwards: Manager of main branch, deputy general manager and vice-chairman, director of global marketing and financial institutions division, head of Arab World division, vice-manager of subsidiaries and investments. In 1998 Mr. Yusuf became the chairman of ABC Islamic Bank (EC). He was then appointed as the general manager of Albaraka Banking Group (ABG) in March 2000. He took office as the CEO of Bahrain Islamic Bank during 2002-04. Since August 2004, he has been working as a board member and CEO of the ABG. In the board of directors of several banks in ABG family, Adnan Yusuf is either a member or chairman. He has been the chairman of the Board of Directors and the Credit Committee of Albraka Türk since April 2005. Apart from above mentioned positions, Mr. Adnan Yusuf, who was awarded the "Banker of the Year 2004" at the World Islamic Banks' Conference, is also vice-president of Arab Banks' Union (Lebanon) and chairman of Islamic Investment Bank of Europe (England).



Yalçın ÖNER (Vice Chairman): Yalçın Öner was born in 1938 in the town Araç (Kastamonu). Mr. Öner, who had his degree from the Faculty of Political Sciences, Ankara University, completed his post-graduate study at Minnesota University (USA) on public administration. He started his professional career in 1959 at the Ministry of Finance as a certified public accountant. Later on, he began to work for the State Investment Bank in 1972 and for Yatırım Finansman Investment AŞ in 1978. He became the first general manager of Albaraka Türk in 1985 and held this position until 1996. Yalçın Öner was a board member since 1996, vice-chairman of the Board of Directors since April 2002. He has been the president of internal control and audit group from July 2001 onwards. He took office in our Bank as executive (resident) board member between April 2002 and January 2007. During the period December 2006 - March 2008 he was a board member responsible from internal systems and Audit Committee members of Albaraka Türk.



Osman AKYÜZ (Executive Member): He was born in 1954 in the town Yomra (Trabzon). Mr. Akyüz obtained his degree from the Faculty of Political Sciences, Ankara University and commenced his professional career in 1978 as a certified public accountant at the Ministry of Finance. He was then transferred to Sezai Türkeş - Fevzi Akkaya Group as an auditor and financial consultant in 1983. In 1985, he started working as the manager of financial and administrative affairs in Albaraka Türk. Thereafter he worked as the manager of fund allocations (1991-94), assistant general manager (1994-95) and general manager of the Bank (1996-2002). Osman Akyüz is a member of the Credit Committee in our bank since November 2001. He has been an executive (resident) board member of Albaraka Türk since April 2002. Mr. Akyüz also holds a position in the Union of Turkish Participation Banks as secretary general (since July 2002), as well as a board membership in the Chamber of Commerce, Istanbul (since April 2005).



Osman Ahmed SULIMAN (Member): He was born in Sudan in 1941. Mr. Osman Suliman had his degree from the Faculty of Economics in Khartoum University. He commenced his professional career at El-Nilein Bank in Sudan (1965) where he worked as branch manager, assistant general manager, general manager, vice-chairman and chairman. Osman Suliman worked for Albaraka Investment & Development Co (based in Jeddah/ Saudi Arabia) as assistant general manager in the division of banking coordination from 1988 to 1995. He has also worked for the aforesaid company between 1995 and 2002 as a board member who was primarily responsible for Dallah Albaraka Group's financial services (banks). During 1985 and 86 he took office as the president of the Banks' Union and the Banking Foreign Currency Board in Sudan. He has been the chairman of Albaraka Bank in Sudan (1995) and currently holds this position. In Bahrain he is a board member of Albaraka Islamic Bank and deputy general manager of the ABG (Albaraka Banking Group) since 2005. Furthermore he was appointed to Arab Banks' Union (Lebanon) and Kenana Sugar Co. where he served as a director of board until March 1988. In April 2005 Osman Suliman was appointed as board member of Albaraka Türk, and also the chairman of the Audit Committee in our Bank.



Ibrahim Fayez Humaid Al SHAMSI (Member): He was born in 1949 in the Ajman city of the United Arab Emirates (UAE). Mr. Ibrahim Fayez had his degree from the Arab University of Beirut in Lebanon in 1972. He commenced his professional career in 1969 at Bank of Oman as current accounts chief. Later on he became the manager of its Ajman branch (1971). He held the following positions: Manager of financial affairs at the Ministry of Public Works & City Planning of UAE (1972); assistant general manager at Abu Dhabi Fund for Arab Economic Development (1976); board member for European Arab Bank Holding in Luxembourg (1978), Austrian Conference Centre Co in Vienna (1984), Industrial Bank of UAE (1983) and Dubai Islamic Bank (1998). Ibrahim Fayez, who also worked as chairman of Bangladesh Investment Co in Bahrain and manager of Arab Fund for Economic & Social Development in Kuwait (1983). He has been the chairman and CEO of the Emirates Islamic Bank in Dubai since 2004. He has been a board member of our Bank since April 2005.

Board of Directors



Faisal Abdulaziz Al ZAMEL (Board Member): He was born in Kuwait in 1956. He received his degree from Kuwait University in 1975 and his postgraduate degree from New Haven University (USA) in 1979. As part of his banking career, in 1981, he became assistant general manager of the Kuwait Finance House (Kuwait), a position he held until 1995. He also worked as the executive director of Islamic Development Bank from 1986 to 2003. Between 1988 and 2001, he took office as a board member of Kuwait-Türk Awqaf Finance House. He was appointed to Albaraka Türk Board of Directors as the representative of the Islamic Development Bank at Jeddah which is one of the institutional shareholders. He has been carrying out this position since 2003. He is also the general manager of a private commercial firm in Kuwait called 'International Environment & Services Co.'



Prof. Dr. Ekrem PAKDEMİRLİ (Member): He was born in 1939 in Izmir. Professor Pakdemirli received his bachelor's degree from the Faculty of Mechanical Engineering in the Middle-East Technical University (Ankara). Having completed his postgraduate studies at this university, he completed his doctorate (phd.) at London University. The government offices and positions he has been vested with include the followings: Deputy undersecretary of the State Planning Organization, vice-rector of 9-September University, consultant at the Undersecretariat of Treasury & Foreign Trade, chief consultant to prime-minister of Turkey, ambassador at large. During his office as a member of parliament, representing Manisa City for 4 consecutive terms (between 1983 and 2003) he was appointed as the Minister of Transportation, Minister of Finance & Customs, Minister of State, Deputy Prime-Minister of Turkey. Prof. Pakdemirli has been working as a lecturer at Bilkent University and Başkent University since 2003. He has also been working as the deputy chairman of Vestel Electronics AŞ, a board member of BİM Birleşik Mağazalar AŞ and the chairman at Çevresel Kimya San. Tic. Ltd. Co. (engaged in environment-friendly chemicals) since 2005. Prof. Pakdemirli was appointed as a member of the board of directors of Albaraka Türk in 2007.



Hamad Abdulla A. EQAB (Board Member): He was born in 1970 in the city of Manama, the capital of Bahrain. Mr. Eqab received his degree in accounting from the University of Bahrain in 1993. His professional career started by working as banks' inspector for Bahrain Monetary Agency in the same year. In 1996, Mr. Eqab moved to the Bahrain office of Arthur Andersen Auditing & Consultancy firm as an insurance auditor. He then worked at Shamil Bank of Bahrain BSC as internal auditing manager responsible for numerous auditing and consultancy projects between the years 2002 and 2004. He joined the Ithmaar Bank at the same city as senior manager overseeing internal audit operations between the years 2004 and 2005. Since February 2005, he has been working at ABG, registered in Bahrain, as senior vice-president responsible for financial control. He holds the position of a member of the Board of Directors and the Audit Committee since March 2008.



Mitat AKTAŞ (Board Member): He was born in 1963 in Selendi (Manisa). Mr. Aktaş has graduated from the Economics department of Political Sciences Faculty in Ankara University in 1984. He completed his masters' degree in 1992 at the Vanderbilt University in the USA. He started his career by joining the Ministry of Finance as accounts auditor in 1984. He started working in our Bank as the manager of financial affairs department in 1996. Between 2003 and 2008 he worked as the president of auditing & inspection group in Albaraka Türk. Since March 2008, he has been working as a member of the Audit Committee and board member responsible for the internal systems of our Bank.

Board of Directors

Senior Management



Fahad Abdullah A. Al RAJHI (Board Member): He was born in Riyadh, the capital of Saudi Arabia in 1961. Mr. Al-Rajhi graduated from the Industrial Management Department in King Fahad Petroleum & Minerals University. He commenced his professional career in 1987 at Al-Rajhi Banking & Investment Corporation as deputy manager of the central branch. He was then promoted as manager of the central branch and later on assistant manager of collaterals department. In the same bank, he was responsible for liaison with government offices and investments. He worked as a board member for Saudi Public Transportation company between 1995 and 2001. He worked as the general manager of treasury and finance department in Al-Rajhi Banking & Investment Corporation until May 2008. Currently, he is the chairman of board of directors of Fahad Abdullah Rajhi Venture Company. He is also a member of board of directors in the Islamic Bank in Bangladesh, Resot Cement at Oman and Najran Cement at UAE, Gulf Merchant Group and Capital Management House at Bahrain. He has been a member of our Board of Directors and the Corporate Management Committee since March 2008.



Fahrettin YAHŞI (Board Member and General Manager): He was born in Fatsa (Ordu) in 1965. Mr. Yahşi received his degree in 1987 from the Department of Management of the Faculty of Political Sciences in Ankara University and in 2006, he completed his masters degree in Banking Department of Social Sciences Institute at Marmara University (Istanbul). He started his professional career as a sworn auditor for banks in 1987. He worked for Ege Bank as an assistant general manager between 1996 and 1998. He was appointed as assistant general manager to Albaraka Türk in 1998. He held the position of senior assistant general manager at Albaraka Türk between 2005 and 2009. He has been the general manager of Albaraka Türk since November 2009.



Fahrettin YAHŞI (Board Member and General Manager):
Please see page 66 for curriculum vitae information.



M. Ali VERÇİN (Assistant General Manager): He was born in Kurtalan (Siirt) in 1962. He received his degree from the Department of Economics of the Faculty of Political Sciences in Ankara University. He worked for several private companies between 1984 and 1993 as manager of exporting affairs as well as marketing manager. He began to work as marketing specialist for Projects in Albaraka Türk in 1993. He was promoted as expert chief, 2nd manager, assistant manager and executive at project and marketing department between the years 1993 and 2000 at Albaraka Türk. He still holds the position of assistant general manager responsible for corporate marketing and retail marketing.



Nihat BOZ (Assistant General Manager): He was born in Kars in 1963. He graduated from the Faculty of Law of Istanbul University in 1985. After being self-employed lawyer between the years 1985 and 1987, he was appointed as lawyer to the department of legal affairs at Albaraka Türk in 1987. He became assistant manager in 1995 and legal affairs manager in 1996 in the same department. Between the years 2002 and 2009, he was head legal consultant at Albaraka Türk. Since December 2009, he serves as assistant general manager responsible for legal affairs of Albaraka Türk.



Temel HAZIROĞLU (Assistant General Manager): He was born in Trabzon in 1955. Mr. Haziroğlu, received his degree in 1980 from the Department of Mathematical Engineering in Istanbul Technical University. He worked as programmer, system analyst and assistant manager of IT for Türkiye Emlak Bankası. He worked as the IT Manager at Al Baraka Türk between the years 1986 and 1991. Between 1992 and 1995, he worked in the trading sector as an independent consultant. In 1996, he was appointed again at Albaraka Türk and worked as manager of IT department and deputy manager of human resources and administrative affairs department. He still holds his position of assistant general manager primarily responsible for the operations, human resources and administrative affairs departments since 2003.



Bülent TABAN (Assistant General Manager): He was born in Ordu in 1966. Mr. Taban received his degree in 1987 from the Faculty of Management in Istanbul University. He completed his postgraduate study at the Department of Management, Social Sciences Institute in Istanbul Technical University in 1990. He started his banking career as an inspector in the board of inspectors for Türk Ticaret Bankası. He transferred to Kentbank in 1995 where he was appointed as manager of retail banking in 1997. He began working as the manager of retail banking department for Albaraka Türk in 2002. Since 2003, Bülent Taban has been in the office as the assistant general manager primarily responsible for corporate credits, commercial credits and external affairs departments.



Turgut SİMİTÇİOĞLU (Assistant General Manager): Born in Erzurum in 1961, Mr. Simitçiöğlü received his degree from Education Faculty in King Suud University (Saudi Arabia) in 1989. He commenced his professional career as an officer in the central branch of Albaraka Turk in 1990. He was then promoted as assistant chief and chief (1993-1997), second manager and assistant manager (1997-2001) in central branch of the Bank. Between 2001-2003 he first became vice manager in the branch and then in corporate credits department. Mr. Simitçiöğlü has been the manager of central branch from 2003 to 2009. In 2009, he was appointed as AGM primarily responsible for financial affairs, risk-follow-up and banking services.



Melikşah UTKU (Assistant General Manager): He was born in Ankara in 1968. He graduated from Mechanical Engineering Department of Boğaziçi University in 1990. He completed his graduate studies in London School of Economics between the years 1990 and 1992 and Masters degree on economic development in Marmara University between the years 1996 and 1998. In 2004, he started to serve as general manager consultant in Albaraka Türk. Between the years 2006 and 2007, he was head economist in Albaraka Türk. He worked as investor relations manager in the 2007-2009 period. He was appointed as assistant general manager in December 2009; he still carries on his position as assistant general manager primarily responsible for investor relations, information processing and project management. In addition, he wrote columns on economy in Yeni Şafak newspaper starting in from 1995 until December 2009.

INFORMATION ON GENERAL ASSEMBLY AUDITORS

Prof. Dr. Ateş Arif VURAN (General Assembly Auditor):

Born in 1944 in Istanbul, Professor Dr. Vuran is a graduate of London French Institute and Saint-Joseph French High School. He received his BA degree from Istanbul Academy of Economics and Commercial Sciences. He attended Perugia University (Italy) in 1966 and 1967. He received his PHD in 1974. In 1978 he was an associate professor. He became a professor in statistics and numerical methods (1984). He worked as a member of the board of auditors at Turkish Airlines from 1992 to 1996 and board member at Cyprus Turkish Airlines (north). He commenced writing (journalism) in 1960. He wrote 9 textbooks in his academic career (published in Turkish and English) along with researches and articles over one hundred. Ateş Vuran who was once the rector of Istanbul Commerce University, has been an external auditor appointed by the Shareholders' Assembly of Albaraka Türk. Since 1986 he is holding this position.

Seyfettin YENİDÜNYA (General Assembly Auditor):

Born in Sivas in 1936, Mr. Yenidünya graduated from Finance department of Istanbul Academy of Economics in 1959. He commenced his banking career in 1961 at Türk Ticaret Bankası. Later on he worked in some private firms as inspector, manager and assistant general manager. He was retired in 1982 but continued working as a manager at Albaraka Türk between 1985 and 1997. He then became the chairman and deputy general manager of Ticaret Sigorta AŞ. He worked for that company in 1997 and 1998. He was later appointed as a board member at Türk Ticaret Bankası as the representative of Treasury Undersecretaries in 1998. Seyfettin Yenidünya was appointed as external auditor of the Shareholders' Assembly of Albaraka Türk in December 2003, and has since remained in this position.

Memduh COŞKUNER (General Assembly Auditor):

Born in 1938 in Yozgat, Mr. Coşkuner received his degree in 1959 from Economics and Finance Department of the Political Sciences Faculty in Ankara University. He commenced his professional career in 1960 as a certified public accountant at the Ministry of Finance. He worked for Ministry of Trade from 1971 to 1980 as an assistant general manager in the department of incentives and applications, and as project manager at Turkish Industrial Development Bank. Later on, he worked as chief assistant general manager at a private company called Transtürk Holding Inc. between 1980 and 1983. He was a founding member and financial consultant at a private firm called İMÇ Management Consultancy Ltd. Co. between 1984 and 1991. Afterwards, he established his private firm Ak Auditing Financial Consultancy Co. where he has been working as a sworn financial consultant since 1991. Memduh Coşkuner has been an external auditor appointed by the Shareholders' Assembly of Albaraka Türk since 1998.

COMMITTEES AND COMMITTEE MEETINGS ATTENDANCE

Committees and Committee Meetings Attendance

1. CREDIT COMMITTEE

A) PURPOSE

Within the authorities vested by the Board of Directors, the Credit Committee resolves about demands for credit line allocations amounting up to 10% of the Bank's equity including their renewals, amendments and/or collateral changes on condition that the tasks, powers and responsibilities should remain within the restrictions defined in the Banking Law.

B) ORGANIZATION OF THE COMMITTEE

It consists of at least two members that is chosen by the Board of Directors amongst members that meets the conditions required for the General Manager (except for the term) to carry out the assignments given regarding credits and the General Manager or Deputy Manager. Two reserve members that has the specifications required in the General Manager are chosen (except for the term) to serve in substitute for the Credit Committee member who can not participate any meeting

Current Members of the Credit Committee:

Permanent member: Adnan Ahmed Yusuf ABDULMALEK, Chairman,
Permanent member: Osman AKYÜZ, Board Member,
Permanent member: Fahrettin YAŞI, Board Member and General Manager,
Reserve Member: Faisal Abdulaziz AL ZAMEL, Board Member.

C) FUNCTIONS OF THE COMMITTEE

Based on the powers delegated by the Board of Directors, the Credit Committee is authorized to allocate credit lines in the frame of methods/principles defined by the Banking Regulation and Supervision Agency and to conclude the credit resolutions within delegated limits.

In this respect the Committee;

- Determines the general credit limits of the bank

- Determines the terms and conditions of credit allocations,
- Decides on converting credit lines of clients into other modes of credit facility
- Evaluates and concludes credit demands coming through branches for allocation and increase of credit lines in these cases that exceed branch authorities;
- Resolves on credit lines that are to be decreased or cancelled;

D) OPERATION PRINCIPLES OF THE COMMITTEE

- The Credit Committee convenes twice a week with the participation of all members. The Credit Committee's decisions given unanimously are implemented directly and by majority after the approval of the Board of Directors.
- The committee agenda is determined by the General Manager. The written advice of the General Manager is asked for in limit increases done by the Credit Committee. For proposals regarding credits for which financial tables have to be required, it is essential that the financial analysis and inquiry reports are attached.
- Activities of the Credit Committee are subject to audit of Board of Directors. Each one of the Members of the Board is authorized to ask for all kinds of information from the Credit Committee on the Committee's activities and to conduct all kinds of control he finds necessary.
- The decisions of the Credit Committee are recorded in the minute book. The Credit Committee minute book is kept according to the procedures and principles that board minute book is subject to.

Note: The Credit Committee convened 101 times in 2009 with all members attending.

2. AUDIT COMMITTEE

A) PURPOSE

The Audit Committee consists of the members of the Board

for assisting the audit and supervision activities of the Board of Directors according to the 6th clause of the 24th article of the Banking Law.

B) ORGANIZATION OF THE COMMITTEE

The Audit Committee consists of at least two Board of Directors members who do not have administrative duties. The Committee members have to have the specifications determined by Banking Regulation and Supervision Agency. Current Members of the Audit Committee:

- Osman Ahmed SULIMAN, Board Member
- Hamad Abdulla A. EQAB, Board Member
- Mitat AKTAŞ, Board Member and Internal Systems Executive

C) FUNCTIONS OF THE COMMITTEE

- Looking into the efficiency and proficiency of the internal systems of the Bank in the name of Board of Directors, the functioning of these systems as well as the accounting and reporting systems in framework of the Banking Law and related regulations, and the integrity of the produced data;
- Providing preliminary evaluations to the Board of Directors when selecting the independent firms of auditing, rating, appraising and outsourcing;
- Regularly monitoring the activities of the said companies which are appointed by the Board of Directors and with which contracts are signed;
- Ensuring the consolidated internal auditing of partnerships as per the regulations introduced with respect to the Banking Law, and coordinating their activities.

D) WORKING PRINCIPLES OF THE AUDIT COMMITTEE

- The Audit Committee convenes at least 4 times a year.
- The Audit Committee discusses issues related to internal control, financial tables, internal audit and other items on their agenda, by also summoning the representatives of

independent audit agencies, if and when needed,

- Committee resolutions are submitted to the Board of Directors for acknowledgement or ratification.
- Resolutions of the Audit Committee are registered in the Book of Resolutions as per the related provisions of the Banking Law.

The Audit Committee convened four times in 2009.

Mr. Osman Ahmed Suliman was absent with apology in one meeting. All other members have attended the meetings of the Committee.

3. CORPORATE GOVERNANCE COMMITTEE

A) PURPOSE

The Committee has been formed to follow-up, evaluate and improve our Bank's adherence to the principles of Corporate Governance and submit proposals to the Board of Directors in this respect.

B) ORGANIZATION OF THE COMMITTEE

The committee consists of at least two members of the board. If possible, the committee members are chosen from people who are not in office in execution. When found necessary, people who are not members of the board and are experts on their subjects can also be employed in the Committee. The Committee members are reassigned at the first Board of Directors meeting done after the ordinary general assembly meeting every year. If the independent members serve running 7 years, their independence on this is concluded. However, it may be possible for them to be appointed as independent member after a discontinuation of 2 years.

Current Members of the Corporate Governance Committee:

President: Ibrahim Fayed Humaid AL SHAMSI, Board Member
Member: Fahad Abdullah A. AL RAJHI, Board Member

C) FUNCTIONS OF THE COMMITTEE

- To find out whether the Principles of Corporate Governance are applied at the Bank and to determine the reasons why, if not applied; to encounter conflicts of interest that occur due to lack of full-adherence to these principles; to submit proposals to the Board of Directors for improvement of the current applications;
- To coordinate the works of the Investor Relations Department;
- To form a transparent system for the nomination, evaluation, orientation and rewarding of candidates to be our Board Members and to carry out studies for developing policies and strategies in this regard;
- To develop proposals regarding the number of Board Members and the Top Management Staff;
- To determine and oversee the approaches, principles and applications concerning the evaluation of the performances of Board Members and Top Managers, their career planning and remunerations.

D) WORKING PRINCIPLES OF THE COMMITTEE

- The committee convenes at least four times a year with one more than half the number of its members and reaches decisions on majority.
- The works and proposals of the Committee are discussed in the Board of Directors as agenda item.
- The secretarial procedures of the Committee is done by the member determined by the Committee President.

Note: The Corporate Governance Committee convened four times in 2009. All members of the Corporate Governance Committee attended all of the meetings.

4. REMUNERATION COMMITTEE

A) PURPOSE

It ensures the establishment of a balanced distribution between the benefits and rights of the Board of Directors, senior

management, bank employees and partners and rewarding of the Board of Directors, senior management and bank employees to the extent of their participation to the bank's process of providing value.

B) ORGANIZATION OF THE COMMITTEE

Current Members of the Remuneration Committee:

President: Adnan Ahmed Yusuf ABDULMALEK, Chairman
Member: Osman AKYÜZ, Board Member
Member: Fahrettin YAHŞI *, Board Member

* Fahrettin Yahşi has been appointed as the new General Manager upon the passing away of Dr. Adnan Büyükdeniz in October 2009.

C) OPERATION PRINCIPLES OF THE COMMITTEE

- The Committee meets at least once a year. The decisions are taken by the majority of votes at the committee meetings. In case of tie of votes, the party of the president is deemed to win with majority.
- Decisions are made in writing and signed by the participating members.

Note: The Remuneration Committee convened four times in 2009. All committee members attended all of the meetings.

5. STRATEGIC PLANNING COMMITTEE

A) PURPOSE

The committee has been formed for determining the strategic objectives that will actualize the Bank's vision starting from the Bank's current position, mission and primary principles and defining, executing, observing and evaluating the strategic targets that will enable achieving these.

B) ORGANIZATION OF THE COMMITTEE

The Committee consists of Senior Assistant General Manager,

Assistant General Managers and Chief Economist under the presidency of the General Manager. The Chief Economists carries out the secretariat duty of the Committee. For the works to be performed, the Committee can take consultant/ expert support from within the Bank or from the outside; invite managers or assistant managers from related departments

Current Members of the Strategic Planning Committee:

President: Fahrettin Yahşi * (General Manager)
Member: M. Ali Verçin (Assistant General Manager)
Member: Temel Hazıroğlu (Assistant General Manager)
Member: Bülent Taban (Assistant General Manager)
Member: Nihat Boz** (Assistant General Manager)
Member: Turgut Simitçioglu ** (Assistant General Manager)
Member/Secretary: Melikşah Utku** (Assistant General Manager)

* Dr. Fahrettin Yahşi has been appointed as the new General Manager upon the passing away of Dr. Adnan Büyükdeniz in October 2009.

** He has been appointed as Assistant General Manager in December 2009.

C) FUNCTIONS OF THE COMMITTEE

- To determine short and long term strategic and budget targets that complies with the Bank's mission and vision by evaluating competition conditions, general economic conjuncture, and general expectations in national and international finance markets,
- To present the strategic targets and budget targets to the Board's approval,
- To ensure the announcement of annual strategic targets approved by the Board of Directors to Bank employees,
- To ensure that the annual strategic targets are turned into process targets in a balanced manner,
- To observe and evaluate the realization of annual strategic targets and budget targets through the related departments

and Chief Economist and submit reports on their actualization to the Board of Directors,

- To determine the revision need of the targets and budget depending on the general economic conjuncture within the year and present it to the Board's approval.
- To work according to other matters stated on the budgeting procedures.

D) WORKING PRINCIPLES OF THE COMMITTEE

- The Committee convenes at least four times a year. The committee makes the decisions in writing and these are signed by the participants. The committee takes the decisions by the majority of votes. In case of tie of votes, decision is taken in the direction of the president's vote.

Note: The Strategic Planning Committee convened 12 times in 2009. All committee members attended all of the meetings.

6. ASSET/ LIABILITY MANAGEMENT COMMITTEE

A) PURPOSE

The Asset/Liability Management Committee (ALMC) was formed mainly to assess and evaluate the composition of assets and liabilities on the Bank's balance sheet for the purpose of ensuring effective management of the Bank's finances. In this context, ALMC examines all of the resources and the areas in which they are used, the structure of tenor maturity, liquidity levels, foreign currency and pricing risks, credit risks and capital adequacy factors which affect the quality of assets. It also aims to possess the resources that are required for products and services rendered to our customers, readily available, and peruse the factors that could affect our Bank's profitability. The committee also ensures the measures to be taken as a result of its evaluations, perusals and examinations are executed.

B) ORGANIZATION OF THE COMMITTEE

The Committee consists of Assistant General Manager and concerned Department Managers under the presidency of the General Manager.

Current Members of the Asset/ Liability Committee:

- Fahrettin YAŞI * (General Manager)
- M.Ali VERÇİN (Assistant General Manager)
- Bülent TABAN (Assistant General Manager)
- Temel HAZIROĞLU (Assistant General Manager)
- Nihat BOZ ** (Assistant General Manager)
- Turgut SİMİTÇİOĞLU ** (Assistant General Manager)
- Melikşah UTKU ** (Assistant General Manager)
- Mahmut Esfa EMEK (Operation Senior Manager)
- Ahmet OCAK (Financial Affairs Senior Manager)
- Hüseyin TUNÇ (Corporate Credits Senior Manager)
- Ömer Lütfi TAMA (Retail Banking Manager)
- İhsan Fehmi SÖZKESEN (External Affairs Manager)
- Osman ÇELEBİ (Commercial Credits Manager)
- Hasan ALTUNDAĞ (Marketing Manager)
- Volkan EVCİL (Risk Management President)
- Ahmet KOÇ (Banking Services Director)

* Fahrettin Yaşî has been appointed as the new General Manager upon the passing away of Dr. Adnan Büyükdeniz in October 2009.

** He has been appointed as Assistant General Manager in December 2009.

C) FUNCTIONS OF THE COMMITTEE

- To evaluate the asset & liability composition of the Bank's balance sheet,
- To assess the Bank's resources, as well as the areas and activities in which they are used.
- To evaluate general economic data, current and likely political and economic developments,

- To analyze the factors that could affect the quality of the balance sheet and effectiveness of the Bank (i.e. maturity mismatch, liquidity risk, foreign currency and pricing risks) in light of relevant reports and presentations,
- To weigh up credit risks that could affect the quality of assets,
- Evaluating Bank capital adequacy, liquidity and foreign exchange position and resource allotment activity,
- To ensure that the resources required for the products and services extended to our customers are readily available with best cost and quality,
- To examine the elements that could affect profitability of our Bank, including operational risks,
- To make sure that the actions required for restoring the findings of its evaluations are executed.

D) WORKING PRINCIPLES OF THE COMMITTEE

- It convenes at least once a week.
- Weekly resource development and activity report, fund utilisation report, position and risk report, branch activity summary report, weekly collection and default report and the report assessing the weekly economic and political developments are prepared by the related departments for each meeting.
- The decisions of the meeting are recorded and forwarded to the concerned departments and followed up by the Chief Economist, if he has attended the meeting, or by a member appointed by the General Manager or his deputies who presides over the meeting.

Note: The deputies of the members who could not attend some meetings have participated in the Committee meetings. Evaluation of Audit Committee with regards to Functioning of Internal Systems

In order to monitor and control risks faced, Albaraka Türk has formed a sufficient and efficient structure of internal systems, consistent with the scope and structure of activities, accommodating the dynamic environment, covering all the branches and divisions, within the framework of the methods and principles as highlighted in the related regulations.

The units within the scope of the Internal Systems are the Board of Inspectors, Presidency of Internal Control and Presidency of Risk Management. All the three units operate under the auspices of the Board Member Responsible for Internal Systems and Board of Directors.

The Board of Inspectors carries out the function of audit that is inclusive of all the activities of the Bank, in which respect, the Board executes the processes of audit, inspection, investigation and inquiry at all the head-office divisions and branches of the Bank.

The Board of Inspectors functions with an understanding of risk-focused audit. During the process of audit, for which all available technologies are utilized, all activities are audited in conformance with both external and internal regulations.

Presidency of Internal Control conducts risk-oriented and interactive audits that ensure the regular, effective and safe performance of bank activities in the general management units and branches.

The findings, opinions and suggestions of these internal control activities are initially shared and evaluated by those that perform audited activities. This way, not only are the necessary complementary and preventive measures adopted and implemented in a fast manner, but also proper and applicable solutions that promote the processes and activities are put into practice. All these tasks are monitored and evaluated closely and constantly by those members of the staff that carry out the activities as well as the internal controllers.

Presidency of Risk Management carries out the activities of measurement, observation, control and reporting of the risks our bank is exposed to.

For the purpose of internal ratings-based measurement of credit risk which was the most serious risk exposed among the functional activities, studies started together with consultancy firm are in the phase of conclusion and the model covers small enterprises, commercial and corporate segment firms.

Additionally, risk measurement models are used for test-purpose in order to calculate market risk with other than standard method which is currently used for measuring and reporting market risk. With backtesting applications, deviations between actual values and daily VaR values, predicted by risk measurement models, are determined for the purpose of testing accuracy and performance of these models. Potential strength of portfolio against to unexpected risks is measured with stress tests including stress scenarios. It is monitored that whether market risk of our Bank is within in the legal limits or not.

Our Bank which is conscious of building a strong structure in terms of asset quality, liquidity, capital adequacy, risk management and internal control, is carrying on its activities planned in its road map according to road map of Banking Regulation and Supervision Agency (BDDK) for transition to Basel II. The developments in this regard have been conveyed to BDDK as progress report.

The staff appointed units within the scope of internal systems, who perform their task independently and impartially, have sufficient professional knowledge and experience.

The activities of the units within internal systems are evaluated periodically by the Audit Committee and the Board of Directors.

Mitat Aktaş
Member of Audit Committee

Hamad Abdulla A. Eqab
Member of Audit Committee

Osman Ahmed Suliman
Member of Audit Committee

Managers of Internal Audit Systems

Managers of Internal Audit Systems

Information concerning the professional experience, duration of service in their positions at our Bank and educational background of the managers of the units within Internal Systems of our Bank is given below:

Name-Surname	Professional Experience (Years)	Duration of Service at Albaraka Türk (Years)	Length of Service in the Area he is Responsible for (Year)	Education	Field of Responsibility
İsmail Küçükerdoğan	25	14	7	University	Inspection
Volkan Evcil	19	17	8	University	Risk Management
İlhami Özdemir	13	8	8	University	Internal Control

Support Service Providers/Transactions Done with the Risk Group the Bank Participates in

SUPPORT SERVICE PROVIDERS

Companies providing support services in accordance with the regulations on the provision of support services to banks and the authorization of support service providers are listed below:

(Support services are provided from institutions or persons outside the bank in areas like maintenance of ATM, POS devices and similar movables, maintenance and support of software programs, courier and cargo transport.)

Firm	Services
Güzel Sanatlar Çek Basım Ltd. Şti	Support Services for Cheque book printing transactions
Banksoft Bilişim Bilgisayar Hizmetleri Ltd. Şti.	Software and administration services for ATM machines and bank cards
Reuters Limited	Support services regarding interbank and international markets foreign currency prices and enabling follow and search market flows and information.
Servus Bilgisayar	One-year maintenance support for IBM iSeries Model No. 520, 570, 270 and 840 Systems and for Ultrium tapes
Medisoft Özel Sağlık ve Bilişim Hizmetleri Ltd. Şti.	Consultancy service for Lotus Notes/Domino infrastructure
Eczacıbaşı Bilişim A.Ş.	E-Foreclosure administration system and contract of E-signature library software license
Prog-G Bilişim Güvenliği ve Araştırma San. Tic. Ltd. Şti.	Support for detailed auditing/testing on open access security over internet and determining the security gaps of these systems of Albaraka Türk if exists.
Hewlett-Packard Teknoloji Çözümleri Ltd. Şti.	Support services for HP servers
Biltam Mümessillik Dış Tic. ve San. A.Ş.	7x24 component maintenance of Vanguard devices
Borusan Telekom ve İletişim Hizmetleri	Hardware support services
Doruk İletişim ve Otomasyon San. ve Tic. A.Ş.	Internet access service via intracountry rented circuit of Doruknet
Global Bilişim Yazılım Danışmanlık ve Tic. Ltd. Şti.	EFT interface maintenance
Global Bilişim Yazılım Danışmanlık ve Tic. Ltd. Şti.	SKAY/400 Software support service for SWIFT interface
Eastern Networks Çözümleri Tic. A.Ş.	SWIFT alliance support service
S.W.I.F.T S.C.	Support Service for Foreign Currency Transactions
T.C. Merkez Bankası bünyesindeki EFT	Support service for interbank Turkish Lira transfers in Turkey
Provus Bilişim Hizmetleri A.Ş.	Clearing, provision and operational services for credit cards
Western Union	Operational support for transactions done within the day and technical program support for the program used at installment

TRANSACTIONS OF THE BANK WITH THE RISK GROUP OF WHICH THE BANK IS A MEMBER

Transactions of the Bank that are carried out with its Risk Group of which it is a member includes all banking operations under market conditions and in normal bank-to-client affairs, compatible with the prevailing Bank's Act. Detailed explanation can be found in Section 5 of "31 December 2009 - Unconsolidated Financial Statements and Independent Auditor's Report", under footnote – VII.



**Corporate
Governance
Principles
Compliance
Report**



3 Corporate Governance Principles Compliance Report

1. Declaration of Compliance to Corporate Governance Principles

Albaraka Türk Participation Bank (Albaraka Türk) complies with the Corporate Governance Principles which were adopted and declared by the Capital Markets Board (CMB) to the general public under decision nr. 35/835, dated 04 July 2003 and observes these principles. The Bank has enriched the contents of its annual report and its web site in compliance with the framework of these principles.

Shareholders have gained the opportunity to benefit from the Albaraka Türk's website more comprehensively.

Activities that are related to the framework of Corporate Governance Principles were also included in this web site.

PART I - SHAREHOLDERS

2. Investor Relations Unit

Investor Relations Unit was established in 2007 to respond to the inquiries of the shareholders in a correct and timely fashion. While Investor Relations Unit was under Corporate Governance Committee, it has been affiliated with deputy General Manager with the Board of Directors decision dated 18th, December 2009. The staff and contact information of the Unit under

Name Surname	Title	Telephone Number	e-mail address
Adem KARAKELLE	Vice Manager	+90 (212) 274 99 00/2200	akarakelle@albarakatürk.com.tr
Seyfullah DEMİRLEK	Associate	+90 (212) 274 99 00/2210	sdemirlek@albarakatürk.com.tr
Mücahit ÖZDEMİR	Associate	+90 (212) 274 99 00/2211	mucahitozdemir@albarakatürk.com.tr

Deputy General Manager Melikşah UTKU is as follows; All inquiries whose answers do not fall under the category of commercial secret are handled by this unit, keeping in mind the principle of equality among shareholders and thus, a continuous line of communication is maintained between the management and the shareholders.

Financial tables mentioned in the legislation were collected from the relevant departments on a quarterly basis and within the time limits specified by the law and were disclosed primarily through the Capital Markets Board (CMB), the Public Disclosure Platform (PDP) and Istanbul Stock Exchange (ISE).

Press releases are prepared in relation to the quarterly period for which the financial tables are published and presentations are prepared for the purpose of informing the investors. These are subsequently published on the web site.

A total of twelve special material disclosures was made to the ISE, and the same have been published on PDP in transition stage.

A total of eleven investors visits, three which were abroad, were conducted by the participation of Investor Relations Unit staff and the senior management in 2009.

Within 2009, a total of thirty-seven meetings were made both with domestic investment companies and international investment funds. Additionally, inquiries from investors and analysts were replied via telephone and e-mail correspondence. In addition, inquiries of our investors are also answered carefully.

3. Shareholders' Right to Access Information

The Bank protects the rights of the shareholders related to information access, investigation, participation in general assemblies, voting, obtaining dividends and minority rights. No discrimination is made among the shareholders in relation to the utilization of information access rights of the shareholders in

accordance with the Turkish Banking Law and related legislation. All kinds of information necessary for an equal treatment of all shareholders, their ability to exercise their rights and to make their investment decisions are available.

All sorts of inquiries related to Albaraka Türk are answered by the Investor Relations Unit through e-mail and telephone correspondence and through conducting of one-to-one or group meetings with existing or potential investors and bank analysts.

Albaraka Türk has two separate Investor Relations web sites, both in English and Turkish. These internet sites are accessible from the URL's below:

- Turkish investor relations site
[http://www.albarakatürk.com.tr/yatirimci_iliskileri/anasayfa.aspx?](http://www.albarakatürk.com.tr/yatirimci_iliskileri/anasayfa.aspx)
- English investor relations site
http://en.albarakatürk.com.tr/investor_relations/homepage.aspx?

The website provides information regarding the shares, introductory corporate data, periodically released financial tables and annual reports, social responsibility projects, electronic presentations explaining the developments in the Bank, and announcements about the latest developments related to the Bank.

Special material declarations related to changes related to the rights of the shareholders are submitted to the ISE and PDP.

Appointment of special auditors as an individual right has not been established in the Articles of Incorporation of the Bank and no request has been received until this time related to any such special auditor appointment.

4. Information on General Shareholders' Assembly

The General Shareholders' Assemblies are conducted within the framework of the Banking Law, the Turkish Commercial Law and Capital Markets Law. The Ordinary General Shareholders' Assembly was convened on 31 March 2009. The Ordinary General Shareholders' Assembly was convened with a representation of 62.79 % and all shareholders expressing their intention to participate in these meetings were able to do so. The invitations to shareholders to participate in the General Shareholders' Assemblies are published at the Istanbul Stock

Exchange and PDP as well as the Trade Registry Gazette as well as newspapers distributed all over Turkey two weeks before the assemblies; and data has been entered in Central Record Office for the blockages the shareholders that are traded at the exchange will place to be able to attend the general assembly.

Additionally, the invitations are published at the Bank's web site and are also sent by registered mail to shareholders available in the share register and to shareholders who have previously presented documents certifying their share ownership and addresses, along with the newspapers where the meeting agenda and announcement were published.

The shareholders can exercise their right to make inquiries at the General Shareholders' Assemblies and all such inquiries are handled. No inquiry other than those which were included in the agenda was made during any of the meetings that has taken place in this period. There is no limitation in the Articles of Incorporation related to the adoption of decisions related to purchase, sale or renting of properties in the General Shareholders' Assemblies.

According to the provisions of the Articles of Incorporation, voting by proxy is possible. According to article 29 of the Articles of incorporation, shareholders can either exercise their right of voting directly at the General Shareholders' Assemblies or can exercise this right through another person who is not necessarily a shareholder.

Decisions adopted at the General Shareholders' Assemblies are announced to the shareholders through the Bank web site. Duties related to compliance with the Articles of Incorporation and internal regulations of the Bank while exercising

Capital Distribution of the Bank as of 31.12.2009

Shareholder Structure	Total Shares (TL)	Ratio (%)
Foreign Shareholders	356,591,882.00	66.16
Albaraka Banking Group	291,373,378.00	54.06
Islamic Development Bank	42,265,852.00	7.84
Alharthy Family	18,629,256.00	3.46
Others	4,323,396.00	0.80
Local Shareholders	62,608,374.00	11.61
Public	119,799,744.00	22.23
Total	539,000,000.00	100.00

shareholder rights and ensuring the exercise of such rights are performed by the Investor Relations Unit.

5. Voting Rights and Minority Rights

There are no privileges vested in the shares of the Bank. The distribution of capital as of 31 December 2009 is as follows:

The capital structure is published on the web site of the Bank. There is no provision enabling the exercise of cumulative voting right in our Articles of Incorporation as of now. All of the shares of our Bank have been recorded at Central Record Office A.Ş. ("MKK").

6. Profit Distribution Policy and Time Schedule

There is no privilege in relation to profit distribution to the shareholders. Every shareholder gets his/her share from the distributed profits in proportion to his/her own share. The profit distribution is handled in accordance with the Turkish Commercial Law and relevant regulations of the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board (CMB). The profit distribution takes place within the time schedule specified by the law. The profit distribution is explained in a more detailed manner in the articles 46 and 47 of the Articles of Incorporation of the Bank, published on the Bank's internet site.

7. Transfer of Shares

According to the article 11 of the Articles of Incorporation, registered shares can be transferred without the approval of the Board of Directors in accordance with the Capital Markets Law, the Banking Law, the Turkish Commercial Law, and Central Registry Agency regulations. Transfer of shares that require approval by Banking Regulation and Supervision Agency (BRSA) in accordance with the Banking Law can be transferred only after obtaining this approval. Share transfers that are made without obtaining the necessary approvals will not be registered in the share register. In case no approval is obtained from aforementioned Board, the partners acquiring such shares cannot benefit from any right other than dividend payments.

PART II – PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company Disclosure Policy

Our bank acts within the framework of principles of fairness, correctness, neutrality, coherence and timing with respect to disclosure of information to shareholders and other stakeholders.

Disclosures and announcements as part of this policy are promptly made for all developments concerning our Bank's rights and benefits and for developments that might cause important changes in the financial situation and/or activities of our Bank.

However disclosed information can not include any information that might have negative consequences on the Bank, our shareholders and other stakeholders by hindering competition and can not be in the context of commercial secret. Public disclosure can also be conducted, not only through special material disclosures, but also through press statements in times of need. Information and meeting requests of the shareholders and other stakeholders are assessed within the framework of our Bank's information policy and all information shared in this way could only be within the scope of previously disclosed public information.

The bank's financial tables are announced in accordance with regulations of the CMB and the BRSA.

Financial table announcements and special material disclosures are handled by Investor Relations Unit.

9. Special Material Disclosures

In accordance with the CMB's "Communiqué Related to the Disclosure of Special Events to the Public", twelve such disclosures were made. Neither the CMB nor the ISE requested any additional explanation regarding these announcements. The Investor Relations website has a separate section for special material disclosures.

No sanctions have been made by the CMB due to not disclosing required information or late disclosure.

10. Website of the Company and Its Contents

Albaraka Türk Participation Bank has two separate websites, one in Turkish and the other in English. The websites are accessible from www.albarakatürk.com.tr

All information required in the CMB Principles of Corporate Governance, Part II, Article 1.11.5 is disclosed on our website.

Within the framework of public disclosure and information policies, our Bank's website provides easily accessible information under the section of Investors Relations.

Under the Investors Relations title; Corporate Information (trade registry information, share information, articles of incorporation), Corporate Governance (our mission and vision, governance and audit committee, superior management, corporate governance principles, ethic principles for banking, disclosure policy, list of people with access to information inside), General Assembly (general assembly meeting announcement, general assembly meeting minutes, list of participants and letter of attorney example), Financial Information (activity reports, IFRS reports, independent audit reports, ratings and their reports), Stock Information (dividend distribution, capital increase), Special Material Disclosures and Stock Performance, "You Ask We Solve" (frequently asked questions, information requests and the responses). The necessary security measure has been taken against making changes on the information published on the internet site and precautions against potential threats are constantly updated.

11. Disclosures of Real Person(s) Holding Controlling Shares

No real person holding controlling shares exist among the shareholders of the Bank. No real person shareholder holds shares constituting of more than 5% of our equity. Shareholding structure is given both in the annual reports and on our website.

12. Public Disclosure of People Who have Access to Insider Information

The List of People Who have Access to Insider Information is kept in line with the 16th article of Serial VIII, No: 54 Notification of Principles Concerning Disclosure of Special Situations to Public and the current form of the list is published in the Investor Relations section on our internet site.

PART III - STAKEHOLDERS

13. Informing Stakeholders

Stakeholders of Albaraka Türk receive information on issues that may be of interest to them. This information is provided through special event announcements sent to the ISE and PDP, newspaper announcements, meetings, Q&A and the Bank's website.

14. Participation of Stakeholders in Management

The principle adopted for the participation of stakeholders in management is to make arrangements parallel to the related legal provisions.

15. Human Resources Policy

As the pioneer institution in its sector, Albaraka Türk is preferred by fresh university graduates as well as professionals because of its institutionalized structure, personnel rights and training opportunities. Our human resources policy is based upon the principles of establishing healthier working conditions, improving team-work, improving skills and productivity of employees through training programs, fair wage systems and placement of qualified personnel in all positions.

Training Opportunities: All employees joining our team are subject to an orientation (training) program which aims at familiarizing them with the institutional atmosphere. Training programs are also organized for experienced staff. Classroom trainings mostly covering related staff are given almost half of the year. Contents of the training programs are determined in conformity with the attendants' technical responsibilities and their career planning.

Employee Personal Rights: In addition to the monthly salary, employees receive a bonus to the amount that will be determined by the budget. Furthermore, there are foreign language allowances, financial contributions on social occasions (like wedding, birth, house relocation, suits to be worn at work) and also free daily facilities (like catering services in house and transportation to and from home). Besides the national insurance and pension system "SGK", Albaraka Türk meets the medical expenses of its staff and their family members, within certain limits, based on a deal realized with a private insurance company.

Career Opportunities: Every employee who completed due working periods as defined by the Personnel Regulation of Albaraka Türk, can take exams for promotion. The conditions for promotions are successful exam results, positive assessment of his/her overall performance and a clean disciplinary record. Training programs attended by the employees are also taken into account in promotions.

Social Activities: Some outdoors activities like sport tournaments, trips, theaters, dinners, etc. are organized in order to help employees increase solidarity among themselves and develop a sound team-work spirit.

16. Information on Relations with Customers and Suppliers

Albaraka Türk always aims at achieving customer satisfaction with the products and services it provides. In order to achieve high quality of products and services; work flow charts, work process definitions, and instructions have been set up and announced to all employees through the bank's intranet.

Customers can submit their complaints and questions about Albaraka Türk's products and services by:

- Calling our call center on 444 5 666
- Using 'You Ask, We Solve' Module on the website (www.albarakatürk.com.tr)
- Sending e-mails to soruncozelim@albarakatürk.com.tr
- Filling the Customer Forms available at all the branches
- Sending faxes to +90 (212) 354 23 43
- Writing directly to the Head Office

Another performance criteria designated stakeholders' group by Albaraka Türk is the suppliers. The Bank takes into account the factors mentioned below when selecting the suppliers of outsourced products and services:

- References
- Examples from the suppliers' previously conducted work.
- Proficiency and technical efficiency of supplier at its profession
- Cost

The bank shares its performance criteria with its suppliers so as to establish a mutual understanding. The bank provides equal opportunities to all suppliers and it also follow up the suppliers' performance whether they comply with the social standards.

The bank keeps the information of its customers and suppliers within the context of trade secrets.

17. Social Responsibility

The management of Albaraka Türk Participation Bank, with the goal to improve the quality of life for the society within the framework of social responsibility principles, contributes to the development of the economy; complies with the laws and follows policies that are respectful with all business lines and to the environment. Accordingly, the bank continues to support various projects prepared for social and cultural purposes.

Giving great importance to the support of cultural publications and preparation of new cultural publications, Albaraka Türk has also continued its efforts in this area in 2009. A cultural publication has been printed also in connection with Istanbul's being chosen as 2010 Capital of Culture; the book named 'Seyyahların Aynasında Şehirlerin Sultanı İstanbul' (The Sultan of Cities, Istanbul on the Mirror of Travelers) telling the observations of travelers who visited Istanbul between 15th century and 20th century was prepared by Prof. Dr. Ümit Meriç and has taken its place in Albaraka Türk Kültür Yayınları (Albaraka Türk Cultural Publications).

Albaraka Türk organizes Calligraphy Contest traditionally to bring the respectability it deserves to the art of calligraphy and support the calligraphers who create works in this field. The calligraphy works that ranked in the Calligraphy Contest in 2008 were illuminated. Preparation works are done for exhibiting the illuminated calligraphy works in 2010.

An exhibition has been organized with the photographs in Hicaz Railroad Photography Album which is an important cultural study of Albaraka Türk that throws light upon history and first edition of which was done in 1999. The exhibition was opened in Ağrı İbrahim Çeçen University and Erzurum Railroad Terminal and attracted great attention.

A photograph exhibition was created from the works that ranked in Albaraka Türk Photograph Competition themed 'Hard Gotten' the first of which was made in 2007. In 2009, with the cooperation of Tradesmen and Artisans Society the exhibition was opened to visitors in Mamak in Ankara and Eyüp and Eminönü in Istanbul as a part of Ahi-order week.

Reading books for children are prepared by Albaraka Türk at specific periods every year. These books are distributed through branches and attract great attention from the children. In 2009, two illustrated children's books named 'Deli Dumrul' and 'Zurafil' have been published. Together with these books, the total number of the bank's children's books has increased to 20.

Besides these endeavors, the bank sponsored International Health and Arts Festival the first of which was organized by Turkish Green Crescent Charity this year. Donations are given every year by our bank to Bereket Foundation that gives scholarship to undergraduate, graduate and doctorate students.

PART IV – THE BOARD OF DIRECTORS

18. Formation and Structure of the Board of Directors and Independent Members

The Board of the Bank consists of Chairman Adnan Ahmed Yusuf ABDULMALEK, Vice Chairman Yalçın ÖNER, Resident Executive Member Osman AKYÜZ, Member İbrahim Fayeز Humaid ALSHAMSI, Member Osman Ahmed SULIMAN, Member Faisal Abdulaziz AL ZAMEL, Member Ekrem PAKDEMİRLİ, Member Mitat AKTAŞ, Member Hamad Abdulla A.EQAB, Member Fahad Abdullah A. ALRAJHİ, Resident Executive Member and General Manager Fahrettin YAHŞİ.

Board Members are elected for a term of maximum three years according to Article 15 of the Articles of Incorporation. Members whose office terminates can be elected again. General Manager of the Bank is a natural member of the Board.

The Board Members are restricted with the rules stipulated in Turkish Commercial Law and relevant charters and regulations with respect to their working for and running other operations or businesses outside the Bank. The Bank abides by these principles.

19. Qualifications of Board Members

The minimum requirements for electing Board Members of the Bank are in compliance with Chapter IV of the Corporate Governance Principles of the Capital Market Board, articles 3.1.1, 3.1.2 and 3.1.5. Rules on this subject can be found in the Articles of Incorporation of our Bank. We do not have Board member who is not in compliance with the minimum qualifications that

were listed in the said Corporate Governance Principles.

20. Strategic Targets, Mission and Vision of the Bank

Our Board has clearly established the mission, vision and strategic targets of Albaraka Türk as specified in this annual report.

In the Articles of Incorporation of our Bank, it is written that the duties and responsibilities of Board members are specified in accordance with articles of the Turkish Commercial Law and the Banking Law.

Our Board monitors the development of the Bank to see if these are in line with the strategic targets of the Bank, and evaluates the performance of the Bank. Annual budget and strategic plan of the Bank is approved by the Board. The Board closely monitors the budget and compares it with actual performance, collects information about the deviations and follows up decisions taken. If there are important deviations from budget given changes in the market conditions, the budget is revised and submitted to the approval of the Board again.

21. Risk Management and Internal Control Mechanism

The Board has a responsibility of establishing and providing compatible, adequate and effective systems on internal control, risk management and internal auditing as foreseen by the Banking Law for the purpose of monitoring and controlling risks emerging from operations.

The Board is responsible for establishing risk management policies and strategies. These policies are revised and evaluated periodically in Board meetings according to prevailing market conditions.

The General Manager is responsible from ensuring that departments of Bank operate in accordance with the specified policies and strategies about risk management as determined by the Board.

Necessary controls are also made to ensure competency with the policies and strategies by means of regular internal control and audit.

The Board of Albaraka Türk Participation Bank takes an important part in the processes of risk management by tracing

policies and strategies on consolidated and unconsolidated basis, setting up limit systems and procedures in the bank.

22. Authorities and Responsibilities of Board Members and the Top Management

Bank Management is detailed in the second part of the Articles of Incorporation of the Bank. In this section authorities and responsibilities of managers and Board members (directors) are described. According to this section; The Board, which has the authority to administer (manage) and represent the Bank with respect to the Banking Law, the Capital Market Law, the Turkish Commercial Law and other related legislations, as well as the Articles of Incorporation of the Bank, can take decisions on every matter which does not specifically require the resolution of the General Shareholders' Assembly.

23. Basis of Board Operations

The board holds its meeting in the Bank headquarters upon the invitation of the chairman. Every member can request the invitation of the board to the meeting in writing from the chairman. The board meeting can be held in a location other than the Bank headquarters or outside of Turkey on exceptional cases on condition that at least two thirds of the member number is present in person.

About matters which are explained in the Chapter-IV article-2.17.4 of the Corporate Governance Principles of the Capital Market Board, its members must attend to the meetings personally. If legal quorum is provided, decisions are given by the majority of the members present. Every member opposing to the decision can demand their opposing opinion to be recorded on the decision.

According to the Banking Act, the Capital Market Law, the Commercial Codes and related legislations, Board decisions must be signed by the members attending the meeting, within one month, and must be saved in a book having sequentially numbered pages, with the date and number of the meeting, leaving no gaps or bulges between the lines of the resolutions. The said book must have been stamped according to rules on registration books as defined in the Turkish Commercial Law.

There is a Secretariat in our Bank to inform members of the Board of Directors and provide communication.

24. Prohibition of Competition against the Company or Transactions with It

Permission is necessary for the Chairman and members of the Board about competing against the Company or having transactions with it, excluding prohibited matters that were explained in the Banking Act and the Turkish Commercial Law, from the General Assembly according to articles 334 and 335 of the Turkish Commercial Law.

25. Rules of Ethics

With the Board decision number 693, our Bank has adopted the "Ethical Rules for Banks" approved by the Association of Participation Banks, in our operations. The Bank conducts its operations with respect to operational principles of the Bank that conform to the said ethical rules in its relations and transactions with all stakeholders. The details of the Bank's seven main principles of ethical business (i.e. honesty, impartiality, reliability, transparency, observing public interest and environment, anti money-laundering, preventing insider's trading) are published on its web site.

26. Number, Structure and Independence of Committees under the Board of Directors

In compliance with the legislation, there is an Audit Committee in Albaraka Türk Participation Bank which consists of three Board members that do not have executive duty. This committee reports to the Board and assists the Board in accomplishing its auditing and controlling functions. It is responsible of monitoring the operations of internal systems, accounting and reporting systems of the Bank.

Parallel to the common legal practice in the banking industry there is a Credit Committee in the Bank which consists of the General Manager and two Board members, in charge of the credit approval process. The Credit Committee is the last level of credit allocation process in the Bank which decides for credits by analyzing the proposals according to criteria given in the legislations, banking practices, targets and credit policies of the Bank, after the approval of General Management.

There is a Corporate Governance Committee which consists of the two Board members. This committee monitors, assesses the bank's compliance with corporate governance principles and

offers suggestions to the Board of Directors. The committee ascertains that the bank conforms to the corporate governance principles. If conflicts of interests occur due to poor practice of the corporate governance principles, the committee offers suggestions for the solution of the problem to the Board of directors. Moreover, the committee works on setting out strategies for a transparent system in identification and assessment of candidates for the Board of Directors posts.

There is a Remuneration Committee which consists of a chairman and two members reporting to the Board. The committee aims to ensure that the board of directors, the senior management and the bank's employee are awarded in proportion to their contribution to the bank's value addition.

27. Fiscal Rights of the Board

According to article 24 of the Articles of Incorporation, "The General Assembly of Shareholders decides the amount of general allowances, per-diems, wages, bonuses, premiums and other payments to be made to the chairman, vice chairman, and other members of the Board."

Apart from those approved by the General Assembly, there are resolutions about other costs of every Board member to be covered by the Bank like per-diem payable against every meeting attended (the amount of which is determined by the Shareholders' Assembly), and the transportation and full-board accommodation costs in approved hotels.

The Board of Directors has been authorized by the General Assembly to determine the payment of additional fees and the amount of these fees to the Board of Directors members who will be appointed to committees like Audit Committee, Credit Committee formed by the Board of Directors and specific subjects pursuant to the Articles of incorporation of our Bank.



Financial
Information
and Risk
Management



"Masts-1"
Kemer/Antalya
2003



Aiming to ensure capital allocation compatible with the risks of its functional operations and increase the capital yield set according to these risks to the maximum level, Albaraka Türk evaluates risks by classifying them as market risks, liquidity risk, credit risk, operational risk, strategic risk and credibility risk.

Evaluation of the Financial Situation, Profitability and Capacity to Pay Loans

Albaraka Türk increased its assets to TRY 6 million 415 thousand in 2009 by increasing them by 34% compared to the previous year end although the crisis experienced in the global financial markets was effective especially in the first half of 2009.

Carrying on the support it gives to real sector in 2009 as well, Albaraka Türk increased the credits provided which has the largest share in its assets (73%) to TRY 4 million 686 thousand with an increase of 25% as of 2009 year end compared to the previous year end.

The funds collected by the bank reached TRY 5 million 465 thousand with an increase of 37% as of 2009 year end compared to the previous year end.

Maintaining its strong capital structure, Albaraka Türk increased its equities to TRY 11 million 711 thousand with an increase of 11% as of 2009 year end compared to the previous year end.

Increasing its operation revenues to TRY 411 million TL with an increase of 22% as of 2009 year end compared to the previous

year end, the bank succeeded in increasing its net fee and commission to TRY 81 million with an increase of 57%, net profit share revenues to TRY 308 million with an increase of 12%, and exchange to TRY 25 million with an increase of 53%.

Personnel expenditures increased to TRY 106 million with an increase of 29% as of 2009 year end compared to the previous year end, the decrement reserves increased to TRY 132 million with an increase of 152% and amortization expenses increased to TRY 9 million with an increase of 11%.

The capital adequacy ratio accrued as 15.33% above its legal obligation level as of 2009 year end.

The objective of the Risk Management System of our Bank is to ensure the definition, measuring, monitoring and controlling of the encountered risks by means of the policies, implementation methods and limits that have been determined to monitor, control and when necessary change the risk-income structure including the future cash flows and, accordingly, the quality and level of the activities.

The ultimate target of our Risk Management System is to allocate our functional activities sufficient capital (economic capital) consistent with the risks they bear and to maximize capital returns adjusted for risk, thus increasing the value added.

In our Bank's activities for transition into Basel II, the Roadmap of the Banking Regulation and Supervision Agency (BRSA) has been taken as a reference according to which the Roadmap of our Bank has been prepared. It has been aimed that this Roadmap be dynamic and consistent with the updates in the roadmap of BRSA.

Basically being exposed to market, liquidity and credit risk, strategic risk, credibility risk and operational risk, the Bank determines risk policies and application methods approved by the Board of Directors for the risks exposed that can be digitized. The said limits are monitored and reported by the units within the internal systems and the related organs of the Bank and ensured that the risks remain within determined limits. The Presidency of Risk Management which is organized within the framework of risk management regulations carries out the activities of the measurement, control and reporting of risks.

The Assets/Liabilities Committee (ALCO), which convenes under the General Manager with the participations of the Assistant General Managers and the Managers of the related divisions, manages the structure of the assets vis-à-vis liabilities by evaluating the domestic and global economic conditions concerning collecting and allocating funds in the direction of the risk management policies of our Bank.

Market Risk

The Market Risk signifies the probability of possible losses that may arise from the effect of the fluctuations in exchange rates to our Bank's assets and liabilities held in different foreign currencies within and off the balance sheet and the probability of loss our Bank is likely to incur due to the price movements in the stocks held by our Bank.

Foreign exchange rate risk or foreign currency position risk portion of our market risk is defined as the negative impact on the Bank's income, and accordingly, in the equity, cash flows, quality of assets and consequently in our Bank's capacity in fulfilling its commitments, of the unexpected changes in exchange rates due to the foreign currency position of the balance sheet of the Bank. Similarly, stock position risk is defined as the negative impact on the Bank's income, and accordingly, in the equity, cash flows, quality of assets and consequently in our Bank's capacity in fulfilling its commitments, of the unexpected changes in prices of the stocks held in the balance sheet of the Bank.

Within the coverage of market risk, our Bank calculates the foreign currency position risk and the stock position risk, as well as specific risks associated with market risk, by using the standard approach and reports to it the authorities accordingly on a regular basis. Additionally, for test-purpose, foreign currency position risk of our Bank is measured by internal models. With backtesting applications, deviations between actual values and daily VaR values, predicted by internal models, are observed in order to control accuracy and performance of these models. Potential strength of portfolio against to unexpected risks is measured with stress tests including stress scenarios.

Whether the market risk of our Bank is in conformity with legal regulations and the determined limits is constantly monitored. Our foreign currency risk is discussed and evaluated at every Assets/Liabilities Committee meeting and our foreign currency strategy is based on holding this risk constant by holding to square foreign currency position (i.e. no short or long positions are taken).

Liquidity Risk

The liquidity risk is the situation whereby, as a result of any imbalances in the cash flows, there is a potential for not being able to meet the Participation Funds which have matured or other due liabilities in a timely manner due to shortage of liquid funds.

Liquidity risk could be caused by such factors as maturity mismatch, deterioration in the quality of assets, unexpected funding outflows, erosion in profitability levels and economic crisis. In order to manage liquidity risk, the Bank monitors the cash flows on a daily basis and takes preventive and improving measures taken so that commitments are met duly in time. The liquidity risk is also evaluated by ALCO on a weekly basis. Our Bank applies a policy whereby liquid assets are kept in sufficient volumes and qualities in consideration of the minimum liquidity ratios determined by the related regulations and the liquidity experiences of the past in order to meet any liquidity requirement that could arise with unexpected volatilities in the markets.

Credit Risks

Credit risk is defined as the probability of losses to the bank due to customers failing to partially or completely pay their commitments to the bank in a timely manner, in violation of the provisions of their credit contracts. This risk also contains any losses in the market value of the customers due to any deterioration in the financial position of the customer. The definition of credit risk includes not just the portfolios within the balance sheet, but also those kept off balance sheet.

The authority to approve credits belongs to the Board of Directors at our Bank. The Board of Directors determines the policies concerning the utilization, approval, risk management of the credits and other related management principles. It then ensures the implementation and supervision of these policies, taking required measures when necessary. The Board of Directors has transferred some of its authority in approving credit lines to the Credit Committee and General Management within the framework of the procedures and principles determined by the legal provisions. The General Management uses that authority to utilize credits by means of the credit departments and Bank branches. At our Bank, credit allocations are realized within those limits that are determined on the basis of each debtor and group of debtors. It is systematically not possible for customers to exceed the predetermined and approved limit. Close attention is paid to prevent any sector concentration that might impair the health of the credit portfolio. Utmost care is given to the prevention of risks concentrating on a small number of customers.

Credit risks are constantly monitored and reported by the internal systems units and risk management bodies. Credit risks are ensured to be in conformity to credit risk management policies and implementation methods.

Operational Risk

At our Bank, an operational risk is a risk of loss caused by insufficient or unsuccessful internal processes, by persons and systems or external events, wherein the legal risks and compliance risks are included while the strategic (making wrong decisions at the wrong time) and reputational risk are excluded.

Operational risk is a type of risk present in all activities of Albaraka Türk. It could arise from errors of the staff or the system, from such transactions as may have been made based on insufficient or incorrect legal information or documents, due to impediments in the flow of information between the divisions in the organizational structure of the Bank, due to uncertainties in the definition of limits of authorities or from structural and/or operational changes, natural disasters, terror and frauds, etc. The Bank classifies operational risks into five groups according to their sources: staff risks, technological risks, organizational risks, legal and compliance risks and external risks. Albaraka Türk also takes required measures to maintain operational risks at acceptable levels.

Other Risks

The other risks that Albaraka Türk could encounter include strategic and reputational risk. In order to avoid and/or control strategic risks, the Bank's Risk Management System is prepared for such changes as may have crucial impact on its activities, Bank's position and strategies, such as changes in the economic, political and socio-political conditions as well as in laws, regulations and similar arrangements. These have been incorporated into the Bank's emergency and business continuity plans.

The reputation risk is defined as events and situations that are likely to negatively affect the trust put in and the image of the Bank, possibly caused by all kinds of services, activities and relations of the Bank.

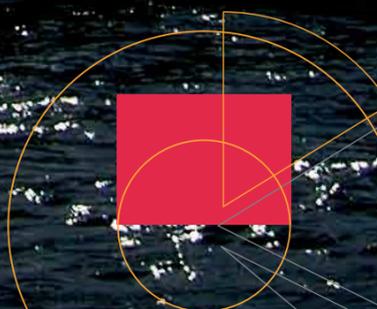
For the risk of reputation to be avoided and/or controlled by the Bank's Risk Management System, a proactive communication mechanism that gives the customer priority is established any time a condition that could detriment the Bank's reputation or image is detected. Preparations are made for the worst-case scenarios in advance. In the evaluation of the reputation risk, the relationship, level and impact of operational risks to the reputation risk are also taken into account.

The Ratings Given by International Rating Companies to Albaraka Türk

Fitch Rating results dated November 2009		Standard&Poor's results dated February 2010	
Foreign Currency		Long Term Credit Rating	BB
Long Term	BB –	Short Term Credit Rating	B
Short Term	B	Outlook	Positive
Outlook	Stable	Long Term Deposit	BB
		Short Term Deposit	B
Local Currency			
Long Term	BB –		
Short Term	B		
Outlook	Stable		



**Auditors'
Report**



İstanbul, 26.02.2010

AUDITORS' REPORT

**TO: PRESIDING COUNCIL OF THE GENERAL ASSEMBLY,
ALBARAKA TÜRK PARTICIPATION BANK A.Ş.**

NAME OF THE COMPANY : ALBARAKA TÜRK KATILIM BANKASI A.Ş.
HEAD OFFICE : İSTANBUL
CAPITAL : TL 539,000,000.- (Five Hundred thirty Nine Million Turkish Lira)
FIELD OF ACTIVITY : Collecting participation funds; disbursing credits in line with banking regulations; executing all banking services defined in related regulations and its Articles of Incorporation.

- Name(s) of auditor(s); his/their term of office; whether he is shareholder or not : Arif VURAN (not shareholder), Memduh COŞKUNER (not shareholder), Seyfettin YENİDÜNYA (not shareholder)
(They were appointed by the General Assembly on 20.03.2008 for a term of office of 3 years.)

Total number of meetings held among auditors, and the Board meetings participated to : 10 (ten)

Depth and dates of audits conducted on the books, documents and accounts of the Company; findings and results : On certain days of every month cash, cheques and receipts have been counted. Entries and documents were scanned on random sampling basis. We did not encounter with any misdeed. There was not any issue evoking criticism.

Total number of counts of liquid assets that were present in the main cash-box of the company, according to Turkish Commercial Law article-353, para-1, section-3; and findings : 14 (fourteen) times we have counted them, and, found no misdeed at all.

Dates of audits conducted in accordance with Turkish Commercial Law nr.353, para-1, section-4; and findings: : On certain days of every month books of the company were audited. All types of valuable documents and negotiable instruments were found to be consistent with the records of the company.

Complaints and misdeeds relayed, and actions taken : We have not received any complaint or claim of misdeed.

We have examined the accounts and transactions of Albaraka Türk Participation Bank A.Ş. for the period between 01.01.2009 and 31.12.2009, in accordance with the Turkish Commercial Law, the Articles of Incorporation of the company, other applicable regulations and with generally accepted principles and standards of accounting.

It is our opinion that the attached Balance-Sheet of the company as of 31.12.2009, the contents of which are approved by us, and the Profit & Loss Statement for the period between 01.01.2009 – 31.12.2009, do reflect the true results of activities of this company.

We recommend that the Balance-Sheet and the Profit & Loss Statement of this company should be approved and the members of its Board of Directors acquitted.

Respectfully submitted,
COMMITTEE OF AUDITORS

Arif VURAN

Memduh COŞKUNER

Seyfettin YENİDÜNYA

ALBARAKA TÜRK KATILIM BANKASI ANONİM ŞİRKETİ

Unconsolidated financial statements including independent auditors' report and notes to the financial statements as of December 31, 2009

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

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

We have audited the accompanying financial statements of Albaraka Türk Katılım Bankası Anonim Şirketi (the Bank) which comprise the balance sheet as of December 31, 2009 and the related income statement, statement of changes in equity and cash flow statement for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

Disclosure for the responsibility of the Bank's board of directors:

The Bank's Board of Directors is responsible for the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error establishing and maintaining effective internal controls and for selecting and applying appropriate accounting principles to comply with the Regulation on Accounting Applications on Banks and Safeguarding of Documents published on the Official Gazette No. 26333 dated November 1st 2006, Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, interpretations and circulars published or declared by Banking Regulation and Supervision Agency ("BRSA") on accounting and financial reporting principles.

Disclosure for the responsibility of the authorized audit firm:

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our independent audit has been conducted in accordance with the Regulation on Authorization and Activities of Institutions to Conduct Independent Audit in Banks published on the Official Gazette No: 26333 on November 1st, 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. During the audit, we have used audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements; which we selected in accordance with our professional judgement by taking into account the effectiveness of the controls over financial reporting process and assessed the appropriateness of the applied accounting policies. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our independent audit opinion stated below.

Independent Auditors' Opinion:

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Albaraka Türk Katılım Bankası A.Ş. as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with the accounting principles and standards set out as per Article 37 of the Banking Act No: 5411 and other regulations, communiqués, interpretations and circulars published by the BRSA on accounting and financial reporting principles.

Other Issues

The financial statements of the Bank prepared in accordance with the accounting principles and standards which are current in accordance with the Article No:37 of the Banking Act No:5411 as of and for the year ended December 31, 2008 had been audited by another auditor. The auditors' report thereon dated February 26, 2009 expressed an unqualified opinion on the financial statements as of December 31, 2008.

Additional Paragraph for Convenience Translation:

As explained in detail in Note XXIII of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with article 37 of the Banking Act No. 5411, the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified in the accompanying financial statements. Accordingly, the accompanying 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

Metin Canoğulları, SMMM
Partner

February 26, 2010
Istanbul, Turkey

THE UNCONSOLIDATED FINANCIAL REPORT OF ALBARAKA TÜRK KATILIM BANKASI A.Ş. FOR THE YEAR ENDED DECEMBER 31, 2009

Address of the headquarter of the Bank : Büyükdere Caddesi No: 78 34394 Mecidiyeköy / Istanbul
Bank's phone number : 0 212 274 99 00 - 0 212 272 44 70
Bank's facsimile : 0 212 274 99 00
Bank's website : www.albarakatürk.com.tr
Electronic mail contact info : albarakatürk@albarakatürk.com.tr

The unconsolidated financial report for the twelve months designed by the Banking Regulation and Supervision Agency in line with Communiqué on "Financial Statements to be Publicly Announced and the Related Policies and Disclosures" consists of the sections listed below:

- General information about the Bank
- Unconsolidated financial position of the Bank
- Explanations on the corresponding accounting principles applied in the related period
- Information on financial position of the Bank
- Explanatory disclosures and footnotes on unconsolidated financial statements
- Other explanations
- Auditors' report

The unconsolidated financial statements and the explanatory notes, unless otherwise indicated, are prepared **in thousands of Turkish Lira**, in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been independently audited and presented as attached.

February 26, 2010

Adnan Ahmed Yusuf ABDULMALEK
Chairman of the Board of Directors

Fahrettin YAHŞİ
General Manager

Turgut SİMİTCİOĞLU
Vice General Manager

Ahmet OCAK
Experienced Financial Affairs Head

Othman Ahmed SULIMAN
Chairman of the Audit Committee

Mitat AKTAŞ
Member of the Audit Committee

Hamad Abdulla A. EQAB
Member of the Audit Committee

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

Name-Surname / Title : Yunus AHLATCI / Financial Affairs Vice Manager
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(Currency - Thousand Turkish Lira)

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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 in 1984 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 an operating permit from the Central Bank of Turkey by letter numbered 10912 and dated January 21, 1985. Special Finance Houses, operating in accordance with the Communiqués of Undersecretariat of Treasury and the Central Bank of Turkey based on the decision mentioned above, have been subjected to provisions of the Banking Law numbered 4389 by the change in law dated December 17, 1999 and numbered as Law 4491. According to the temporary clause 3 of the Law numbered 4491, an adaptation period of two years was provided to these institutions. However, "Decree on Establishment and Operations of Special Finance Houses" was published by the Banking Regulations and Supervision Agency (the BRSA) at the Official Gazette dated September 20, 2001 and numbered 24529, and according to the clause 44 of this decree all the clauses were decided to become valid at the date of the publication of the decree except for the clauses whose validity date have been declared separately. The name of the Bank was changed as "Albaraka Türk Katılım Bankası A.Ş." with the decision taken on the Extraordinary General Meeting dated December 21, 2005 in the framework of Banking Law numbered 5411 published at November 1, 2005 in the Official Gazette numbered 25983 and registered to trade registry records at December 22, 2005 and has been published in the Trade Registry Gazette numbered 6461 at December 27, 2005.

II. Shareholding Structure, Shareholders Having Direct or Indirect, Joint or Individual Control over the Management of the Bank and the Disclosures on Any Related Changes in the Current Year, if any:

As of December 31, 2009 and December 31, 2008, 54,06% of the Bank's shares are owned by Albaraka Banking Group located in Bahrain. 22,23% of the shares are publicly traded and quoted on the Istanbul Stock Exchange. The Bank has been established for an indefinite period of time but the General Assembly of Shareholders has the authority to determine, limit or decrease the duration of the Bank.

(Currency - Thousand Turkish Lira)

III. The Chairman and Members of Board of Directors, Audit Committee, General Managers and Assistant General Managers and their Shares in the Bank:

Title	Name	Administrative Function and Responsibility	Educational Degree	Ownership Percentage (%)
Chairman of the Board of Directors	Adnan Ahmed Yusuf ABDULMALEK	Chairman of the Board of Directors	Master	(*) 0,00
Members of Board of Directors	Yalçın ÖNER	Vice Chairman of the BOD	Master	0,0006
	Faisal A.M.A. ALZAMEL	Member of BOD	Master	(*) 0,00
	İbrahim Favez Humaid ALSHAMSI	Member of BOD	Bachelor	(*) 0,00
	Othman Ahmed SULIMAN	Member of BOD	Bachelor	(*) 0,00
	Osman AKYÜZ	Member of BOD	Bachelor	0,0220
	Prof.Dr. Ekrem PAKDEMİRLİ	Member of BOD	Doctorate	(*) 0,00
	Mitat AKTAŞ	Member of BOD	Master	(*) 0,00
	Hamad Abdulla A. EQAB	Member of BOD	Bachelor	(*) 0,00
	Fahad Abdullah A. ALRAJHI	Member of BOD	Bachelor	(*) 0,00
	Fahrettin YAHŞİ (**)	Member of BOD / General Manager	Master	-
Assistant General Managers	M. Ali VERÇİN	Corporate and Retail Marketing	Bachelor	-
	Nihat BOZ (**)	Legal Affairs	Bachelor	0,0048
	Temel HAZIROĞLU	Operations, Administrative Affairs, Human Resources	Bachelor	0,0342
	Bülent TABAN	Corporate and Commercial Loans, International Affairs	Master	-
	Turgut SİMİTÇİOĞLU (**)	Financial Affairs, Risk Follow up and Banking Services	Bachelor	-
	Melikşah UTKU (**)	Information Technologies, Project Management and Investor Relations	Master	-
Audit Committee	Othman Ahmed SULIMAN	Chairman of Audit Committee	Bachelor	(*) 0,00
	Hamad Abdulla A. EQAB	Member of Audit Committee	Bachelor	(*) 0,00
	Mitat AKTAŞ	Member of Audit Committee	Master	(*) 0,00
Auditors:	Seyfettin YENİDÜNYA	Auditor	Bachelor	-
	Prof. Dr. Arif Ateş VURAN	Auditor	Doctorate	-
	Memduh COŞKUNER	Auditor	Bachelor	-

(*) The share amounts of these persons are between TL 1-6 (full).

(**) Since Dr. Adnan BÜYÜKDENİZ deceased on October 19, 2009, Fahrettin YAHŞİ has been appointed as General Manager with the decision of Board of Directors on October 30, 2009. Turgut SİMİTÇİOĞLU, Melikşah UTKU and Nihat BOZ have been appointed as Assistant General Managers with the decision of Board of Directors on December 18, 2009.

Chairman and members of the Board of Directors, members of audit committee, general manager and assistant general managers own 0,0616% of the Bank's share capital (December 31, 2008 – 0,1311%).

IV. Information on the Bank's qualified shareholders:

Name / commercial name	Share amount (nominal)	Share ratio	Paid shares (nominal)	Unpaid shares
Albaraka Banking Group	291.373	54,06 %	291.373	-

(Currency - Thousand Turkish Lira)

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

The Bank operates as a participation bank in interest free banking sector. The Bank mainly collects funds through "Saving Accounts" and "Investment Accounts" and Investment Accounts are classified in accordance with their maturities separately from other accounts in the accounting records.

Saving accounts: These are demand deposit accounts, which may be withdrawn whenever requested by the depositor partial or in full amount and holders of saving accounts do not receive any return on the fund they keep in the account.

Gold indexed saving accounts: These are the demand deposit accounts indexed to gram value of gold, which can be opened by the participation banks upon granting of necessary authorizations from related regulatory bodies and may be withdrawn whenever requested by the depositor partially or in full and holders of saving accounts do not receive any return on the fund they keep in the account.

Investment accounts: These are profit and loss sharing accounts, from which the Bank funds loan customers and the depositors receive profit share in return from the profit of the projects funded from these accounts. The profit share rate is not predetermined and the depositors are not guaranteed to receive the balance they have deposited in case of losses of the projects funded from these accounts.

Participation funds: These are the funds deposited by individuals or corporations at saving and investments accounts at participation banks.

The Bank utilizes the funds with corporate trade finance, consumer loans, profit-loss sharing investments, financing of goods against documents and joint projects.

Corporate trade finance: All types of commodity, security, real estate, rights and services are financed by the Bank depending on the agreement between the Bank and the customer, if and only if that the cost of the goods or services obtained by the loan customer is paid to the supplier of the goods or services and not to the loan customer. The Bank must keep a copy of the documents related to the purchase of the goods or the services.

Consumer loans: Individuals are financed for the goods and services they have purchased only in case that the Bank pays the cost of the goods and services to the supplier of the goods or services and not to the individual. The Bank must keep a copy of the documents related to the purchase of the goods or the services.

Profit-loss sharing investments: These investments are the investments funded by the Bank for the specific business projects or purchase and resale of specified goods performed by individuals or corporations, in return for the profit or loss resulted from these specific activities.

Financial leasing: The Bank acts as a lessor in finance leasing transactions. The Bank leases movables and immovables in accordance with the "Financial Leasing Act" dated and numbered as 3226 and June 10, 1985.

Financing of goods against documents: Depending on the agreement with the loan customer and the Bank, cash disbursement will be made to the customers against the valid documents obtained for international trading.

Joint projects: The Bank may participate in to the entities which have growth potential or in need of capital by considering the limitations declared at the Article 56 of the Banking Act 5411. Depending on the agreement made with the Bank and invested company, the Bank has to dispose its shares with public offering within seven years. The agreement made with the Bank and the invested company must contain the considerations about the management of the invested company, legal rights and obligations of the participants and the time schedule of the public offering.

Moreover, the Bank is involved in providing non-cash loans mainly comprising issuing letters of guarantee, providing letters of credit and acceptances.

The Bank has been granted the permission to operate in sale and purchase of precious metals as specified in the fourth article of the 'Communiqué Related to Procedures and Principles Related to Sale and Purchase of Precious Metals and Sale of Property and Commodity acquired through sequestration by Banks' with the decision of the BRSA dated September 18, 2008 numbered 2809.

The Bank has been granted the permission to act as intermediary in quick money transfers with the decision of the BRSA dated December 4, 2008 numbered 2928.

The Bank also provides intermediary brokerage services as an agency of Bizim Menkul Değerler A.Ş. through its branches.

The Bank's activities are not limited to the list above. If another transaction is decided to be beneficial to the Bank, the transaction must be recommended by the Board of Directors, approved by the General Committee and the authorized by relevant legal authorities after which it also needs to be approved by the Ministry of Industry and Trade since it constitutes an amendment of the Article of Association. Decisions that have been approved through all these channels are included to the Article of Association.

As of December 31, 2009, Bank has 1.935 employees (December 31, 2008 – 1.796) and 101 local branches (December 31, 2008 – 100).

(Currency - Thousand Turkish Lira)

Section two

The unconsolidated financial statements

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

(Currency - Thousand Turkish Lira)

Assets

	Note (5th Section)	Current period (31.12.2009)			Prior period (31.12.2008)		
		TL	FC	Total	TL	FC	Total
I. Cash and balances with the central bank	(I-1)	354.606	262.597	617.203	167.035	216.501	383.536
II. Financial assets at fair value through profit and loss, net	(I-2)	3.037	-	3.037	2.317	7.768	10.085
2.1 Trading financial assets		3.037	-	3.037	2.317	7.768	10.085
2.1.1 Public sector debt securities		-	-	-	-	-	-
2.1.2 Share certificates		3.037	-	3.037	2.317	-	2.317
2.1.3 Derivative financial assets held for trading		-	-	-	-	-	-
2.1.4 Other marketable securities		-	-	-	-	7.768	7.768
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans and receivables		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. Banks	(I-3)	244.421	363.520	607.941	320.822	221.937	542.759
IV. Money market placements		-	-	-	-	-	-
V. Financial assets-available for sale (net)	(I-4)	28.517	37	28.554	-	-	-
5.1 Share certificates		-	37	37	-	-	-
5.2 Public sector debt securities		28.517	-	28.517	-	-	-
5.3 Other marketable securities		-	-	-	-	-	-
VI. Loans and receivables	(I-5)	4.474.531	157.979	4.632.510	3.654.233	3.028	3.657.261
6.1 Loans and receivables		4.456.038	157.447	4.613.485	3.614.186	2.480	3.616.666
6.1.1 Loans to risk group of the Bank		32	82.034	82.066	22.994	-	22.994
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		4.456.006	75.413	4.531.419	3.591.192	2.480	3.593.672
6.2 Non-performing loans		162.883	7.204	170.087	97.636	8.183	105.819
6.3 Specific provisions (-)		(144.390)	(6.672)	(151.062)	(57.589)	(7.635)	(65.224)
VII. Investments held to maturity (net)	(I-6)	280.876	15.131	296.007	-	-	-
VIII. Investments in associates (net)	(I-7)	6.000	-	6.000	4.131	-	4.131
8.1 Accounted for under equity method		-	-	-	-	-	-
8.2 Unconsolidated associates		6.000	-	6.000	4.131	-	4.131
8.2.1 Financial associates		2.000	-	2.000	-	-	-
8.2.2 Non-financial associates		4.000	-	4.000	4.131	-	4.131
IX. Subsidiaries (net)	(I-8)	-	-	-	-	-	-
9.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
9.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
X. Joint ventures (net)	(I-9)	-	-	-	-	-	-
10.1 Accounted for under equity method		-	-	-	-	-	-
10.2 Unconsolidated		-	-	-	-	-	-
10.2.1 Financial subsidiaries		-	-	-	-	-	-
10.2.2 Non-financial subsidiaries		-	-	-	-	-	-
XI. Finance lease receivables (net)	(I-5), (I-10)	53.484	-	53.484	100.311	-	100.311
11.1 Finance lease receivables		62.132	-	62.132	116.610	-	116.610
11.2 Operating lease receivables		-	-	-	-	-	-
11.3 Other		-	-	-	-	-	-
11.4 Unearned income (-)		(8.648)	-	(8.648)	(16.299)	-	(16.299)
XII. Derivative financial assets for hedging purposes	(I-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)	(I-12)	140.054	-	140.054	51.625	-	51.625
XIV. Intangible assets (net)	(I-13)	1.577	-	1.577	1.488	-	1.488
14.1 Goodwill		-	-	-	-	-	-
14.2 Other		1.577	-	1.577	1.488	-	1.488
XV. Investment property (net)	(I-14)	-	-	-	-	-	-
XVI. Tax asset	(I-15)	7.789	-	7.789	2.915	-	2.915
16.1 Current tax asset		-	-	-	-	-	-
16.2 Deferred tax asset		7.789	-	7.789	2.915	-	2.915
XVII. Assets held for sale and discontinued operations (net)	(I-16)	4.902	-	4.902	5.958	-	5.958
17.1 Held for sale		4.902	-	4.902	5.958	-	5.958
17.2 Discontinued operations		-	-	-	-	-	-
XVIII. Other assets	(I-17)	15.671	185	15.856	5.024	24.015	29.039
Total assets		5.615.465	799.449	6.414.914	4.315.859	473.249	4.789.108

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Balance sheets (Statement of financial position) as of December 31, 2009 and 2008

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

(Currency - Thousand Turkish Lira)

Liabilities and equity

	Note (5th Section)	Current period (31.12.2009)			Prior period (31.12.2008)		
		TL	FC	Total	TL	FC	Total
I. Funds collected	(II-1)	3.290.809	2.173.836	5.464.645	2.029.617	1.955.493	3.985.110
1.1 Funds from risk group of the Bank		145.201	66.134	211.335	41.118	63.304	104.422
1.2 Other		3.145.608	2.107.702	5.253.310	1.988.499	1.892.189	3.880.688
II. Derivative financial liabilities held for trading	(II-2)	-	-	-	-	-	-
III. Funds borrowed	(II-3)	-	-	-	-	-	-
IV. Debts to money markets		-	-	-	-	-	-
V. Marketable securities issued (net)		-	-	-	-	-	-
VI. Miscellaneous payables		140.008	13.099	153.107	90.332	7.309	97.641
VII. Other liabilities	(II-4)	-	-	-	-	-	-
VIII. Finance lease payables (net)	(II-5)	-	-	-	-	-	-
8.1 Finance lease payables		-	-	-	-	-	-
8.2 Operating lease payables		-	-	-	-	-	-
8.3 Other		-	-	-	-	-	-
8.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
IX. Hedging derivative financial liabilities	(II-6)	-	-	-	-	-	-
9.1 Fair value hedge		-	-	-	-	-	-
9.2 Cash flow hedge		-	-	-	-	-	-
9.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
X. Provisions	(II-7)	53.022	13.087	66.109	33.779	9.826	43.605
10.1 General loan loss provisions		38.037	9.628	47.665	26.355	9.632	35.987
10.2 Restructuring provisions		-	-	-	-	-	-
10.3 Reserve for employee benefits		8.301	-	8.301	5.716	-	5.716
10.4 Insurance technical reserves (net)		-	-	-	-	-	-
10.5 Other provisions		6.684	3.459	10.143	1.708	194	1.902
XI. Tax liability	(II-8)	20.387	-	20.387	24.650	-	24.650
11.1 Current tax liability		20.387	-	20.387	24.650	-	24.650
11.2 Deferred tax liability		-	-	-	-	-	-
XII. Liabilities for the assets held for sale and discontinued operations (net)	(II-9)	-	-	-	-	-	-
12.1 Held for sale		-	-	-	-	-	-
12.2 Discontinued operations		-	-	-	-	-	-
XIII. Subordinated loans	(II-10)	-	-	-	-	-	-
XIV. Shareholders' equity	(II-11)	710.666	-	710.666	638.102	-	638.102
14.1 Paid-in capital		539.000	-	539.000	269.500	-	269.500
14.2 Capital reserves		12.738	-	12.738	158.396	-	158.396
14.2.1 Share premium		-	-	-	158.396	-	158.396
14.2.2 Share cancellation profits		-	-	-	-	-	-
14.2.3 Marketable securities revaluation reserve		2.206	-	2.206	-	-	-
14.2.4 Tangible assets revaluation reserve		10.532	-	10.532	-	-	-
14.2.5 Intangible assets revaluation reserve		-	-	-	-	-	-
14.2.6 Investment property revaluation reserve		-	-	-	-	-	-
14.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities		-	-	-	-	-	-
14.2.8 Hedging funds (effective portion)		-	-	-	-	-	-
14.2.9 Value increase on assets held for resale		-	-	-	-	-	-
14.2.10 Other capital reserves		-	-	-	-	-	-
14.3 Profit reserves		53.302	-	53.302	73.593	-	73.593
14.3.1 Legal reserves		27.160	-	27.160	17.097	-	17.097
14.3.2 Status reserves		-	-	-	-	-	-
14.3.3 Extraordinary reserves		26.142	-	26.142	56.496	-	56.496
14.3.4 Other profit reserves		-	-	-	-	-	-
14.4 Profit or loss		105.626	-	105.626	136.613	-	136.613
14.4.1 Prior year income / (losses)		347	-	347	371	-	371
14.4.2 Current period income / (losses)		105.279	-	105.279	136.242	-	136.242
14.5 Minority interest	(II-12)	-	-	-	-	-	-
Total liabilities and equity		4.214.892	2.200.022	6.414.914	2.816.480	1.972.628	4.789.108

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Statement of off-balance sheet contingencies and commitments
(Statement of financial position) as of December 31, 2009 and 2008

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

(Currency - Thousand Turkish Lira)

	Note (5th Section)	Current period (31.12.2009)			Prior period (31.12.2008)		
		TL	FC	Total	TL	FC	Total
A. Off balance sheet commitments and contingencies (I+II+III)	(III-1)	2.466.660	1.404.610	3.871.270	1.838.615	1.149.423	2.988.038
I. Guarantees		2.187.726	1.402.986	3.590.712	1.599.797	1.149.423	2.749.220
1.1. Letters of guarantees		2.186.226	1.028.156	3.214.382	1.585.622	858.685	2.444.307
1.1.1. Guarantees subject to state tender law		181.442	26.397	207.839	86.441	9.040	95.481
1.1.2. Guarantees given for foreign trade operations		-	515.397	515.397	-	402.308	402.308
1.1.3. Other letters of guarantee		2.004.784	486.362	2.491.146	1.499.181	447.337	1.946.518
1.2. Bank loans		-	12.691	12.691	-	25.777	25.777
1.2.1. Import letter of acceptances		-	12.691	12.691	-	25.777	25.777
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letter of credits		-	348.307	348.307	-	262.370	262.370
1.3.1. Documentary letter of credits		-	-	-	-	-	-
1.3.2. Other letter of credits		-	348.307	348.307	-	262.370	262.370
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		-	-	-	-	-	-
1.7. Other collaterals		1.500	13.832	15.332	14.175	2.591	16.766
II. Commitments		278.934	1.624	280.558	238.818	-	238.818
2.1. Irrevocable commitments		278.934	1.624	280.558	238.818	-	238.818
2.1.1. Forward asset purchase commitments		-	-	-	-	-	-
2.1.2. Share capital commitment to associates and subsidiaries		2.000	-	2.000	-	-	-
2.1.3. Loan granting commitments		6.687	1.475	8.162	4.929	-	4.929
2.1.4. Securities underwriting commitments		-	-	-	-	-	-
2.1.5. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.6. Payment commitment for checks		190.434	-	190.434	168.664	-	168.664
2.1.7. Tax and fund liabilities from export commitments		219	-	219	234	-	234
2.1.8. Commitments for credit card expenditure limits		79.475	-	79.475	64.991	-	64.991
2.1.9. Commitments for promotions related with credit cards and banking activities		59	-	59	-	-	-
2.1.10. Receivables from short sale commitments		-	-	-	-	-	-
2.1.11. Payables for short sale commitments		-	-	-	-	-	-
2.1.12. Other irrevocable commitments		60	149	209	-	-	-
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. Derivative financial instruments	(III-2)	-	-	-	-	-	-
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		-	-	-	-	-	-
3.2.1. Forward foreign currency buy/sell transactions		-	-	-	-	-	-
3.2.1.1. Forward foreign currency transactions-buy		-	-	-	-	-	-
3.2.1.2. Forward foreign currency transactions-sell		-	-	-	-	-	-
3.2.2. Other forward buy/sell transactions		-	-	-	-	-	-
3.3. Other		-	-	-	-	-	-
B. Custody and pledged items (IV+V+VI)		7.560.392	821.928	8.382.320	5.227.104	630.142	5.857.246
IV. Items held in custody		436.406	229.314	665.720	504.849	226.159	731.008
4.1. Assets under management		-	-	-	-	-	-
4.2. Investment securities held in custody		-	-	-	-	-	-
4.3. Checks received for collection		306.558	28.805	335.363	407.726	42.386	450.112
4.4. Commercial notes received for collection		126.771	20.105	146.876	93.154	22.245	115.399
4.5. Other assets received for collection		276	-	276	1.169	-	1.169
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		72	160.660	160.732	72	153.843	153.915
4.8. Custodians		22.729	19.744	42.473	27,288	7,685	34,973
V. Pledged items		7.123.986	592.614	7.716.600	4.722.255	403.983	5.126.238
5.1. Marketable securities		10.849	-	10.849	10,849	-	10,849
5.2. Guarantee notes		615.462	68,094	683,556	383,289	48,714	432,003
5.3. Commodity		218.121	78,770	296,891	206,390	68,289	274,679
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		6,155,006	429,022	6,584,028	4,105,441	278,770	4,384,211
5.6. Other pledged items		105,721	4,198	109,919	1,396	2,046	3,442
5.7. Pledged items-depository		18,827	12,530	31,357	14,890	6,164	21,054
VI. Accepted independent guarantees and warranties		-	-	-	-	-	-
Total off balance sheet accounts (A+B)		10.027.052	2.226.538	12.253.590	7.065.719	1.779.565	8.845.284

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Statements of income for the years ended December 31, 2009 and 2008

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

(Currency - Thousand Turkish Lira)

Statement of income	Note	Current Period	Prior Period
		(01/01-31/12/2009)	(01/01-31/12/2008)
(5th Section)		Total	Total
I. Profit share income	(IV-1)	656.016	568.735
1.1 Profit share on loans		606.608	534.362
1.2 Income received from reserve deposits		-	2.323
1.3 Income received from banks		10.730	16.503
1.4 Income received from money market placements		-	-
1.5 Income received from marketable securities portfolio		29.497	-
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		3.545	-
1.5.4 Investment-held for maturity		25.952	-
1.6 Finance lease income		9.181	15.547
1.7 Other profit share income		-	-
II. Profit share expense	(IV-2)	348.514	295.199
2.1 Expense on profit sharing accounts		348.514	295.151
2.2 Profit share expense on funds borrowed		-	48
2.3 Profit share expense on money market borrowings		-	-
2.4 Expense on securities issued		-	-
2.5 Other profit share expense		-	-
III. Net profit share income (I - II)		307.502	273.536
IV. Net fees and commissions income/expenses		80.718	51.264
4.1 Fees and commissions received		89.502	69.269
4.1.1 Non-cash loans		45.906	28.363
4.1.2 Other		43.596	40.906
4.2 Fees and commissions paid		8.784	18.005
4.2.1 Non-cash loans		204	55
4.2.2 Other		8.580	17.950
V. Dividend income	(IV-3)	284	-
VI. Net trading income	(IV-4)	25.048	16.710
6.1 Capital market transaction gains / (losses)		127	409
6.2 Gains/ (losses) from derivative financial instruments		-	-
6.3 Foreign exchange gains / (losses)		24.921	16.301
VII. Other operating income	(IV-5)	27.312	19.413
VIII. Net operating income (III+IV+V+VI+VII)		440.864	360.923
IX. Provision for loan losses and other receivables (-)	(IV-6)	131.769	52.337
X. Other operating expenses (-)	(IV-7)	177.338	137.150
XI. Net operating income/(loss) (VIII-IX-X)		131.757	171.436
XII. Amount in excess recorded as gain after merger		-	-
XIII. Gain / (loss) on equity method		-	-
XIV. Gain / (loss) on net monetary position		-	-
XV. Profit/(loss) from continued operations before taxes (XI+...+XIV)	(IV-8)	131.757	171.436
XVI. Tax provision for continued operations (±)	(IV-9)	26.478	35.194
16.1 Provision for current income taxes		34.537	36.704
16.2 Provision for deferred taxes		(8.059)	(1.510)
XVII. Net profit/(loss) from continued operations (XV±XVI)	(IV-10)	105.279	136.242
XVIII. Income on discontinued operations		-	-
18.1 Income on assets held for sale		-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (joint vent.)		-	-
18.3 Income on other discontinued operations		-	-
XIX. Loss from discontinued operations (-)		-	-
19.1 Loss from assets held for sale		-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (joint vent.)		-	-
19.3 Loss from other discontinued operations		-	-
XX. Income / (loss) on discontinued operations before taxes (XVIII-XIX)		-	-
XXI. Tax provision for discontinued operations (±)		-	-
21.1 Provision for current income taxes		-	-
21.2 Provision for deferred taxes		-	-
XXII. Net income/loss from discontinued operations (XX±XXI)		-	-
XXIII. Net income/loss (XVII+XXII)	(IV-11)	105.279	136.242
23.1 Group's income/loss		105.279	136.242
23.2 Minority interest		-	-
Earnings per share		0,195	0,252

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Statements of income and expenses accounted under equity (Other comprehensive income)

for the years ended December 31, 2009 and 2008

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

(Currency - Thousand Turkish Lira)

Statement of income and expenses accounted under equity	Current period	Prior period
	(01.01 - 31.12.2009)	(01.01-31.12.2008)
I. Additions from marketable securities revaluation differences for available for sale financial assets	2.758	-
II. Tangible assets revaluation differences	13.165	-
III. Intangible assets revaluation differences	-	-
IV. Foreign exchange differences for foreign currency transactions	-	-
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 due to tas	-	-
IX. Deferred tax on valuation differences	(3.185)	-
X. Total net profit/loss accounted under equity (I+II+...+IX)	12.738	-
XI. Profit/loss	105.279	136.242
11.1 Change in fair value of marketable securities (transfer to profit/loss)	-	-
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to income statement	-	-
11.3 Transfer of hedge of net investments in foreign operations to income statement	-	-
11.4 Other	105.279	136.242
XII. Total profit/loss accounted for the period (X±XI)	118.017	136.242

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Statements of changes in shareholders' equity for the years ended December 31, 2009 and 2008 (continued)

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

(Currency - Thousand Turkish Lira)

	Note (5th Section)	Paid-in capital	Effect of revaluation on capital and other capital reserves	Share premium	Share certificate cancellation profits	Legal reserves	Statutory reserves	Extraordinary reserves	Other reserves	Current period net income/ (loss)	Prior years net income (loss)	Marketable securities revaluation reserve	Tangible and intangible revaluation fund	Bonus shares from investments	Risk aversion funds	Asset held for sale and discop. valuation fund	Total equity excluding minority interest	Minority interest	Total equity	
Current period (31.12.2009)																				
I.	(V)	269.500	-	158.396	-	17.097	-	56.496	-	136.242	371	-	-	-	-	-	638.102	-	638.102	
II.																				
III.												2.758					2.758			2.758
IV.																				
4.1																				
4.2																				
V.																				
VI.																				
VII.																				
VIII.																				
IX.																				
X.																				
XI.																				
XII.		269.500		(158.396)				(30.354)			(80.750)									
12.1																				
12.2		269.500		(158.396)		10.063		(30.354)			(80.750)									
XIII.																				
XIV.																				
XV.																				
XVI.																				
XVII.										105.279	34	(552)	(2.633)				(3.151)			(3.151)
XVIII.										(136.242)	80.692		(313)				105.279			105.279
18.1											(45.800)						(45.800)			(45.800)
18.2											(10.063)						(45.800)			(45.800)
18.3										(136.242)	136.555		(313)							
18.3																				
Closing balance (I+II+III+...+XVI+XVII+XVIII)		539.000	-	-	-	27.160	-	26.142	-	105.279	347	2.206	10.532	-	-	-	710.666	-	-	710.666

(*) This line consist of TL 3.4 due to the amendment on corporate tax provision for the year ended December 31, 2008, TL 552 is due to the deferred tax liability of marketable securities revaluation reserve and TL 2.633 is due to the deferred tax liability of real estate revaluation fund.

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Statements of changes in shareholders' equity for the years ended December 31, 2009 and 2008 (continued)

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

(Currency - Thousand Turkish Lira)

	Note (5th Section)	Paid-in capital	Effect of revaluation on capital and other capital reserves	Share premium	Share certificate cancellation profits	Legal reserves	Statutory reserves	Extraordinary reserves	Other reserves	Current period net income/ (loss)	Prior years net income (loss)	Marketable securities revaluation reserve	Tangible and intangible revaluation fund	Bonus shares from investments	Risk aversion funds	Asset held for sale and discop. valuation fund	Total equity excluding minority interest	Minority interest	Total equity	
Prior period (31.12.2008)																				
I.	(V)	269.500	-	158.396	-	10.905	-	10.000	-	84.979	-	-	-	-	-	-	533.780	-	533.780	
II.																				
III.																				
IV.																				
4.1																				
4.2																				
V.																				
VI.																				
VII.																				
VIII.																				
IX.																				
X.																				
XI.																				
XII.																				
12.1																				
12.2																				
XIII.																				
XIV.																				
XV.																				
XVI.																				
XVII.																				
XVIII.										136.242	-						136.242			136.242
18.1										(84.979)	(633)						(32.924)			(32.924)
18.2											(32.291)						(32.291)			(32.291)
18.3											(52.627)									
18.3											84.285						(633)			(633)
Closing balance (I+II+III+...+XVI+XVII+XVIII)		269.500	-	158.396	-	17.097	-	56.496	-	136.242	371	-	-	-	-	-	638.102	-	-	638.102

(*) The balance resulted from an amendment made on corporate tax provision for the year 2007.

(**) TL 61 represents sales income from real estate which is exempt from income tax in connection with the act 5.1.e of Corporate Tax Law.

(**) TL 633 represents corporate tax amount of the dividend paid to the shareholder who is exempt from such tax.

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

(Currency - Thousand Turkish Lira)

Statement of cash flow	Note (6th Section)	Current period 01.01.2009 – 31.12.2009	Prior period 01.01.2008 – 31.12.2008
A. Cash flows from banking operations			
1.1 Operating profit before changes in operating assets and liabilities		390.675	140.275
1.1.1 Profit share income received		641.279	565.568
1.1.2 Profit share expense paid		(354.440)	(295.199)
1.1.3 Dividend received		284	
1.1.4 Fees and commissions received		116.476	51.264
1.1.5 Other income		27.312	26.715
1.1.6 Collections from previously written off loans		44.885	12.575
1.1.7 Payments to personnel and service suppliers		(106.474)	(82.582)
1.1.8 Taxes paid		(42.736)	(10.540)
1.1.9 Others	(VI-3)	64.089	(127.526)
1.2 Changes in operating assets and liabilities		381.368	20.546
1.2.1 Net (increase) decrease in available for sale financial assets		(1.110)	-
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	(7.983)
1.2.3 Net (increase) decrease in due from banks and other financial institutions		49.908	(10.964)
1.2.4 Net (increase) decrease in loans		(1.194.327)	(902.720)
1.2.5 Net (increase) decrease in other assets		26.898	(47.776)
1.2.6 Net increase (decrease) in funds collected from banks		-	987.002
1.2.7 Net increase (decrease) in other funds collected		1.485.461	-
1.2.8 Net increase (decrease) in funds borrowed		-	-
1.2.9 Net increase (decrease) in due payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(VI-3)	14.538	2.987
I. Net cash provided from banking operations		772.043	160.821
B. Cash flows from investing activities			
II. Net cash provided from investing activities		(386.209)	(16.131)
2.1 Cash paid for purchase jointly controlled operations, associates and subsidiaries		(2.000)	-
2.2 Cash obtained from sale of jointly controlled operations, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(85.731)	(18.250)
2.4 Fixed assets sales		7.528	2.119
2.5 Cash paid for purchase of financial assets available for sale		(25.000)	-
2.6 Cash obtained from sale of financial assets available for sale		-	-
2.7 Cash paid for purchase of investment securities		(281.006)	-
2.8 Cash obtained from sale of investment securities		-	-
2.9 Other		-	-
C. Cash flows from financing activities			
III. Net cash provided from financing activities		(45.800)	(32.291)
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Capital increase		-	-
3.4 Dividends paid		(45.800)	(32.291)
3.5 Payments for finance leases		-	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		(1.701)	32.259
V. Net increase in cash and cash equivalents (I + II + III + IV)		338.333	144.658
VI. Cash and cash equivalents at the beginning of the period	(V-1)	747.749	603.091
VII. Cash and cash equivalents at the end of the period	(V-1)	1.086.082	747.749

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

(Currency - Thousand Turkish Lira)

	Current period 31.12.2009 (*)	Prior period 31.12.2008
I. Distribution of current year income		
1.1. Current year income	131.757	171.436
1.2. Taxes and duties payable (-)	26.478	35.194
1.2.1. Corporate tax (Income tax)	34.537	36.704
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and duties (**)	(8.059)	(1.510)
A. Net income for the year (1.1-1.2) (Note V-I-17-c)	105.279	136.242
1.3. Prior year losses (-)	-	-
1.4. First legal reserves (-)	-	6.831
1.5. Other statutory reserves (-)	-	-
B. Distributable net period income [(A-(1.3+1.4+1.5))]	105.279	129.411
1.6. First dividend to shareholders (-)	-	45.800
1.6.1. To owners of ordinary shares	-	45.800
1.6.2. To owners of preferred stocks	-	-
1.6.3. To owners of preferred stocks (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 stocks	-	-
1.9.3. To owners of preferred Stocks (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 (-)	-	3.233
1.11. Status reserves (-)	-	-
1.12. Extraordinary reserves	-	-
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 stocks	-	-
2.3.3. To owners of preferred stocks (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 stocks (***)	0,195	0,253
3.2. To owners of stocks (%)	%19,5	%25,3
3.3. To owners of preferred stocks	-	-
3.4. To owners of preferred stocks (%)	-	-
IV. Dividend per share		
4.1. To owners of stocks	-	45.800
4.2. To owners of stocks (%)	-	%17,0
4.3. To owners of preferred stocks	-	-
4.4. To owners of preferred stocks (%)	-	-

(*) General Assembly of the Bank is 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. The table above is the suggested profit distribution table which will be proposed by the BOD to the General Assembly.

(**) Deferred tax income is presented in "other tax and legal liabilities" line. Deferred tax income cannot be added into profit distribution, thus it is classified under extraordinary reserves.

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

(Currency - Thousand Turkish Lira)

Section three

Accounting policies

I. 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 have been prepared in accordance with the 'Regulation on Accounting Applications for Banks and Safeguarding of Documents' published in the Official Gazette No.26333 dated November 1, 2006, which refers to 'Turkish Accounting Standards' (TAS) and 'Turkish Financial Reporting Standards' (TFRS) issued by the 'Turkish Accounting Standards Board' (TASB) and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all 'Turkish Accounting Standards' or 'TAS') published by the Banking Regulation and Supervision Agency. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish tax legislation.

In accordance with the Article 37 of the Banking Act 5411, banks must apply the unified accounting systems in accordance with the procedures and principles identified by the Banking Regulation and Supervision Agency (BRSA) by considering the international standards and opinions of the TASB and other associations of the banking sector; record all transactions in accordance with their underlying natures; prepare clear, reliable, comparable, easy to audit, analyze and comment, timely and accurate financial reports in a form and content that meets the requirements of attaining knowledge.

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

The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates and predictions by the Bank's management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

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 TAS. These accounting policies and valuation principles are explained in Notes II and XXII below.

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

The financial statements of the Bank has been restated to reflect the changes in the general purchasing power of the Turkish Lira in accordance with Turkish Accounting Standard No: 29 "Financial Reporting in Hyperinflationary Economies" ("TAS29") until December 31, 2004. 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 beginning from January 1, 2005.

(Currency - Thousand Turkish Lira)

I. Basis of presentation (continued):

The functional and presentation currency of the Bank is Turkish Lira (TL). Current and prior period financial statements have been presented in thousands of TL in accordance with the circular of the BRSA. Effective from January 1, 2005, concurrent with the removal of six zero digits, the new currency unit of Turkey was introduced as New Turkish Lira (YTL). The Government resolved to remove the "New" reference in the local currency unit effective January 1, 2009. The Bank's figures presented below as of December 31, 2009 are in thousand TL using the conversion rate of TL 1 = YTL 1.

All references made to Turkish Lira in laws, other legislation, administrative transactions, court decisions, legal transactions, commercial papers and other documents that produce legal effects as well as payment and exchange instruments shall be considered to have been made to TL at the conversion rate indicated above.

d. Reclassification changes on financial statements:

Share certificates amounting to TL 2.317 which were classified as other marketable securities in the balance sheet as of December 31, 2008 has been classified as share certificates under trading financial assets to be consistent with the current year presentations.

II. Explanations on strategy for the use of financial instruments and foreign currency transactions:

Main funding source of the Bank is funds collected from customers. 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 currency 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 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.

Foreign currency or foreign currency indexed receivables to be written off, doubtful commission, fees, other receivables, uncollectible loans and receivables, which are originated from equity or current accounts or the participation of the Bank to the loan in case it is originated from investment accounts is converted to Turkish Lira with the foreign currency rates prevailing at the date of the transfer of such receivables to non-performing loan portfolio. The portion of the risk of the foreign currency loans, belonging to investments which are originated from investment accounts are evaluated with the current foreign currency rates and the differences, are recorded foreign currency gains/losses account in the income statement.

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

There are no foreign currency differences capitalized by the Bank.

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

The fair values of forward transactions are calculated by using discounted cash flow model. Unrealized income or losses is reflected in 'Gains (Losses) from Derivative Financial Instruments' account in the income statement.

There are no embedded derivatives separated from the host contract and no derivatives that are designated as hedging instruments.

(Currency - Thousand Turkish Lira)

IV. Explanations on profit share income and expense:

Profit share income

The Bank computes profit share accruals and discounts by using Internal Rate of Return (IRR) method. These profit share accruals and discounts are reflected under "Loans" section in the balance sheets. In accordance with the related legislation, profit share income accruals and discounts of non-performing loans are cancelled and such amounts are recorded as income when they are collected. Fees and commissions obtained from cash loans are presented under profit share on loans in the statement of income.

Profit share expense

The Bank calculates expense accruals in accordance with the unit value calculation method on profit/loss sharing accounts and reflects these amounts in "Funds Collected" account in the balance sheet. Profit share expenses have been recognized on an accrual basis.

V. Explanations on fees and commission income and expense:

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

In 2009, in accordance with provisions of TMS 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 has been reflected to the income statement by using the internal rate of return and linear amortisation method, respectively; remaining part of the commission and fees amounting to TL 32.203 and 2.297, respectively which are related to the future periods has been recorded to the deferred revenues account and reflected in miscellaneous payments. Due to the difficulties in the IT systems, commissions and fees obtained for the loans granted in prior periods could not be decomposed and the balances of deferred revenues corresponding to the prior periods could not have been identified.

VI. Explanations on financial assets

The Bank categorizes its financial assets as 'Fair value through profit/loss', 'Available for sale', 'Loans and receivables' or '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.

(Currency - Thousand Turkish Lira)

VI. Explanations on financial assets (continued):

Financial assets at fair value through profit or loss: This category has two sub categories: "Trading financial assets" and "Financial assets designated at fair value through profit/loss at initial recognition".

Trading financial assets are financial assets which were either acquired for generating a 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.

In this group, trading securities are initially recognized at cost and measured at fair value on the financial statements. All gains and losses arising from these valuations are reflected in the income statement.

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

As of December 31, 2009 the Bank has no financial assets designated as financial assets at fair value through profit or loss except from trading financial assets.

Financial assets available for sale: Available for sale financial assets are initially recognized at cost; which reflects the 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 originating from the difference between the amortized cost and the fair value is recorded in "Marketable Securities Value Increase Fund" under the equity. In case of a disposal of available for sale financial assets, value increase/decrease which have been recorded in the securities value increase fund under the equity are transferred to income statement. Equity securities 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 unlisted in an active market and held for purchase or sale, financial assets at the fair value through profit or loss or financial assets held for sale.

Loans and receivables are carried initially at cost and subsequently recognized at the amortized cost value using the effective yield method in accordance with the Turkish Accounting Standards :TAS 32 "Financial Assets: Presentation" and TAS 39 "Financial Assets: Recognition and Measurement". Fees, transaction costs and other similar costs in connection with the guarantees of loans and receivables are paid by the customers and accordingly not recorded in the income statement.

Cash loans are accounted in the related accounts as specified by the Communiqué "Uniform Chart of Accounts and Explanations".

Held to maturity financial assets: Held to maturity financial assets are 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 the financial assets to maturity. Held to maturity financial assets are initially recognized at cost which reflects the fair value, and subsequently carried at 'Amortized Cost' using the 'Internal Rate of Return'. Profit share income from held to maturity financial assets is reflected in the income statement.

(Currency - Thousand Turkish Lira)

VII. Explanations on impairment of financial assets:

It is assessed whether there is objective evidence that a financial asset or group of financial assets is impaired at each balance sheet date. If such evidence exists, impairment is provided for the financial assets group as explained below.

i) Loans and receivables:

The Bank provides impairment for loans that may become doubtful in the future and records this against the income for the year. Impairment provision for the non-performing loans is the amount calculated by the Bank management by evaluating the loan portfolio on the grounds of risk and quality and considering the related legislation economic and other factors to counteract the possible losses.

If there is objective evidence that the loans might not be collected, the Bank reclassifies such loans to III., IV. and V. groups and provides impairment reserve 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" published on November 1, 2006 in the official Gazette numbered 26333 and "Communiqué for the amendment of 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" published on January 23, 2009 in the Official Gazette numbered 27119.

Collections related to the provisions provided in the current period for such loans are deducted from 'Provisions for Loan losses and Other Receivables' account in the income statement. Subsequent recoveries of amounts previously written off or provisions provided in prior periods are included in "other income" in the income statement.

Specific provision expenses in impairment expense account closed by reversal entry of free reserve account.

The Bank provides general provision 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" published on November 1, 2006 in the Official Gazette numbered 26333 and Communiqué for the amendment of 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" published on January 23, 2009 in the Official Gazette numbered 27119.

ii) Financial assets held to maturity:

If there is objective evidence indicating that the value of financial assets held to maturity is impaired, the amount of the loss is the difference between the present value which is calculated by discounting the projected cash flows in the future with the original profit share with the net book value; provision is provided for impairment and the provision is associated with expense accounts.

iii) Financial assets available for sale:

If there is objective evidence indicating that the fair value of an available for sale financial asset, of which decreases in the fair value of the asset has been accounted in the equity, has been impaired then the total loss which was accounted directly in the equity is deducted from equity and transferred to the income statement.

(Currency - Thousand Turkish Lira)

VII. Explanations on impairment of financial assets (continued)

Impairment losses recognized in the income statement related to the investments in equity instruments classified as available for sale financial assets can not be reversed in the income statement. If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, 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 losses can not 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.

There are no such offsetted financial assets and liabilities.

IX. Explanations on repurchase and resale agreements and securities lending

The Bank has no sale and repurchase agreements transactions and lending securities transactions.

X. Explanations on assets held for sale and discontinued operations

As mandated by the Banking Act 5411 article 57 "per Capital Markets Banks Act No. 2499, banks cannot participate in commercial real-estate and commodity trade with the exception of real-estate and commodity based agreements and precious metal trade as seen appropriate by the committee, and cannot participate in partnerships with firms whose main business activity is commercial real-estate, with the exception of real-estate investment partnerships and companies that finance mortgaged residential estates. The rules and procedures regarding the sales of real-estate and commodities that were received due to receivables and debtors' obligations to the bank are set by the committee."

The assessment and disposal of assets held for sale and their accounting are determined by the official communication of "Principles and Procedures on Bank's Disposal of Precious Metals and Assets Held for Sale" No. 26333 published on November 1, 2006 in the Official Gazette.

Assets held for sale are measured at the lower of the carrying amount of assets and fair value less any cost incurred for disposal. Assets held for sale are not amortized and presented in the financial statements separately. In order to classify an asset as held for sale, only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Highly saleable condition requires a plan by the management regarding the sale of the asset (or the group of assets), 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 (or the group of assets) 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. Various events and conditions may extend the completion period of the disposal. If such delay arises from any events and conditions beyond the control of the entity and there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or group of assets) can remain to be classified as assets (or group of assets) held for sale.

(Currency - Thousand Turkish Lira)

X. Explanations on assets held for sale and discontinued operations (continued)

In the case that the Bank has not disposed of the real-estate and commodities that were received due to receivables and debtors' obligations to the Bank within a year of receipt or failed to produce a solid plan for sale of the assets, the aforementioned assets have to be amortized and classified as fixed assets rather than assets held for sale.

Assets held for sale are measured at the lower of the carrying amount of assets and fair value less any cost incurred for disposal.

Discontinued operations are classified under disposals or held for sale. Discontinued operations are presented separately in the income statement. The Bank has no discontinued operations.

XI. Explanations on goodwill and other intangible assets

There is no goodwill arising from associates.

Intangible assets are stated at inflation adjusted cost until December 31, 2004 and amortized on a straight-line basis after provision for impairment, if any, has been reduced.

Softwares classified as other intangible assets are carried at inflation adjusted acquisition costs until December 31, 2004. The useful lives of these mentioned assets are determined as three to four years. Useful lives of intangible assets have been determined as fifteen years.

XII. Explanations on tangible assets

Tangible assets are stated at inflation adjusted cost until December 31, 2004 less accumulated depreciation and provision for impairment, if any. As of March 31, 2009, the Bank adopted alternative revaluation model for buildings in accordance with standard on "Property, Plant and Equipment" (TMS 16) and reflected the results of appraisal reports prepared by an independent real estate appraiser firm to the financial statements. Regarding to this revaluation, TL 10.532; net of deferred tax and depreciation, (December 31, 2008 – None) has been accounted under the equity as a revaluation fund. Current period depreciation charge of the revaluation fund has been transferred to retained earnings from revaluation fund reserve in accordance with TMS 16. Appraisals of the buildings have been performed by an independent real estate appraisal firm licensed by the Capital Markets Board of Turkey and the appraisal firm has used comparison of similar items method. If the revaluation method had not been adopted, the cost of the buildings would be TL 100.918.

Depreciation is calculated on a straight-line basis. Depreciation rates used are determined by considering the estimated 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
Leasehold improvements	Leasing period

Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than one year as of the balance sheet date. Leasehold improvements are depreciated over the term of the lease agreements by using the straightline method.

(Currency - Thousand Turkish Lira)

XII. Explanations on tangible assets (continued)

If the recoverable amount (the higher of value in use and fair value) of a tangible asset is less than its carrying value, impairment loss is provided and the carrying value is written down to its recoverable amount.

Gain or loss resulting from disposals of the tangible assets are recorded in "Gain/Loss from Sales of Assets" account and reflected to the "Other Operating Income/Loss" at the statement of income as the difference between the net proceeds and the net book value of the related asset.

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

XIII. Explanations on leasing transactions

Transactions as a lessee

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 these amounts is the lower of fair value of the leased asset or the present value of the lease payments. The direct costs incurred during a finance lease transaction are capitalized as additions to the cost of the leased asset. Lease payments include the financing costs incurred due to the leasing transaction and the principal amount of the leased asset for the current period.

The payments made under operating 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.

XIV. Explanations on provisions and contingent liabilities

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

The provisions are accounted if, there is a legal or contractual obligation as of the balance sheet date or originating from past, there is a possibility of outflow of the economic resources and a reliable estimate for the liability amount can be made.

Provisions are made and reflected in the financial statements when there is a present obligation as a result of a past event and the amount of the obligation can be estimated.

XV. Explanations on liabilities regarding employee benefits

i) Defined benefit plans:

In accordance with existing social legislation, the Bank is required to make severance pay to each employee who has completed over one year of service with the Bank and whose employment is not terminated due to retirement, resignation or misconduct.

(Currency - Thousand Turkish Lira)

XV. Explanations on liabilities regarding employee benefits (continued)

The retirement pay provision recognized in the accompanying financial statements, is calculated based on "TAS 19", by using the "projection method" and based on upon factors derived using the experience of the retiring personnel, eligibility to receive retirement pay which is discounted by using the current market yield rate of government bonds at the balance sheet date.

The Bank's employees are not members of any pension fund, foundations, union or other similar entities.

ii) Defined contribution plans:

The Bank pays defined contribution plans to publicly administered Social Security Funds for its employees as mandated by the Social Security Association. The Bank has no further payment obligations other than this contribution share. The contributions are recognized as employee benefit expense when they are due.

iii) Short term benefits to employees:

In accordance with "TAS 19", vacation pay liabilities are classified as "The Short Term Benefits to Employees" and accrued when they qualify and not discounted.

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 no.5520 published in the Official Gazette no.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 therefore 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 prepayments can be deducted from the annual corporate tax calculated for the whole year earnings. After the deduction, the excess value can also be deducted from the other taxes or can draw back.

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 tax exempt if added to the capital or accounted under shareholders' equity as a special fund within 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.

(Currency - Thousand Turkish Lira)

XVI. Explanations on taxation (continued)

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, and such dividends are not subject to income or 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.

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 "Turkish Accounting Standard for Income Taxes" ("TAS 12"). 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. Deferred tax asset is not provided over provisions for possible risks and general provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

XVII. Explanations on additional disclosures on borrowings

Financial liabilities are recognized at amortized cost using the effective interest rate (internal rate of return) method in the following periods after the initial recognition. Derivative instruments are reflected with the fair values.

There are no debt securities issued by the Bank.

The Bank has not issued convertible bonds.

XVIII. Explanations on share certificate and share certificate issuance

The Bank increased its paid-in share capital by TL 54.500 from TL 215.000 to TL 269.500, as of June 29, 2007 through initial public offering (IPO) by putting restrictions on preferential rights of the shareholders in accordance with the decision taken in the Board of Directors meeting dated April 16, 2007. The related capital increase of TL 54.500 was recognized in share capital account and TL 158.396 representing difference between TL 168.950 coming from IPO and TL 10.554 concerning related expenses was accounted for as share premiums under equity items. The shares of Dubai Islamic Bank PSJ, one of the shareholders of the Bank, with par value of TL 944 have been sold through initial public offering.

(Currency - Thousand Turkish Lira)

XVIII. Explanations on share certificate and share certificate issuance (continued)

In accordance with the decision of Board of Directors dated as March 1, 2009, the Bank increased its capital from TL 215.000 to TL 539.000 financed through its internal resources at April 15, 2009. TL 80.750 of the increase is transferred from the profit of the year 2008, TL 158.396 of the increase is transferred from the share premium and TL 30.354 of the increase is transferred from extraordinary reserves. The shares of the publicly traded shares at Istanbul Stock Exchange corresponding to the increase made through internal sources are distributed to the shareholders as bonus shares and transferred to the custody accounts at Central Registry Agency Inc.

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 off-balance sheet accounts.

XX. Explanations on government grants

There are no government grants received by the Bank.

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 information is available.

Segment reporting is disclosed in Section Four, Note IX.

(Currency - Thousand Turkish Lira)

XXII. Explanations on other matters

There are no other matters to be disclosed by the Bank.

XXIII. Additional paragraph for convenience translation

The effects of differences between accounting principles and standards set out by regulations in conformity with article 37 of the Banking Act No. 5411, the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified in the accompanying financial statements. Accordingly, the accompanying 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.

(Currency - Thousand Turkish Lira)

Section four

Information on financial position

I. Explanations on capital adequacy standard ratio

Risk measurement methods used in the computation of the capital adequacy standard ratio; The capital adequacy standard ratio is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette numbered 26333 and dated November 1, 2006. The Bank's capital adequacy ratio is 15,33% (December 31, 2008 – 18,12%) which is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks".

The calculation of Capital Adequacy Ratio includes the methods used in determining the Capital Adequacy Ratio, determination of risk weighted assets and non-cash credits in line with the relevant banking regulation and measuring the market risk and operational risk ratio in line with the same regulation.

	Risk Weights			
	0%	20%	50%	100%
				Bank
				100%
Amount subject to credit risk				
Balance sheet items (Net)	1.197.805	635.282	1.694.560	1.638.014
Cash and cash equivalents	110.265	-	-	-
Matured marketable securities	-	-	-	-
The Central Bank of the Republic of Turkey	380.164	-	-	-
Domestic banks, foreign banks, foreign head offices and branches	-	606.447	-	1.494
Money market placements	-	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-
Reserve deposits	92.812	-	-	-
Loans	255.905	28.561	1.579.270	1.389.806
Non-performing loans (Net)	-	-	-	18.870
Financial lease receivables	337	-	35.443	6.660
Available-for-sale financial assets	25.000	-	-	37
Held to maturity investments	282.455	-	-	7.455
Receivables from term sales of assets	-	-	-	9.346
Miscellaneous receivables	-	-	-	507
Accrued profit share and income accruals	42.613	274	79.847	57.619
				6.000
Investment in associates, subsidiaries and joint ventures (Business partnerships) (net)	-	-	-	-
Tangible assets	-	-	-	136.886
Other assets	8.254	-	-	3.334
Off-balance sheet items	63.357	18.701	427.017	1.310.063
Guarantees and commitments	63.357	18.701	427.017	1.310.063
Derivative financial instruments	-	-	-	-
Non risk weighted accounts	-	-	-	-
Total risk-weighted assets	1.261.162	653.983	2.121.577	2.948.077

(Currency - Thousand Turkish Lira)

I. Explanations on capital adequacy standard ratio (continued)

Summary information related to capital adequacy ratio

	Current period 31.12.2009	Prior period 31.12.2008
Total risk weighted assets (TRWA)	4.139.662	3.090.745
Amount subject to market risk (ASMR)	32.288	135.625
Amount subject to operational risk (ASOR)	462.299	346.237
Shareholders' equity	710.216	647.219
Shareholders' equity / (TRWA + ASMR + ASOR) *100	15,33	18,12

Components of shareholders' equity:

	Current period 31.12.2009	Prior period 31.12.2008
Core capital		
Paid-in capital	539.000	269.500
Nominal capital	539.000	269.500
Capital commitments (-)	-	-
Paid-in capital inflation indexation difference	-	-
Share premium	-	158.396
Share cancellations profits	-	-
Legal reserves	27.160	17.097
First legal reserve (Turkish Commercial Code 466/1)	20.006	13.176
Second legal reserve (Turkish Commercial Code 466/2)	7.093	3.860
Other legal reserve per special legislation	61	61
Status reserves	-	-
Extraordinary reserves	26.142	56.496
Reserves allocated by the General Assembly	26.142	56.496
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustments to legal, statutory and extraordinary reserves	-	-
Profit	105.626	136.613
Current period net profit	105.279	136.242
Prior years' profits	347	371
Provision for possible losses up to 25% of the core capital	84	70
Gains on sale of associates and subsidiaries and properties to be added to capital	-	-
Primary subordinated loans up to 15% of the core capital	-	-
Losses that cannot be covered by reserves (-)	-	-
Net current period loss	-	-
Prior years' losses	-	-
Leasehold improvements (-)(*)(**)	(7.557)	-
Prepaid expenses (-)	(2.204)	(3.450)
Intangible assets (-)	(1.577)	(1.488)
Deferred tax asset exceeding 10% of the Core Capital (-)(**)	-	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)(**)	-	-
Total core capital	686.674	633.234
Supplementary capital		
General loan loss reserves	18.323	14.696
45% of the revaluation reserve for movable fixed assets	-	-
45% of the of revaluation reserve for properties	4.739	-
Bonus shares of investment in associates, subsidiaries and joint ventures	-	-
Primary subordinated loans excluded in the calculation of the core capital	-	-
Secondary subordinated loans	-	-
45% of Marketable securities value increase fund	993	-
Associates and subsidiaries	-	-
Available for sale securities	993	-
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-
Total supplementary capital	24.055	14.696
TIER III capital		
Capital	710.729	647.930
Deductions from the capital	513	711
Shareholdings of banks and financial institutions (Domestic, Foreign) from which the Bank keeps ten percent or more of capitals	-	-
Shareholdings of unconsolidated banks and financial institutions (Domestic, Foreign) from which the Bank keeps less than ten percent of capitals which exceed the ten percent of Bank's Core and Supplementary Capital	-	-
Secondary subordinated loans granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and placements that possess the nature of their Primary or Secondary Subordinated Debt	-	-
Loans granted being non-compliant with the Articles 50 and 51 of the Banking Law	-	-
The net book value of properties exceeding fifty percent of equity and properties held for sale and properties and commodity to be disposed, acquired in exchange of loans and receivables according to the Article 57 of the Banking Law and have not been disposed yet after 5 years after foreclosure	513	711
Other	-	-
Total shareholder's equity	710.216	647.219

(*) Leasehold Improvements, amounting to TL 7.557 as of December 31, 2009, have been classified under tangible assets in the financial statements and are presented under deductions from the capital due to changes in the Uniform Chart of Accounts.

(**) In accordance with the first provisional article of the regulation on the equity of the banks, it is considered as a deduction from the capital up to January 1, 2009. As of December 31, 2009, it is considered as a deduction from core capital.

(Currency - Thousand Turkish Lira)

II. Explanations on credit risk

- (1) Credit risk represents the Bank's risk or losses arisen 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 belongs to the Board of Directors and in accordance with the authority given by the Board of Directors the risk limits of the Bank have been determined by head by Head-office Loan Committee, Loan Committee and Board of Directors. Head-office Loan Committee exercises the loan assignment authority via units of the Bank or branches.

Proposal for loans are presented in a written format to Loan Committee and Board of Directors and are signed by the members of Loan Proposal Committee.

Regarding to the credit risk debtors or group of debtors is subject to risk limitations. In accordance with the decision taken by the Board of Directors of the Bank, the Bank can not 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 Management.) The Bank focuses to distribute the risk in different sectors in a balanced manner; accordingly the branches of the Bank are trying to reach companies from various sectors. In principle each branch considers distributing the credit risk in a balanced manner and following the companies operating in risky 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 compiled as stated 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 worthiness of corporate and individual loans according to credit policy.

- (2) There are no derivative financial instruments.
- (3) Indemnified non-cash loans are subject to the same risk burden 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 business operations of those customers are analyzed systematically while the principal and profit payments based on the restructured payment plan are monitored by the related departments.
- (4) The Bank has credit lines in different countries within framework of its banking activity and due inquires (economic, cycles etc.) are carried out during the allocation and revision of credit lines.

With the exception of the cash kept idle and the deposits / placings at banks where commodity transactions are carried out, the Bank does not lend money to any company outside of Turkey. For the banks where correspondent activity and international commodity transactions are intended to be carried out, the credit limits are set by the related credit committees; taking into account the volume of the addressee Bank and the Bank itself to avoid concentration of risk. The Bank does not carry any serious risk in this respect.

(Currency - Thousand Turkish Lira)

II. Explanations on credit risk (continued)

- (5) As of December 31, 2009, the risk of the Bank from its top 100 cash loan customers share in total cash loans ratio is 46% (December 31, 2008 - 46%).

As of December 31, 2009, the risk of the Bank from its top 100 non-cash loan customers share in total non-cash loan ratio is 48% (December 31, 2008 - 52%).

As of December 31, 2009, the cash and non-cash receivables of the Bank from its top 100 loan customers share in total balance sheet assets and non-cash loan ratio is 38% (December 31, 2008 - 40%).

- (6) As of December 31, 2009 the Bank's general provision amount for its credit risk is TL 47.665 (December 31, 2008 - TL 35.987).

Distribution of credit risk by types of borrowers and geographical concentration:

	Loans to individuals and corporates		Balances with Banks and other financial institutions		Marketable securities (*)		Other loans (**)	
	Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period
Loans according to borrowers								
Private Sector	4.202.758	3.276.154	98.463	98.572	-	-	3.486.739	2.665.652
Public Sector	43.233	236	-	-	317.038	-	-	-
Banks	-	-	968	133.504	7.486	7.768	48.670	33.649
Retail Customers	321.547	208.511	-	-	-	-	64.649	50.815
Equity Securities	-	-	-	-	3.074	2.317	-	-
Total	4.567.538	3.484.901	99.431	232.076	327.598	10.085	3.600.058	2.750.116
Information according to geographical concentration								
Domestic	4.512.928	3.463.893	98.463	98.578	320.112	2.317	3.488.750	2.627.694
European Union (EU) Countries	3.477	2.290	-	102.500	-	-	12.070	47.215
OECD countries (***)	-	-	-	30.000	-	-	-	-
Off-Shore Banking Regions	26.743	6.038	-	-	7.486	7.768	6.268	2.690
USA, Canada	15.629	12.674	-	-	-	-	-	-
Other Countries	8.761	6	968	998	-	-	92.970	72.517
Total	4.567.538	3.484.901	99.431	232.076	327.598	10.085	3.600.058	2.750.116

(*) Includes financial assets at fair value through profit or loss, financial assets available-for-sale and investments held-to-maturity.

(**) Includes transactions defined as credit as per the Article 48 of the Turkish Banking Law No 5411 and not covered in the first three columns above.

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

(Currency - Thousand Turkish Lira)

II. Explanations on credit risk (continued)

Geographical concentration:

	Assets	Liabilities	Non-cash loans	Capital expenditures	Net Profit (*)
Current Period					
Domestic	6.163.643	5.596.860	3.479.404	-	105.279
EU countries	103.943	9.529	12.070	-	-
OECD countries (**)	15.342	1.545	-	-	-
Off-shore banking regions	34.198	29.252	6.268	-	-
USA, Canada	80.750	221	-	-	-
Other countries	11.038	66.841	92.970	-	-
Associates, subsidiaries and entities under common control	6.000	-	-	-	-
Unallocated assets/liabilities (***)	-	-	-	-	-
Total	6.414.914	5.704.248	3.590.712	-	105.279

	Assets	Liabilities	Non-cash loans	Capital expenditures	Net profit/(Loss) (*)
Prior Period					
Domestic	4.493.993	4.055.984	2.626.798	-	136.242
EU countries	139.748	20.104	47.215	-	-
OECD countries (**)	39.962	1.954	-	-	-
Off-shore banking regions	13.723	45.628	2.690	-	-
USA, Canada	93.275	128	-	-	-
Other countries	4.276	27.208	72.517	-	-
Associates, subsidiaries and entities under common control	4.131	-	-	-	-
Unallocated assets/liabilities (***)	-	-	-	-	-
Total	4.789.108	4.151.006	2.749.220	-	136.242

(*) Geographical distribution has not been performed.

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

(***) Assets, liabilities and equity items that can not be allocated on a consistent basis.

(Currency - Thousand Turkish Lira)

II. Explanations on credit risk (continued)

Sectoral distribution of cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	108.249	2,42	-	0,00	125.520	3,47	-	0,00
Farming and stockbreeding	58.081	1,30	-	0,00	67.237	1,86	-	0,00
Forestry	41.179	0,92	-	0,00	52.807	1,46	-	0,00
Fishery	8.989	0,20	-	0,00	5.476	0,15	-	0,00
Manufacturing	1.773.918	39,81	42.957	27,28	1.528.320	42,29	548	22,10
Mining	66.073	1,48	-	0,00	16.058	0,44	-	0,00
Production	1.634.383	36,68	42.811	27,19	1.494.652	41,36	548	22,10
Electricity, gas, water	73.462	1,65	146	0,09	17.610	0,49	-	0,00
Construction	1.096.810	24,61	82.034	52,10	696.786	19,28	-	0,00
Services	907.201	20,35	13.345	8,47	805.377	22,27	998	40,24
Wholesale and retail trade	523.477	11,75	-	0,00	338.392	9,36	-	0,00
Hotel, food and beverage services	44.403	1,00	-	0,00	40.638	1,12	-	0,00
Transportation and telecommunication	85.302	1,91	12.377	7,86	68.110	1,88	-	0,00
Financial institutions	100.183	2,25	968	0,61	232.759	6,44	998	40,24
Real estate and renting services.	58.083	1,30	-	0,00	46.980	1,30	-	0,00
"Self-employment" services	15.671	0,35	-	0,00	2.865	0,08	-	0,00
Education services	23.810	0,53	-	0,00	26.469	0,73	-	0,00
Health and social services	56.272	1,26	-	0,00	49.164	1,36	-	0,00
Other	569.860	12,81	19.111	12,15	458.183	12,69	934	37,66
Total	4.456.038	100,00	157.447	100,00	3.614.186	100,00	2.480	100,00

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

	Current period	Prior period
The central bank of Turkish republic	506.938	315.381
Trading financial assets	-	7.768
Due from banks	607.941	542.759
Available-for-sale financial assets	28.517	-
Loans	4.632.510	3.657.261
Held to maturity investments	296.007	-
Finance lease receivables	53.484	100.311
Other assets	9.346	896
Total balance sheet items subject to credit risk	6.134.743	4.624.376

Contingent liabilities	3.590.712	2.749.220
Commitments	280.558	238.818

Total off-balance sheet items subject to credit risk	3.871.270	2.988.038
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Total credit risk exposure	10.006.013	7.612.414
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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 criterion used in the said rating systems is the volume of transactions of the customer with the Bank, payment performance of the customer and income generated from the customer.

(Currency - Thousand Turkish Lira)

II. Explanations on credit risk (continued)

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	% 23,69	% 23,33
Average	%66,06	% 44,40
Below average	% 10,25	%32,27

III. Explanations on market risk

The Bank has established market risk operations and has taken the necessary precautions in order to manage market risk within its financial risk management purposes under "Risk Management Systems" in accordance with BRSA Regulation on "Banks' Internal Systems" published in the Official Gazette No. 26333 dated November 1, 2006.

Additionally, in accordance with the official communication on "Measurement and Assessment of Capital Adequacy of Banks", published in the same Official Gazette as mentioned above, and in the context of other related regulations, the Bank has started to calculate the amount subject to market risk with the Standard Method and reported to BRSA and has been considered in the capital sufficiency calculation of the Bank.

The capital which should be kept against general market risk and specific risks, is calculated and monthly reported in accordance with the "Marketing risk measurement process with standard method" which is the third chapter of "Calculation of Marketing Risk Amount" of the "Communiqué on the "Measurement and Assessment of Capital Adequacy of Banks". As of December 31, 2009, the details of marketing risk calculated in accordance with the mentioned method are as follows:

a) Information related to market risk:

	Amount
(I) Capital requirement to be employed for general market risk - standard method	243
(II) Capital requirement to be employed for specific risk - standard method	61
(III) Capital requirement to be employed for currency risk - standard method	2.279
(IV) Capital requirement to be employed for commodity risk - standard method	-
(V) Capital requirement to be employed for settlement risk - standard method	-
(VI) Total capital requirement to be employed for market risk resulting from options - standard	-
(VII) Total capital requirement to be employed for market risk in banks using risk measurement	-
(VIII) Total capital requirement to be employed for market risk (I+II+III+IV+V+VI)	2.583
(IX) Amount subject to market risk (12,5 X VIII) or (12,5 x VII)	32.288

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III. Explanations on market risk (continued)

b) Average market risk table calculated at the end of each month in the current period:

	Current period 31 December 2009			Prior period 31 December 2008		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	264	1.263	650	-	-	-
Share Certificates Risk	3.649	4.013	3.213	14.860	18.413	500
Currency Risk	23.456	37.063	10.613	34.504	127.225	3.913
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Total Value Subject to Risk	27.369	42.339	14.476	49.364	145.638	4.413

IV. Explanations on operational risk

The "Basic indicator method" is used in the operational risk calculation of the Bank. The amount subject to the operational risk is calculated through the use of the gross income of the Bank in 2008, 2007, and 2006 in accordance to the "Calculation of the Operational Risk" applicable from 1 June 2007, which is the 4th part of the "Regulation Regarding Measurement and Evaluation of the Bank's Capital Adequacy Ratio" published in the Official Gazette No.26333 dated 1 November 2006. In the scope of "Capital adequacy ratio" stated in Note I of this section, amount subjected to operational risk is TL 462.299; capital liability of operational risk is TL36.984.

V. Explanations on currency risk

1. The followings are declared by the Bank regarding foreign currency risk:

a) Depending on the possibility of risk exposure, whether the effects of the risk can be predicted and whether the Bank's BOD follows the positions and determines daily limits for the positions:

The Bank is exposed to foreign currency risks as a market risk and tries to balance their risk by not keeping long or short positions.

b) If material, hedging of foreign currency liabilities and net foreign currency investments with derivative financial instruments:

The Bank does not have any derivative financial instruments held for hedging purposes.

c) Foreign currency risk management policy:

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. However, the currency risk that may arise has been calculated with the Standard Method on a monthly basis, and the results are reported to the regulatory bodies and the Bank's senior management. Currency risk is also taken into consideration as part of the market risk within the calculation of the capital adequacy ratio.

(Currency - Thousand Turkish Lira)

V. Explanations on foreign currency risk (continued)

ç) 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, 2009 - Balance sheet evaluation rate	1,491	2,134
As of December 30, 2009	1,505	2,155
As of December 29, 2009	1,503	2,170
As of December 28, 2009	1,504	2,168
As of December 25, 2009	1,503	2,165
As of December 24, 2009	1,509	2,169

d) The simple arithmetical average of the major foreign exchange buying rates of the Bank for the thirty days before the balance sheet date is TL 1,496 for 1 USD (December 2008 – TL 1,522), 2,182 for 1 EURO (December 2008 – TL 2,061) and TL 1,656 for 100 JPY (December 2008 – TL 1,672).

Currency risk of the Bank:

	EUR	USD	JPY	Other FC	Total
Assets					
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	86.224	164.052	-	12.321	262.597
Banks	207.643	152.548	263	3.066	363.520
Financial assets at fair value through profit and loss	-	-	-	-	-
Money market placements	-	-	-	-	-
Available-for-sale financial assets	37	-	-	-	37
Loans and financial lease receivables(*)	440.766	1.135.285	-	-	1.576.051
Subsidiaries, associates and joint ventures	-	-	-	-	-
Held-to-maturity investments	-	15.131	-	-	15.131
Derivative financial assets for hedging purposes	-	-	-	-	-
Tangible assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Other assets (**)	103	755	-	-	858
Total assets	734.773	1.467.771	263	15.387	2.218.194
Liabilities					
Current account and funds collected from Banks via participation accounts	17.412	61.882	-	26	79.320
Current and profit sharing accounts	710.138	1.370.299	208	13.871	2.094.516
Money market borrowings	-	-	-	-	-
Funds provided from other financial institutions	-	-	-	-	-
Marketable securities issued	-	-	-	-	-
Miscellaneous payables	953	12.136	-	10	13.099
Derivative financial liabilities for hedging purposes	-	-	-	-	-
Other liabilities	3.086	10.001	-	-	13.087
Total liabilities	731.589	1.454.318	208	13.907	2.200.022
Net balance sheet position	3.184	13.453	55	1.480	18.172
Net off balance sheet position	437.745	960.699	478	4.064	1.402.986
Derivative financial instruments assets	-	-	-	-	-
Derivative financial instruments liabilities	-	-	-	-	-
Non-cash loans (***)	437.745	960.699	478	4.064	1.402.986
Prior period					
Total assets	597.796	1.483.794	360	5.015	2.086.965
Total liabilities	600.672	1.368.746	1	3.209	1.972.628
Net off-balance sheet position	(2.876)	115.048	359	1.806	114.337
Net off balance sheet position	326.786	814.685	4.633	3.319	1.149.423
Derivative financial instruments assets	-	-	-	-	-
Derivative financial instruments liabilities	-	-	-	-	-
Non-cash loans	326.786	814.685	4.633	3.319	1.149.423

(*) The balance includes foreign currency indexed loans and financial lease receivables of TL 1.267.949 (2008 – TL 1.314.049) and profit share income accrual of TL 150.123 (2008 – TL 298.972).

(**) Foreign currency indexed receivables from sale of assets with payment plan amounting to TL 649 (2008 – 695) and foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 24 (2008 – None) is included in other assets.

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

(Currency - Thousand Turkish Lira)

V. Explanations on foreign currency risk (continued)

Foreign currency sensitivity:

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

The following table details the Bank's sensitivity to a change of 10% in the USD and EURO. A negative amount indicates a decrease/increase effect in profit/loss and equity where the TL strengthens/weakens with ratio of %10 against USD and EUR.

	Change in currency rate in %	Effect on profit or loss		Effect on equity	
		Current period 31.12.2009	Prior period 31.12.2008	Current period 31.12.2009	Prior period 31.12.2008
USD	10%	1.345	11.505	-	-
EUR	10%	318	(288)	-	-

VI. Explanations on liquidity risk

1. Followings are explained by the Bank related to the liquidity risk:

a) The source of the liquidity risk of the Bank and the precautions to eliminate these risks, any restrictions set by the Board of Directors on the use of fund of resources in order to meet urgent liquidity needs and to pay matured liabilities:

Liquidity risk represents the risk of not having sufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. The Bank manages liquidity risk by determining funds that can be granted according to the position of the excess liquidity.

b) Whether the payments, assets and liabilities and profit shares are compatible and if not, whether the possible effects on profitability are measured or not:

The Bank does not have structural interest rate risk.

a) Internal and external resources used to meet short and long term liquidity needs and unused significant liquidity sources:

The Bank does not have any instruments which may lead to supply of money.

d) Amounts, sources and maturity analysis of cash flows are given in the table below.

(Currency - Thousand Turkish Lira)

VI. 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, effectives, money in transit, cheques purchased) and Balances with the Central Bank of Republic of Turkey	490.429	126.774	-	-	-	-	-	617.203
Banks	607.941	-	-	-	-	-	-	607.941
Financial Assets at Fair Value Through Profit and Loss	3.037	-	-	-	-	-	-	3.037
Money Market Placements	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	37	-	3.517	-	25.000	-	-	28.554
Loans	3.018	490.780	671.481	1.748.419	1.696.970	56.301	-	4.666.969
Held-To-Maturity Investments	-	-	6.097	200.000	89.910	-	-	296.007
Other Assets (*)	-	522	86	8.704	35	-	185.856	195.203
Total Assets	1.104.462	618.076	681.181	1.957.123	1.811.915	56.301	185.856	6.414.914
Liabilities								
Current account and funds collected from banks via participation accounts	5.495	42.568	24.591	10.163	-	-	-	82.817
Current and profit sharing accounts	983.215	3.194.470	539.825	664.318	-	-	-	5.381.828
Funds provided from other financial institutions	-	-	-	-	-	-	-	-
Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	89.015	7.486	3.675	-	-	52.931	153.107
Other liabilities (*)	-	-	-	-	-	-	797.162	797.162
Total Liabilities	988.710	3.326.053	571.902	678.156	-	-	850.093	6.414.914
Net Liquidity Gap	115.752	(2.707.977)	109.279	1.278.967	1.811.915	56.301	(664.237)	-
Prior period								
Total Assets	752.091	875.918	596.310	1.188.707	1.195.783	45.444	134.855	4.789.108
Total Liabilities	635.849	1.856.195	259.960	1.233.104	2	-	803.998	4.789.108
Net Liquidity Gap	116.242	(980.277)	336.350	(44.397)	1.195.781	45.444	(669.143)	-

(*) Certain assets in the balance sheet that are necessary for the banking operations but cannot be readily convertible into cash in the near future, such as tangible assets, investments in associates and subsidiaries, stationary supplies, prepaid expenses and non-performing loans, are included in this chart. The undistributed other liabilities row consists of equity and provisions balances.

Analysis of financial liabilities based on the remaining contractual maturities:

The table below is drawn up based on the undiscounted contractual maturities of the financial assets and liabilities. Profit share expenses to be paid on such liabilities are included in this table. "Adjustments" column indicates items that may lead to potential cash flows in the following period. These items are included in maturity analysis, but not included in the balance sheet value of such financial liabilities.

	Demand	Up to 1 Months	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
December 31, 2009							
Funds Collected	988.710	3.237.038	564.116	674.481	-	-	5.464.645
Funds Borrowed	-	-	-	-	-	-	-
Financial Lease Payments	-	-	-	-	-	-	-
Total	988.710	3.237.038	564.116	674.481	-	-	5.464.645
December 31, 2008							
Funds Collected	635.849	1.856.195	259.960	1.233.104	2	-	3.985.110
Funds Borrowed	-	-	-	-	-	-	-
Financial Lease Payments	-	-	-	-	-	-	-
Total	635.849	1.856.195	259.960	1.233.104	2	-	3.985.110

(Currency - Thousand Turkish Lira)

VI. Explanations on liquidity risk (continued)

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

	Demand	Up to 1 Months	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Unallocated	Total
Current period – December 31, 2009								
Letters of guarantee	1.500.776	102.538	181.002	743.940	626.113	60.013	-	3.214.382
Bank Acceptances	12.691	-	-	-	-	-	-	12.691
Letters of credit	336.262	4.773	94	1.856	5.322	-	-	348.307
Other commitments and contingencies	-	15.332	-	-	-	-	-	15.332
Total	1.849.729	122.643	181.096	745.796	631.435	60.013	-	3.590.712
Prior period – December 31, 2008								
Letters of guarantee	1.028.926	91.497	152.669	669.131	449.428	52.656	-	2.444.307
Bank Acceptances	25.364	-	-	413	-	-	-	25.777
Letters of credit	250.410	4.859	263	6.391	447	-	-	262.370
Other commitments and contingencies	-	16.766	-	-	-	-	-	16.766
Total	1.304.700	113.122	152.932	675.935	449.875	52.656	-	2.749.220

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

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities. The carrying and fair values of financial assets and liabilities are calculated based on the following facts.

The fair values of held-to-maturity assets 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.

Book value of the funds collected approximates to their fair value.

	Current period December 31, 2009	Book value Prior period December 31, 2008	Current period December 31, 2009	Fair value Prior period December 31, 2008
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Financial Assets

Money market placements	-	-	-	-
Banks	1.114.879	858.140	1.114.879	858.140
Financial assets available for Sale	28.554	-	28.554	-
Held to maturity Investments	296.007	-	307.090	-
Loans and financial lease receivables	4.666.969	3.716.977	4.689.173	3.664.428

Financial Liabilities

Current account and funds collected from banks via participation accounts	82.817	72.478	82.817	72.478
Other current and profit sharing accounts	5.381.828	3.912.632	5.381.828	3.912.632
Funds provided from other financial institutions	-	-	-	-
Marketable securities issued	-	-	-	-
Miscellaneous payables	153.107	97.641	153.107	97.641

(Currency - Thousand Turkish Lira)

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

Hierarchy of valuation techniques which establishes basis for fair value calculation of financial assets and liabilities:

Level I: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level II: Inputs other than quoted prices included within Level 1 that are observable market information for the asset or liability, either directly or indirectly

Level III: Inputs for the asset or liability that are not based on observable market information

Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles as of December 31, 2009 and December 31, 2008 are given in the table below:

Current period	Level I	Level II	Level III	Total
Financial assets				
Financial assets held for trading	3.037	-	-	3.037
Forward transactions	-	-	-	-
Swap transactions	-	-	-	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	3.037	-	-	3.037
Available for sale financial assets	-	28.517	-	28.517
Share certificates	-	-	-	-
Government debt securities	-	28.517	-	28.517
Other marketable securities	-	-	-	-
Financial liabilities				
Held for trading financial liabilities	-	-	-	-
Forward transactions	-	-	-	-
Swap transactions	-	-	-	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
	Level I	Level II	Level III	Total
Financial assets				
Financial assets held for trading	2.317	-	-	2.317
Forward transactions	-	-	-	-
Swap transactions	-	-	-	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	2.317	-	-	2.317
Available for sale financial assets	-	-	-	-
Share certificates	-	-	-	-
Government debt securities	-	-	-	-
Other marketable securities	-	-	-	-
Financial liabilities				
Held for trading financial liabilities	-	-	-	-
Forward transactions	-	-	-	-
Swap transactions	-	-	-	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-

(Currency - Thousand Turkish Lira)

VIII. 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 others. The bank has no faith based transactions.

IX. Explanations on business segments:

The Bank operates in corporate and retail banking sectors via profit/loss sharing method.

	Retail	Commercial	Treasury	Undistributed	Total
Total assets	316.589	4.369.473	528.695	1.200.157	6.414.914
Total liabilities	3.776.748	1.767.327	86.655	784.184	6.414.914
Net profit share income/(expense)	(238.689)	494.559	51.632	-	307.502
Net fees and commissions income/(expense)	1.311	69.685	1.658	8.064	80.718
Other operating income /(expense)	(98)	(96.927)	349	(159.787)	(256.463)
Profit before tax	(237.476)	467.317	53.639	(151.723)	131.757
Provision for tax	-	-	-	(26.478)	(26.478)
Net profit for the period	(237.476)	467.317	53.639	(178.201)	105.279

	Retail	Commercial	Treasury	Undistributed	Total
Total assets	208.523	3.554.511	136.966	889.108	4.789.108
Total liabilities	2.794.178	1.256.716	33.942	704.272	4.789.108
Net profit share income/(expense)	(200.203)	445.602	9.311	18.826	273.536
Net fees and commissions income/(expense)	2.769	50.748	2.071	(4.324)	51.264
Other operating income /(expense)	(15)	(25.347)	278	(128.280)	(153.364)
Profit before tax	(197.449)	471.003	11.660	(113.778)	171.436
Provision for tax	-	-	-	(35.194)	(35.194)
Net profit for the period	(197.449)	471.003	11.660	(148.972)	136.242

(*) The distribution shown in the retail, commercial and treasury segments stems from differences in the fund allocation and fund collection methods. As a result of the mission of the Bank, the Bank operates in retail, commercial and corporate banking through method of participation in profit/loss.

(**) Since the management uses net profit share income (expense) as a performance measurement criteria, profit share income and loss are netted off.

The Bank has no customer from whom the income obtained exceeds the 10% of the total income of the years 2008 and 2009.

(Currency - Thousand Turkish Lira)

Section five

Explanations and notes on the unconsolidated financial statements

I. Explanations and notes related to assets:

1. a) Cash and balances with the CBRT:

	Current period - 31.12.2009		Prior period - 31.12.2008	
	TL	FC	TL	FC
Cash/foreign currency	38.688	59.289	27.891	40.264
The CBRT	315.918	191.020	139.144	176.237
Other (*)	-	12.288	-	-
Total	354.606	262.597	167.035	216.501

(*) Includes precious metals amounting to TL 12.288 as of December 31, 2009.

b) Information related to CBRT:

	Current period - 31.12.2009		Prior period - 31.12.2008	
	TL	FC	TL	FC
Unrestricted demand deposit	313.842	66.322	135.509	1.326
Unrestricted time deposit	-	-	-	-
Restricted time deposit	2.076	124.698	3.635	174.911
Total	315.918	191.020	139.144	176.237

In line with the "Communiqué on Obligatory Reserves" No. 2005/1 issued by the Central Bank of the Republic of Turkey, the banks operating in Turkey set aside obligatory reserves at the Central Bank of the Republic of Turkey at the rate of 5% in Turkish Lira for their Turkish currency obligations and at the rate of 9% in USD and/or Euro for their foreign currency obligations.

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

There are no financial assets at fair value through profit and loss subject to repurchase transaction, given as collateral or blocked.

b) Positive differences on trading derivative instruments table:

None.

(Currency - Thousand Turkish Lira)

3. a) Information on Banks:

	Current period - 31.12.2009		Prior period - 31.12.2008	
	TL	FC	TL	FC
Banks	244.421	363.520	320.822	221.937
Domestic	244.421	181.320	320.822	93.144
Foreign	-	182.200	-	128.793
Branches and head office abroad	-	-	-	-
Total	244.421	363.520	320.822	221.937

b) Information on foreign bank accounts:

	Current period		Prior period	
	Unrestricted amount	Restricted amount	Unrestricted amount	Restricted amount
European Union Countries	100.245	-	34.957	-
USA and Canada	65.121	-	80.601	-
OECD Countries (*)	15.342	-	9.962	-
Off-shore banking regions	-	-	-	-
Other	1.492	-	3.273	-
Total	182.200	-	128.793	-

(*) Countries other than USA, Canada and OECD countries

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

a) There are no financial assets available for sale subject to repurchase transaction, given as a guarantee or blocked.

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

		Current period	Prior period
		31.12.2009	31.12.2008
Debt securities	Quoted on a stock exchange	28.517	-
	Unquoted	-	-
Share certificates	Quoted on a stock exchange	28.517	-
	Unquoted	37	-
Impairment provision (-)	Quoted on a stock exchange	-	-
	Unquoted	37	-
Total		28.554	-

Unquoted debt securities consists of value indexed bonds issued by secretarial of Treasury.

(Currency - Thousand Turkish Lira)

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 - 31.12.2009		Prior period - 31.12.2008	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	22.254	78.670	25.344	41.348
Corporate shareholders	21.888	78.670	24.762	41.348
Real person shareholders	366	-	582	-
Indirect loans granted to shareholders	82.034	9.840	23.316	8.603
Loans granted to employees	1.846	-	1.700	-
Total	106.134	88.510	50.360	49.951

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	Restructured or rescheduled	Loans and other receivables	Restructured or rescheduled
Cash loans				
Loans	4.308.499	113.811	53.071	138.104
Financing of documents on goods	-	-	-	-
Export loans	161.396	1.548	-	671
Import loans	558.312	26.815	6.891	9.311
Business l loans	2.726.174	82.383	26.738	117.257
Consumer loans	299.010	1.163	13.181	630
Credit cards	23.328	-	201	-
Investments on profit/loss partnership	74.353	-	-	-
Precious metals loans	-	-	-	-
Loans given to financial sector	98.463	-	-	-
Loans given to abroad	9.545	-	-	-
Other	357.918	1.902	6.060	10.235
Other receivables (*)	34.803	12.733	2.735	3.213
Total	4.343.302	126.544	55.806	141.317

(*) Consists of net financial leasing receivable balances.

c) Distribution based on the maturity structure:

	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	1.624.548	50.336	16.722	56.632
Loans	1.624.548	50.336	16.722	56.632
Other receivables	-	-	-	-
Medium and long-term loans and other receivables(*)	2.718.754	76.208	39.084	84.685
Loans	2.683.951	63.475	36.349	81.472
Other receivables	34.803	12.733	2.735	3.213
Total	4.361.302	126.544	55.806	141.317

(*) Loans with have original maturities longer than a year are classified as "Medium and Long Term Loans". The time left to the maturities for the mentioned loans are diminishing with time.

(Currency - Thousand Turkish Lira)

5. Information on loans and receivables (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	5.213	292.643	297.856
Housing loans	2.357	259.994	262.351
Vehicle loans	1.996	16.992	18.988
Consumer loans	412	2.654	3.066
Other	448	13.003	13.451
Consumer loans-FC indexed	217	14.511	14.728
Housing loans	-	11.993	11.993
Vehicle loans	173	915	1.088
Consumer loans	-	179	179
Other	44	1.424	1.468
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	7.117	-	7.117
With installment	-	-	-
Without installment	7.117	-	7.117
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	980	389	1.369
Housing loans	-	15	15
Vehicle loans	14	268	282
Consumer loans	956	103	1.059
Other	10	3	13
Personnel loans-FC indexed	9	22	31
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	9	22	31
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	446	-	446
With installment	-	-	-
Without installment	446	-	446
Personnel credit cards-FC	-	-	-
Installment based	-	-	-
Without-installment	-	-	-
Overdraft account-TL(real person)	-	-	-
Overdraft account-FC(real person)	-	-	-
Total	13.982	307.565	321.547

(Currency - Thousand Turkish Lira)

5. Information on loans and receivables (continued):

d) Information on commercial loans with installments and corporate credit cards:

	Short-term	Medium and long-term	Total
Commercial installment loans-TL	36.819	136.211	173.030
Business loans	11.719	80.162	91.881
Vehicle loans	3.207	50.129	53.336
Consumer loans	8	2	10
Other	21.885	5.918	27.803
Commercial installment loans-FC indexed	10.146	21.910	32.056
Business loans	8.144	9.269	17.413
Vehicle loans	909	9.327	10.236
Consumer loans	-	-	-
Other	1.093	3.314	4.407
Commercial installment Loans-FC	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-TL	15.966	-	15.966
With installment	-	-	-
Without installment	15.966	-	15.966
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (legal entity)	-	-	-
Overdraft account-FC (legal entity)	-	-	-
Total	62.931	158.121	221.052

e) Loans according to types of borrowers:

	Current period- 31.12.2009	Prior period- 31.12.2008
Public	43.233	236
Private	4.570.252	3.616.430
Total	4.613.485	3.616.666

f) Breakdown of domestic and foreign loans

	Current period- 31.12.2009	Prior period- 31.12.2008
Domestic loans	4.603.940	3.483.168
Foreign loans	9.545	133.498
Total	4.613.485	3.616.666

g) Loans granted to subsidiaries and associates: None.

(Currency - Thousand Turkish Lira)

5. Information on loans and receivables (continued):

ğ) Specific provisions provided for loans:

Specific provisions	Current period- 31.12.2009	Prior period- 31.12.2008
Loans and receivables with limited collectibility	17.075	7.955
Loans and receivables with doubtful collectibility	33.536	21.967
Uncollectible loans and receivables	100.451	35.302
Total	151.062	65.224

Out of the specific provisions totaling to TL 151.062 (2008 – TL 65.224), TL 109.281 (2008 – TL 52.145) represents participation account share of specific provisions of loans provided from participation accounts.

h) Information on non-performing loans (net):

h.1. Loans and other receivables included in non-performing loans which are restructured or rescheduled amount to TL 625 and classified as uncollectible loans and receivables:

	III. Group: Loans and receivables with limited collectibility	IV. Group: Loans and receivables with doubtful collectibility	V. Group: Uncollectible loans and receivables
Current period			
(Gross amount before specific provisions)	-	-	-
Restructured loans and other receivables	-	-	203
Rescheduled loans and other receivables	-	-	422
Prior period			
(Gross amounts before special provisions)	-	-	-
Restructured loans and other receivables	-	-	746
Rescheduled loans and other receivables	-	-	3.797

h.2. Movement of non-performing loans:

	III. Group: Loans and receivables with limited collectibility	IV. Group: Loans and receivables with doubtful collectibility	V. Group: Uncollectible loans and receivables
Ending balance of prior period	24.196	40.152	41.471
Additions in the current period (+)	102.195	11.197	2.470
Transfers from other categories of non-performing loans (+)	-	90.171	87.419
Transfers to other categories of non-performing loans (-)	(90.171)	(87.419)	-
Collections in the current period (-)	(14.578)	(16.503)	(13.804)
Write offs (-)	(225)	(381)	(6.103)
Corporate and commercial loans	(182)	(296)	(5.329)
Retail loans	(43)	(85)	(650)
Credit cards	-	-	(124)
Other	-	-	-
Ending balance of the current period	21.417	37.217	111.453
Specific provisions (-)	(17.075)	(33.536)	(100.451)
Net balance at the balance sheet	4.342	3.681	11.002

(Currency - Thousand Turkish Lira)

5. Information on loans and receivables (continued):

Non-performing loans and receivables in the amount of TL 170.087 (2008 – TL 105.819) comprise TL 109.796 (2008 – TL 73.811) of participation account share of loans and receivables provided from participation accounts.

h.3. Information on foreign currency loans and other receivables under follow-up:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current period:			
Period end balance	-	-	7.204
Specific provision (-)	-	-	(6.672)
Net balance on balance sheet	-	-	532
Prior period:			
Period end balance	-	-	8.183
Specific provision (-)	-	-	(7.635)
Net balance on balance sheet	-	-	548

h.4. Gross and net receivables under follow-up as per costumer categories :

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current period (net)	4.342	3.681	11.002
Loans to individuals and corporates (gross)	21.417	37.217	111.453
Specific provision (-)	(17.075)	(33.536)	(100.451)
Loans to individuals and corporates (net)	4.342	3.681	11.002
Banks (gross)			
Specific provision (-)			
Banks (net)			
Other loans and receivables (gross)			
Specific provision (-)			
Other loans and receivables (net)			
Prior period (net)	16.241	18.185	6.169
Loans to individuals and corporates (gross)	24.196	40.152	41.471
Specific provision (-)	(7.955)	(21.967)	(35.302)
Loans to individuals and corporates (net)	16.241	18.185	6.169
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-

The Bank holds collaterals like mortgage pledge, customer cheques and other collaterals against these financial assets.

(Currency - Thousand Turkish Lira)

5. Information on loans and receivables (continued):

h.5. Aging analysis of past due but not impaired loans per classes of financial instruments is stated below.

Current period 31 December, 2009	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and Receivables					
Corporate Lending	227.994	46.475	40.561	-	315.030
Consumer Lending	19.377	9.084	4.098	-	32.559
Credit Cards	402	165	30	-	597
Total	247.773	55.724	44.689	-	348.186

Prior period 31 December, 2008	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and Receivables					
Corporate Lending	177.100	68.209	50.908	-	296.217
Consumer Lending	11.289	3.014	832	-	15.135
Credit Cards	488	142	83	-	713
Total	188.877	71.365	51.823	-	312.065

The Bank holds collaterals like mortgage pledge, customer cheques and other collaterals against these financial assets.

i. Main guidelines for liquidation process of uncollectible loans and other receivables:

Loans and other receivables determined as uncollectible are liquidated through 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 verification 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 No. 26333 dated November 01, 2006, have been written-off per the decision of the Bank management. In 2009, non-performing loans amount to TL 6.709 were written-off (December 31, 2008 – TL 949).

(Currency - Thousand Turkish Lira)

6. Information on securities held-to-maturity:

- 6.1. There are no held-to-maturity investments subject to repurchase transaction, given as a guarantee or blocked (December 31, 2008 – None).
- 6.2. Information related to Government bonds classified as held to maturity investments:

	Current period 31.12.2009	Prior period 31.12.2008
Bond	-	-
Treasury Bill	-	-
Other Securities (*)	296.007	-
Total	296.007	-

(*) Consists of Sukook certificates issued by Central Bank of Bahrain amounting to TL 7.486 and value indexed bonds issued by Secretariat of Treasury amounting to TL 288.521.

- 6.3. Information on investments held-to-maturity:

	Current period 31.12.2009	Prior period 31.12.2008
Debt Securities	296.007	-
Quoted on a stock exchange	-	-
Unquoted	296.007	-
Impairment provision	-	-
Total	296.007	-

- 6.4. Movement of Held-to-Maturity Investments:

	Current period 31.12.2009	Prior period 31.12.2008
Beginning balance	-	-
Foreign currency differences on monetary assets	(1.300)	-
Transfers from financial assets held for trading	8.158	-
Purchases during period	289.149	-
Disposals through sales and redemptions	-	-
Impairment provision (-)	-	-
Closing balance	296.007	-

(Currency - Thousand Turkish Lira)

6. Information on securities held-to-maturity (continued):

In accordance with "Communiqué for the Amendment of the Communiqué related to Turkish Accounting Standard Financial Instruments: Recognition and Measurement (TAS 39)" published in the Official Gazette numbered 27040 and dated 31 October 2008 by Turkish Accounting Standards Board, due to change in the intention to hold such investment, the Bank reclassified its sukook certificates with the fair value of USD 5.000.000 in held to maturity financial assets which were classified as financial assets held for trading before. Since the fair value of the reclassified investment could not be determined reliably as of the balance sheet date, valuation gain or loss that would have been recognized in the income statement, had the financial asset been classified; could not be estimated. However, the management of the Bank believes that there will be no material difference between the fair value and the carrying value.

7. Information on associates (net):

- a.1. The reason for not consolidating the associates:

The Bank has a participation of 12,5% in Komili Kağıt ve Kişisel Bakım Üretim A.Ş. (formerly named as Rozi Kağıt ve Temizlik Ürünleri A.Ş.). Since the Bank does not possess controlling power over the associate, it has not been consolidated. For Komili Kağıt ve Kişisel Bakım Üretim A.Ş., the Bank has provided provision for impairment amounting to TL 844 in accordance with the independent valuation report dated January 29, 2010 and reflected the associate with net book value of TL 4.000.

- a.2. Information on the unconsolidated associates:

Description	Address (City/ Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
1) Komili Kağıt ve Kişisel Bakım Üretim A.Ş.	İstanbul / Turkey	12,5	12,5
2) Kredi Garanti Fonu A.Ş.	Ankara / Turkey	1,67	1,67

The balances presented in the below table are obtained from the unaudited financial statements of the Komili Kağıt ve Kişisel Bakım Üretim A.Ş. prepared as of September 30, 2009.

	Total assets	Shareholders deficit	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period 30.09.2009 profit/loss	Prior period 30.09.2008 profit/loss	Fair value
1)	101.964	(78.427)	26.370	-	-	(26.676)	(20.912)	-
2)	-	-	-	-	-	-	-	-

- b. The Bank does not have any consolidated associates as of the balance sheet date.

- c. Information on the quoted associates: None.

8. Information on subsidiaries (net):

The Bank does not have any subsidiaries as of the balance sheet date.

9. Investments in joint- ventures:

None.

(Currency - Thousand Turkish Lira)

10. Information on finance lease receivables (net):

a) Investments in financial leases as to remaining maturity:

	Current period 31.12.2009		Prior period 31.12.2008	
	Gross	Net	Gross	Net
Less than a year	34.762	29.137	57.423	48.541
1 to 4 years	27.080	24.069	58.709	51.327
Over 4 years	290	278	478	443
Total	62.132	53.484	116.610	100.311

b) Information on net investments in finance lease receivables:

	Current period 31.12.2009	Prior period 31.12.2008
Gross finance lease receivable	62.132	116.610
Unearned financial lease receivable (-)	(8.648)	(16.299)
Cancelled lease amounts (-)	-	-
Net receivable from finance leases	53.484	100.311

c) Information on finance lease contracts:

General information regarding to the terms included in finance lease contracts like; criteria on determination of conditional installments, current terms and restrictions on renovation and buying option, if any, the case of default, whether the agreement is restructured or not, if restructured the conditions of restructuring, whether the restructuring creates any restrictions and other important terms stated at the lease contracts.

There are no conditional installments for leasing receivables. The customer has the right to buy the leased asset with an immaterial amount defined in the leasing agreements subsequent to the finalization of the required period for legal title transfer. The Bank determines the settlements of the financial lease agreements in accordance with related legislations. Payment terms and amounts may be rearranged with additional agreements upon customers' requests.

11. Information on derivative financial assets for hedging purposes:

Bank does not have any derivative financial assets for hedging purposes.

(Currency - Thousand Turkish Lira)

12. Information on tangible assets: (Net)

Current period	Land and buildings	Leased tangible assets	Vehicles	Other	Assets held for sale	Total
Cost						
Opening balance-January 1, 2009	31.656	2.178	4.085	55.720	1.815	95.454
Additions	69.247	-	345	4.339	6.788	80.719
Revaluation funds	13.478	-	-	-	-	13.478
Disposals	-	-	(383)	(2.090)	(1.308)	(3.781)
Impairment losses(-)/Reversal of impairment losses	16	-	-	-	(512)	(496)
Transfers	-	(714)	-	714	5.051	5.051
Ending balance-December 31, 2009	114.397	1.464	4.047	58.683	11.834	190.425
Accumulated depreciation(-)						
Opening balance-January 1, 2009	8.835	762	2.163	32.033	36	43.829
Depreciation expense	984	379	689	6.352	197	8.601
Reversal of depreciation of the disposal	-	-	(354)	(1.699)	(6)	(2.059)
Tangible assets held for resale	-	(457)	-	457	-	-
Ending balance-December 31, 2009	9.819	684	2.498	37.143	227	50.371
Total cost at the end of the year	114.397	1.464	4.047	58.683	11.834	190.425
Total accumulated depreciation at the end of the year	(9.819)	(684)	(2.498)	(37.143)	(227)	(50.371)
Net book value	104.578	780	1.549	21.540	11.607	140.054

Prior period	Land and buildings	Leased tangible assets	Vehicles	Other	Assets Held for sale	Total
Cost						
Opening balance-January 1, 2009	30.848	2.384	4.426	44.904	1.483	84.045
Additions	240	-	539	11.307	364	12.450
Revaluation funds	-	-	-	-	-	-
Disposals	-	(206)	(880)	(490)	(79)	(1.655)
Impairment losses(-)/Reversal of impairment losses	568	-	-	-	47	615
Transfers	-	-	-	-	-	-
Ending balance-December 31, 2009	31.656	2.178	4.085	55.721	1.815	95.455
Accumulated depreciation(-)						
Opening balance-January 1, 2009	8.165	414	2.172	26.392	23	37.166
Depreciation expense	670	425	742	6.027	16	7.880
Reversal of depreciation of the disposal	-	(77)	(751)	(385)	(3)	(1.216)
Tangible assets held for resale	-	-	-	-	-	-
Ending balance-December 31, 2009	8.835	762	2.163	32.034	36	43.830
Total cost at the end of the year	31.656	2.178	4.085	55.721	1.815	95.455
Total accumulated depreciation at the end of the year	(8.835)	(762)	(2.163)	(32.034)	(36)	(43.829)
Net book value	22.821	1.416	1.922	23.687	1.779	51.625

(Currency - Thousand Turkish Lira)

13. Information on intangible assets:

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

	Current period 31.12.2009	Prior period 31.12.2008
Cost	4.574	3.645
Accumulated depreciation	(2.997)	(2.157)
Total(Net)	1.577	1.488

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

	Current period 31.12.2009	Prior period 31.12.2008
Opening Balance	1.488	1.069
Additions	929	1.064
Disposal (-), net	-	-
Depreciation expense (-)	(840)	(645)
Closing net book value	1.577	1.488

14. Information on the investment property:

The Bank does not have any investment property.

15. Information related to deferred tax asset

In accordance with the related regulations deferred tax asset as of December 31, 2009 is TL 11.121 (December 31, 2008 – TL 2.915) and deferred tax liability is TL 3.332 (December 31, 2008 – TL None).

	Current period 31.12.2009	Prior period 31.12.2008
Difference of carrying value and taxable value of tangible assets	902	599
Provisions for impairments	175	215
Provisions for retirement and vacation pay liabilities	1.660	1.143
Profit share discounts and deferred commission income	8.326	945
Other	58	13
Deferred tax asset	11.121	2.915
Deferred tax effect of revaluation of buildings	2.633	-
Marketable securities revaluation reserve	552	-
Profit share discounts	122	-
Other	25	-
Deferred tax liability	3.332	-
Deferred tax asset, net	7.789	2.915

(Currency - Thousand Turkish Lira)

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

Tangible assets which are obtained through receivables of the Bank and which the Bank plans to sell within one year has been published in the web site and valued with the lower of the net book value and fair value as is required by the Communiqué of "Principles and Procedures on Bank's Disposal of Precious Metals and Asset Held for Sale" published on November 1, 2006 in the Official Gazette numbered 26333 in the unconsolidated financial statements.

	Current period	Prior period
Opening balance	5.958	2.993
Additions	4.083	4.544
Disposals	(193)	(1.511)
Transfers (*)	(5.051)	-
Impairment provision(-)/reversal of impairment provision	105	(68)
Net closing balance	4.902	5.958

(*) The balance is classified to assets held for sale

17. Information on other assets:

As of balance sheet date, the Bank's other assets amount to TL 15.856 (December 31, 2008, TL 29.039). Other assets account does not exceed 10% of the total assets.

(Currency - Thousand Turkish Lira)

II. Explanations and footnotes on liabilities:

1. Information on funds collected:

a) Information of maturity structure of funds collected:

a.1. Current period (December 31, 2009)

	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulating participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	152.292	-	-	-	-	-	-	-	152.292
II. Real Persons Participation Accounts Non-Trade TL	-	1.565.327	257.201	45.383	-	78.208	222.081	-	2.168.200
III. Current Account. other-TL	432.851	-	-	-	-	-	-	-	432.851
Public sector	9.118	-	-	-	-	-	-	-	9.118
Commercial institutions	419.740	-	-	-	-	-	-	-	419.740
Other institutions	3.634	-	-	-	-	-	-	-	3.634
Commercial and Other institutions	164	-	-	-	-	-	-	-	164
Banks and Participation Banks	195	-	-	-	-	-	-	-	195
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	195	-	-	-	-	-	-	-	195
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	347.209	112.086	2.152	-	21.238	54.781	-	537.466
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	339.456	77.233	2.007	-	18.225	51.262	-	488.183
Other institutions	-	7.753	33.751	145	-	199	3.519	-	45.367
Commercial and Other institutions	-	-	1.102	-	-	-	-	-	1.102
Banks and Participation Banks	-	-	-	-	-	2.814	-	-	2.814
V. Real Persons Current Accounts Non-Trade FC	166.743	-	-	-	-	-	-	-	166.743
VI. Real Persons Participation Accounts Non-Trade FC	-	718.149	160.455	36.874	-	123.532	215.018	-	1.254.028
VII. Other Current Accounts FC	224.570	-	-	-	-	-	-	-	224.570
Residents in Turkey-corporate	196.477	-	-	-	-	-	-	-	196.477
Residents abroad-corporate	22.793	-	-	-	-	-	-	-	22.793
Banks and Participation Banks	5.300	-	-	-	-	-	-	-	5.300
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	4.335	-	-	-	-	-	-	-	4.335
Participation Banks	964	-	-	-	-	-	-	-	964
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts, other- FC	-	187.496	42.998	102.510	-	46.228	137.009	-	516.241
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	150.093	18.785	63.064	-	35.814	131.436	-	399.192
Other institutions	-	2.977	6.880	22.527	-	20	2.669	-	35.073
Commercial and Other institutions	-	2.356	1.688	-	-	519	7.467	-	7.467
Banks and Participation Banks	-	32.070	15.645	16.919	-	9.875	0	-	74.509
IX. Precious metals deposits	12.254	-	-	-	-	-	-	-	12.254
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	988.710	2.818.181	572.740	186.919	-	269.206	628.889	-	5.464.645

(Currency - Thousand Turkish Lira)

1. Information on funds collected (continued):

a.2. Prior period (December 31, 2008)

	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulating participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	94.854	-	-	-	-	-	-	-	94.854
II. Real Persons Participation Accounts Non-Trade TL	-	1.028.871	131.973	29.402	-	55.085	309.338	-	1.554.669
III. Current Account. other-TL	206.035	-	-	-	-	-	-	-	206.035
Public sector	8.418	-	-	-	-	-	-	-	8.418
Commercial institutions	194.179	-	-	-	-	-	-	-	194.179
Other institutions	3.276	-	-	-	-	-	-	-	3.276
Commercial and Other institutions	10	-	-	-	-	-	-	-	10
Banks and Participation Banks	152	-	-	-	-	-	-	-	152
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	151	-	-	-	-	-	-	-	151
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	55.044	2.673	167	-	2.872	113.303	-	174.059
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	50.110	1.400	2	-	318	85.179	-	137.009
Other institutions	-	4.934	111	165	-	38	28.124	-	33.372
Commercial and Other institutions	-	-	1.162	-	-	-	-	-	1.162
Banks and Participation Banks	-	-	-	-	-	2.516	-	-	2.516
V. Real Persons Current Accounts Non-Trade FC	104.003	-	-	-	-	-	-	-	104.003
VI. Real Persons Participation Accounts Non-Trade FC	-	487.257	131.560	29.450	-	87.744	287.631	-	1.023.642
VII. Other Current Accounts FC	230.957	-	-	-	-	-	-	-	230.957
Residents in Turkey-corporate	178.552	-	-	-	-	-	-	-	178.552
Residents abroad-corporate	3.911	-	-	-	-	-	-	-	3.911
Banks and Participation Banks	48.494	-	-	-	-	-	-	-	48.494
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	11	-	-	-	-	-	-	-	11
Foreign Banks	8.946	-	-	-	-	-	-	-	8.946
Participation Banks	39.537	-	-	-	-	-	-	-	39.537
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts, other- FC	-	55.538	18.700	8.556	-	283.243	230.854	-	596.891
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	41.281	925	8.295	-	272.925	154.317	-	477.743
Other institutions	-	1.694	42	261	-	19	25.581	-	27.597
Commercial and Other institutions	-	6.334	12.441	-	-	503	50.956	-	70.234
Banks and Participation Banks	-	6.229	5.292	-	-	9.796	-	-	21.317
IX. Precious metals deposits	-	-	-	-	-	-	-	-	-
X. Participation accounts special fund pools TL	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
XI. Participation accounts special fund pools -FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
Profit Share and Expense Discounts	-	-	-	-	-	-	-	-	-
Total	635.849	1.626.710	284.906	67.575	-	428.944	941.126	-	3.985.110

(Currency - Thousand Turkish Lira)

1. Information on funds collected (continued):

b. Saving deposits and other deposits accounts insured by Saving Deposit Insurance Fund:

b.1 Exceeding the limit of Insurance Fund:

b.1.a Information on real person's current and participation accounts not subject to trading transactions exceeding the limit of Insurance Fund:

Funds Collected	Under the guarantee of Insurance		Exceeding the guarantee of Insurance	
	Current period 31.12.2009	Prior period 31.12.2008	Current period 31.12.2009	Prior period 31.12.2008
Real persons current and participation accounts not subject to trading transactions				
Turkish Lira accounts	1.336.620	1.027.771	982.098	620.192
Foreign currency accounts	459.469	420.435	983.569	691.240
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

Funds collected by Participation Banks (except foreign branches) from current and participation accounts opened on behalf of a real person denominated in Turkish Lira or foreign currency with a limit of maximum of TL 50 (including both capital and profit shares) for each person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law Number 5411 published at the official gazette dated November 1, 2005 and numbered 25983.

b.2. Since the headquarter of the Bank is not located abroad, current and participation accounts not subject to trading transactions of real persons are not insured in the country of the head office.

b.3. Funds collected which are not under the guarantee of insurance guarantee:

	Current period 31.12.2009	Prior period 31.12.2008
Foreign Branches' Deposits and other accounts	-	-
Saving deposits and other accounts of Controlling Shareholders and deposits of their Mother, Father, Spouse, and Children in care.	-	-
Saving deposits and other accounts of president and members of Board of directors, CEO and vice presidents and deposits of their mother, father spouse, and children in care.	2.489	2.438
Saving deposits 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	-	-
Saving deposits in deposit bank which established in Turkey in order to engage in off-shore banking activities solely.	-	-

2. Information on derivative financial liabilities held for trading:

None.

(Currency - Thousand Turkish Lira)

3. There are no funds borrowed.

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

As of balance sheet date other liabilities (excluding off balance sheet commitments) do not exceed 10% of the balance sheet total.

5. Finance lease obligations:

a. Information on financial lease obligations:

As of December 31, 2009 the Bank has no financial lease obligations.

b. Explanations on the changes in agreements and new obligations originating from these changes: None.

c. Explanations on the obligations originating from financial leases: None (December 31, 2008 – None)

d. Explanations on operational leases:

The leasing transactions, in which all risks and benefits are held by the lessor, are classified as operational leases. Such transactions consist of rent contracts of branches which may be cancelled by declaration. The payments related with operational leases are recognized as expense in the income statement during the period of the agreement.

There are no significant commitments regarding the changes at the operational lease agreements.

The rent obligations resulting from the operational leases are as follows; the payables represent the rent payments the Bank will make in future periods:

	Current period 31.12.2009	Prior period 31.12.2008
Less than a year	9.280	8.259
1 to 4 years	25.102	24.378
Over 4 years	24.149	27.879
Total	58.531	60.516

The payments related with operational leases are recognized as expense in the income statement during the period of the agreement in equal installments.

e. There are no sale and lease back transactions.

6. Information on hedging derivative financial liabilities:

None.

(Currency - Thousand Turkish Lira)

7. Information on provisions:

a) Information on general provisions:

	Current period 31.12.2009	Prior period 31.12.2008
General provision	47.665	35.987
I. Group loans and receivables	36.696	27.000
Participation Account's Share	26.216	18.535
Bank's Share	10.480	8.465
Others	-	-
II. Group loans and receivables	3957	3.671
Participation Account's Share	3.126	2.756
Bank's Share	831	915
Others	-	-
Provisions for non-cash loans	7.012	5.316
Others	-	-

b) Information on foreign exchange losses on foreign currency indexed loans and financial-lease receivables: As of December 31, 2009, for loans TL 12.420 (December 31, 2008 – TL 1.145) is offset with the accounts of loans and financial lease receivables.

c) Information on specific provisions for non-cash loans that are non-funded and non-transformed into cash: As of December 31, 2009 the Bank has provided specific provisions amounting to TL 5.139 for non-cash loans that are non-funded and non-transformed into cash. December 31, 2008 – TL 729)

ç) Information on other provisions:

	Current period 31.12.2009	Prior period 31.12.2008
Provision for unindemnified non-cash loans	5.139	729
Payment commitments for checks	1.630	1.095
Provisions allocated from profit shares distributed to investment accounts	3.216	8
Provision for Credit Cards and Promotion of Banking Services	74	-
Provisions for possible losses	84	70
Total	10.143	1.902

d) Information on provisions for employee rights:

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 6.449 (December 31, 2008 – TL 4.770) and vacation pay liability amounting to TL 1.852 (December 31, 2008 – TL 946).

Under the Turkish Labor Law, the Bank is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or retires or get right to retire.

(Currency - Thousand Turkish Lira)

7. Information on provisions (continued):

The amount payable consists of one month's salary limited to a maximum of TL 2,365 (December 31, 2008 – TL 2,173) for each year of service. The liability is not funded, as there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, following actuarial assumptions were used in the calculation of the total liability.

	Current period 31.12.2009	Prior period 31.12.2008
Discount rate (%)	11	12
Estimated increase rate of salary ceiling (%)	4,8	5,4

Movements in the reserve for employment termination benefits during period are as follows:

	Current period 31.12.2009	Prior period 31.12.2008
Balance at the beginning of the period	5.716	5.053
Provisions recognized during the period	3.115	1.089
Paid during the period	(530)	(426)
Balances at the end of the period	8.301	5.716

8. Information on taxes payable

a.1. The amount of the corporate tax of the Bank in current period is TL 8.665, constituting the 2009 corporate tax provisions.

a.2. Information on taxes payable:

	Current period 31.12.2009	Prior period 31.12.2008
Corporate taxes payable	8.665	11.891
Taxation of marketable securities	4.434	4.178
Property tax	187	102
Banking insurance transaction tax (BITT)	3.813	4.544
Foreign exchange transaction tax	-	-
Value added tax payable	183	148
Other	1.587	1.971
Total	18.869	22.834

(Currency - Thousand Turkish Lira)

8. Information on taxes payable (continued)

a.3) Information on premiums:

	Current period 31.12.2009	Prior period 31.12.2008
Social security premiums-employee	662	793
Social security premiums-employer	718	856
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	46	56
Unemployment insurance-employer	92	111
Other	-	-
Total	1.518	1.816

b) The Bank has no deferred tax liability.

9. Liabilities for assets held for sale and discontinued operations: None (December 31, 2008 - None).

10. Detailed explanations on number, maturity, profit share rate, creditor and option to convert to share certificates; if any; of subordinated loans: None.

11. Information on shareholder's equity:

a. Presentation of paid-in capital

	Current period 31.12.2009	Prior period 31.12.2008
Common stock	539.000	269.500
Preferred stock	-	-

b. Registered capital system is not applied in the Bank.

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

Date	Amount	Cash	Revenue reserves	Capital reserves
15.04.2009	269.500	-	111.104	158.396

TL 80.750 of the 2008 profit, which is subject to capital increase, was not distributed to shareholders and offsetted to the capital increase. In return of this offset, bonus shares have been distributed to the shareholders in respect with their shareholding percentage. In addition, TL 158.396 of increase is transferred from the share premium account and TL 30.354 of increase is transferred from the extraordinary reserves. Capital increase decision is registered on April 9, 2009 and published on Trade Registry Gazette numbered 7292 on April 15, 2009.

(Currency - Thousand Turkish Lira)

11. Information on shareholders' equity (continued):

ç. Information on share capital increases from capital reserves during the current period: TL 158.396 of the share capital increase amounting to TL 269.500 has been supplied from the share issue premiums (2008 – None).

d. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period: There is no capital commitment.

e. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and the anticipations regarding the uncertainty of these indicators on the shareholders' equity :

The Bank collects large amount of funds, uses these funds to give domestic loans and continues to realize profit possibilities. In the forthcoming periods, the management foresees that the Bank will include the profits realized in the shareholders' equity, which will have a positive impact on the shareholders' equity.

f. Summary of privileges given to shares representing the capital: None.

g. Information on marketable securities value increase fund (December 31, 2008: None):

	Current period 31.12.2009		Prior period 31.12.2008	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference (*)	2.206	-	-	-
Foreign exchange difference	-	-	-	-
Total	2.206	-	-	-

(*) Deferred tax liability is netted off.

12. Information on minority interest:
None (December 31, 2008 – None).

(Currency - Thousand Turkish Lira)

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

1. Explanations on contingencies and commitments:

a. Type and amount of irrevocable commitments:

The Bank has commitments for credit card limits amounting to TL 79.475 (2008 – TL 64.991) payment commitments for checks, amounting to TL 190.434 (2008 – TL 168.664), tax and funds liabilities arising from exporting commitments amounting to TL 219 (2008 – TL 234), commitments for promotions related with credit cards and banking activities amounting to TL 59 (2008 – None), share capital commitment to associates and subsidiaries amounting to TL 2.000 (2008 – None), other irrevocable commitments amounting to TL 209 (2008 – None) and loan granting commitments TL 8.162 (2008 – TL 4.929), totaling to TL 280.558 (2008 – TL 238.818) of irrevocable loan commitments as of December 31, 2009 .

b. Type and amount of probable losses and obligations 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 letter of credits:

As of the balance sheet date, total letters of credit amounts to TL 348.307 (2008 – TL 262.370) and acceptances amounts to TL 12.691 (2008 – TL 25.777).

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

As of the balance sheet date, total letters of guarantees amounts to TL 3.214.382 (2008 – TL 2.444.307). As of the balance sheet date, sureties provided by the Bank amount to TL 15.332 (2008 – TL 16.766).

c.1.) Total amount of non-cash loans:

	Current period 31.12.2009	Prior period 31.12.2008
Non-cash loans given against cash loans	124.538	-
With original maturity of 1 year or less	58.820	-
With original maturity of more than 1 year	65.718	-
Other non-cash loans	3.466.174	2.749.220
Total	3.590.712	2.749.220

(Currency - Thousand Turkish Lira)

c.2.) Information on sectoral risk concentrations of non-cash loans:

	Current period				Prior period			
	TP	(%)	FC	(%)	TP	(%)	FC	(%)
Agricultural	84.150	3,84	17.305	1,24	44.723	2,79	18.171	1,58
Farming and Raising livestock	24.385	1,11	2.742	0,20	7.430	0,46	5.508	0,48
Forestry	59.695	2,73	14.429	1,03	37.246	2,33	12.663	1,10
Fishing	70	0,00	134	0,01	47	-	-	-
Manufacturing	650.198	29,71	609.493	43,44	550.519	34,40	559.543	48,68
Mining	9.274	0,42	4.650	0,33	4.559	0,28	10.163	0,88
Production	573.690	26,22	518.210	36,94	499.966	31,25	508.971	44,28
Electric, gas and water	67.234	3,07	86.633	6,17	45.994	2,87	40.409	3,52
Construction	993.370	45,41	500.410	35,67	704.043	44,01	432.250	37,61
Services	407.019	18,61	215.173	15,33	211.471	13,23	126.986	11,05
Wholesale and retail trade	141.855	6,48	121.236	8,64	59.555	3,72	32.519	2,83
Hotel, food and beverage services	33.590	1,54	34.219	2,44	13.372	0,84	4.018	0,35
Transportation and telecommunication	57.353	2,62	26.698	1,90	67.585	4,22	63.600	5,53
Financial Institutions	56.463	2,58	2.800	0,20	2.506	0,16	2	-
Real estate and renting services	10.436	0,48	19.413	1,38	8.102	0,51	18.238	1,59
Self-employment services	32.158	1,47	171	0,01	9.387	0,59	138	0,01
Education services	12.161	0,56	2.541	0,18	13.875	0,87	3.525	0,31
Health and social services	63.003	2,88	8.095	0,58	37.089	2,32	4.946	0,43
Other	52.989	2,43	60.605	4,32	89.041	5,57	12.473	1,08
Total	2.187.726	100,00	1.402.986	100,00	1.599.797	100,00	1.149.423	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	2.153.244	1.391.169	34.482	11.817
Letters of guarantee	2.151.744	1.016.339	34.482	11.817
Bank acceptances	-	12.691	-	-
Letters of credit	-	348.307	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	1.500	13.832	-	-

2. Explanations on derivative transactions:

The Bank does not have any derivative financial instruments

3. Explanations on contingent assets and liabilities:

Explanations about provisions have been disclosed in Note 7.d.

4. Explanations on custodian and intermediary services:

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

(Currency - Thousand Turkish Lira)

IV. Explanations and footnotes related to the statement of income

1. Explanations on profit share income:

1. a) Information on profit share received from loans:

	Current period		Prior period	
	01.01.2009 – 31.12.2009		01.01.2008 – 31.12.2008	
	TL	FC	TL	FC
Profit share on loans (*)	600.675	5.933	531.926	2.436
Short term loans	276.233	2.034	279.580	2.432
Medium and long term loans	319.870	3.899	249.179	4
Profit share on non-performing loans	4.572	-	3.167	-
Premiums received from resource utilization support fund	-	-	-	-

(*) Profit share on loans includes commission income on cash loans.

b) Information on profit share income from banks:

b.1) Information on profit share received from banks:

	Current period		Prior period	
	01.01.2009 – 31.12.2009		01.01.2008 – 31.12.2008	
	TL	FC	TL	FC
The Central Bank of the Republic of Turkey	10.730	-	13.074	-
Domestic banks	-	-	3.429	-
Foreign banks	-	-	-	-
Branches and head office abroad	-	-	-	-
Total	10.730	-	16.503	-

b.2) Information on profit share income received from marketable securities:

	Current period		Prior period	
	01.01.2009 – 31.12.2009		01.01.2008 – 31.12.2008	
	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	3.545	-	-	-
From held-to-maturity investments	25.331	621	-	-
Total	28.876	621	-	-

c) Information on profit share income received from associates and subsidiaries: None

(Currency - Thousand Turkish Lira)

2. Explanations on profit share expenses:

2. a) Information on profit share expense given to funds borrowed:

	Current period		Prior period	
	01.01.2009 – 31.12.2009		01.01.2008 – 31.12.2008	
	TL	FC	TL	FC
Banks	-	-	-	-
The Central Bank of the Republic of Turkey	-	-	-	-
Domestic banks	-	-	-	-
Foreign banks	-	-	-	-
Branches and head offices abroad	-	-	-	-
Other institutions (financial leasing)	-	-	48	-
Total	-	-	48	-

b) Profit share expense given to associates and subsidiaries: None.

c) Profit share expenses to marketable securities issued: None.

ç) Distribution of profit share expense on funds based on maturity of funds:

Account name	Profit sharing accounts						Accumulated profit share account	Total
	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 year	More than 1 year		
	TL	FC	TL	FC	TL	FC		
Collected funds from banks through current and profit share accounts	-	-	-	-	359	-	-	359
Real person's non-trading profit sharing account	153.033	21.146	3.945	-	51.367	-	-	229.491
Public sector profit sharing account	-	-	-	-	-	-	-	-
Commercial sector profit sharing account	22.675	1.274	2.233	-	11.362	-	-	37.544
Other institutions profit sharing account	1.096	2.512	169	-	2.339	-	-	6.116
Total	176.804	24.932	6.347	-	65.427	-	-	273.510
FC								
Collected funds from banks through current and profit share accounts	1.144	1.097	66	-	639	-	-	2.946
Real person's non-trading profit sharing account	22.831	5.347	1.204	-	16.767	-	-	46.149
Public sector profit sharing account	-	-	-	-	-	-	-	-
Commercial sector profit sharing account	3.620	232	2.099	-	17.292	-	-	23.243
Other institutions profit sharing account	317	425	314	-	1.610	-	-	2.666
Collected funds from banks through current and profit share accounts	-	-	-	-	-	-	-	-
Total	27.912	7.101	3.683	-	36.308	-	-	75.004
Grand total	204.716	32.033	10.030	-	101.735	-	-	348.514

(Currency - Thousand Turkish Lira)

3. Explanations on dividend income:

	Current period		Prior period	
	01.01.2009 – 31.12.2009		01.01.2008 – 31.12.2008	
	TP	YP	TP	YP
From trading financial assets	284	-	-	-
From financial assets at fair value through profit and loss	-	-	-	-
From available for sale financial assets	-	-	-	-
Other	-	-	-	-
Total	284	-	-	-

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

	Current period		Prior period	
	01.01.2009 – 31.12.2009		01.01.2008 – 31.12.2008	
Income	1.924.509		2.350.286	
Profit on capital market transactions	127		409	
Profit on derivative financial instruments	-		-	
Foreign exchange gains	1.924.382		2.349.877	
Losses (-)	(1.899.461)		(2.333.576)	
Losses on capital market transactions	-		-	
Losses on derivative financial instruments	-		-	
Foreign exchange losses	(1.899.461)		(2.333.576)	
Trading profit/loss	25.048		16.710	

5. Explanations related to operating income:

	Current period		Prior period	
	01.01.2009 – 31.12.2009		01.01.2008 – 31.12.2008	
Communication expense provisions	1.096		910	
Extracts expense provisions	772		449	
Provision income from prior years	17.843		13.404	
Income from sale of assets	5.642		2.891	
Checks income	1.157		1.183	
Leasing income	-		60	
Other income	802		516	
Total	27.312		19.413	

(Currency - Thousand Turkish Lira)

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

	Current period		Prior period	
	01.01.2009 – 31.12.2009		01.01.2008 – 31.12.2008	
Specific provisions for loans and other receivables	109.360		37.726	
III. Group	45.468		22.674	
IV. Group	38.686		9.157	
V. Group	22.435		4.787	
Doubtful commission, fee and other receivables	2.771		1.108	
General provision expenses	12.494		12.396	
Provision expenses for possible losses	14		15	
Marketable securities impairment losses	-		593	
Financial assets at fair value through profit and loss	-		593	
Investment securities available for sale	-		-	
Impairment provision expense	130		382	
Associates	130		382	
Subsidiaries	-		-	
Joint ventures	-		-	
Held to maturity investments	-		-	
Other	9.771		1.225	
Total	131.769		52.337	

TL 109.360 (December 31, 2008 - TL 37.726) of the total specific provisions provided for loan and other receivables amounting to TL 74.906 (December 31, 2008 - TL 31.427) is the specific provision provided for loans and other receivables funded from participation accounts.

TL 12.494 (December 31, 2008 - TL 12.396) of the total general loan loss provisions provided for loan and other receivables amounting to TL 8.475 (December 31, 2008 - TL 6.568) is the general loan loss provision provided for loans and other receivables funded from participation accounts.

7. Information on other operating expenses:

	Current period		Prior period	
	01.01.2009 – 31.12.2009		01.01.2008 – 31.12.2008	
Personnel expenses	105.945		82.582	
Provision for retirement pay liability	2.209		663	
Bank social aid provision fund deficit provision	-		-	
Impairment expenses of fixed assets	-		10	
Depreciation expenses of fixed assets	8.405		7.863	
Impairment expenses of intangible assets	-		-	
Impairment expense of goodwill	-		-	
Amortization expenses of intangible assets	840		645	
Impairment expenses of assets held for resale	407		104	
Depreciation expenses of assets held for resale	196		17	
Impairment expenses of assets held for sale	-		-	
Other operating Expenses	40.378		30.083	
Rent expense	13.648		10.418	
Maintenance expense	1.718		1.412	
Advertisement expense	7.905		3.411	
Other expenses	17.107		14.842	
Loss on sale of asset	419		186	
Other	18.539		14.997	
Total	177.338		137.150	

(Currency - Thousand Turkish Lira)

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

As the Bank does not have any discontinued operations, there is no income or loss related to discontinued operation in net operating income after tax.

The Bank's profit decreased by 23,1 % compared to prior period and is realized as TL 131.757. Profit before taxes comprises net profit share income in the amount of TL 307.502 and fees and commission income in the amount of TL 80.718. Total other operating expenses amount to TL 177.338.

	Current period 01.01.2009 – 31.12.2009	Prior period 01.01.2008 – 31.12.2009
Profit before taxes	131.757	171.436
Tax calculated with tax rate of 20%	26.351	34.287
Other additions and expenses not considered by law	11.736	5.844
Deductions	(3.550)	(3.427)
Tax calculated	34.537	36.704

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

As the Bank does not have any discontinued operations, the Bank has no tax provision for discontinued operations.

a. Explanations on current and deferred tax income or expense:

As of December 31, 2009, the Bank's current tax expense is TL 34.537 and deferred tax income is TL 8.059.

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 105.279 (December 31, 2008 – TL 136.242) by deducting tax provision expense amounting to TL 26.478 (December 31, 2008 – TL 35.194) from profit from continued operations amounting to TL 131.757 (December 31, 2008 – TL 171.436).

11. Explanations on net income/loss.

- The nature and amount of certain income and expense items from ordinary operations are disclosed 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.
- The effect of the change in accounting estimates to the net profit/loss; including the effects on the future period: None.
- Income / loss of minority interest: None.

(Currency - Thousand Turkish Lira)

12. Components of other items in income statement, as each sub-account exceeding 20% of the total separately, exceeding 10% of total income statement.

Other fees and commissions received is TL 43.596 (December 31, 2009 – TL 40.906) included in the statement of income included fees and commissions of pos machines from member companies in the amount of TL 25.536. (December 31, 2008 – TL 24.017)

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

- There are no disclosed dividend amounts subsequent to the balance sheet date, prior to the presentation of the financial statements.

Decision on the dividend distribution will be made in the General Assembly. However, the General Assembly has not been held as of the date when the accompanying financial statements are finalized.

- In current year, the Bank has realized dividend payments amounting to TL 45.800 to its shareholders.
- "Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities value increase fund" account under equity, until the financial assets are sold, disposed of or impaired.
- Tangible assets revaluation funds are accounted under equity at increases in tangible and intangible assets revaluation funds account.

(Currency - Thousand Turkish Lira)

VI. Explanations and notes related to cash flow statement:

1. Information on cash and cash equivalents:

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, checks purchased, unrestricted amount in the Central Bank and demand deposits in Banks. "Cash equivalents" is defined as money market placements, investments in securities and time deposits in Banks with original maturity less than three months.

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

	Current period 31.12.2009	Prior period 31.12.2008
Cash	204.990	164.782
Cash in TL/foreign currency	68.155	62.004
Money in Transit	-	-
Money at the CBRT	136.835	102.778
Cash equivalents	542.759	438.309
Domestic banks	413.966	367.536
Foreign banks	128.793	70.773
Total	747.749	603.091

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

	Current period 31.12.2009	Prior period 31.12.2008
Cash	478.141	204.990
Cash in TL/foreign currency	97.977	68.155
Money in Transit	-	-
Money at the CBRT	380.164	136.835
Cash equivalents	607.941	542.759
Domestic banks	425.741	413.966
Foreign banks	182.200	128.793
Total	1.086.082	747.749

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 are not considered as cash and cash equivalent items.

(Currency - Thousand Turkish Lira)

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

The "Other" item under "Operating profits before changes in operating assets and liabilities" amounting to TL 64.089 (December 31, 2008- TL (-) 127.526) consists mainly foreign currency evaluation difference of foreign currency indexed loans and other operating expenses and losses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 14.538 (December 31, 2008- TL 2.987) consists mainly of 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 TL (1.701) as of December 31, 2009 (December 31, 2008 – TL 32.259).

(Currency - Thousand Turkish Lira)

VII. Explanations and notes related to 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 incomes and expenses of the period:

a. Current period (31.12.2009):

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	-	-	-	-	23.316	8.603
Balance at end of period	-	-	3	-	82.063	9.840
Profit share and commission income received	-	-	-	-	622	33

b. Prior period: (31.12.2008):

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	-	-	-	-	678	15.041
Balance at end of period	-	-	-	-	23.316	8.603
Profit share and commission expense	-	-	-	-	3.722	-

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 31.12.2009	Prior period 31.12.2008	Current period 31.12.2009	Prior period 31.12.2008	Current period 31.12.2009	Prior period 31.12.2008
Current and profit sharing accounts						
Balance at the beginning of period	-	-	30.966	11	73.456	62.825
Balance at the end of period	-	-	1.180	30.966	210.155	73.456
Profit share expense	-	-	587	622	14.672	13.707

c.2. Information on forward and option agreements and other similar agreements with related parties: None

2. As of December 31, 2009, the Bank has paid TL 4.584 (December 31, 2008 – TL 2.568) to top management.

(Currency - Thousand Turkish Lira)

VIII. Explanations and notes related to domestic branches, agencies and abroad branches and off-shore branches of the bank:

	Number	Number of Personnel	
Domestic Branches	101	1.935	
			Country
Foreign Representation Office	-	-	-
			Total Assets (bin TL)
Foreign Branches	-	-	-
			Statutory Share Capital
			-
Off-Shore Branches	-	-	-

IX. Explanations and notes related to subsequent events: None

(Currency - Thousand Turkish Lira)

Section six

Other explanations

- I. **Other explanations, matters required to be disclosed due to having a significant effect on the financial statements or for the purpose of clarification of the balance sheet:** None.

Section seven

Independent auditors' report

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

The consolidated financial statements as of and for the year ended December 31, 2009 were audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited) and the auditors' report dated February 26, 2010 is presented prior to the financial statements.

- II. **Notes and disclosures related to independent auditors' report:** None.

6 Branches

HEAD OFFICE AND HEAD BRANCH

Büyükdere Cad. No:78 34394 Mecidiyeköy/İSTANBUL
Tel : +90 (212) 274 99 00
Fax : +90 (212) 272 44 70
SWIFT : BTFHTRIS
albarakatürk@albarakatürk.com.tr
www.albarakatürk.com.tr

OUR BRANCHES

ADANA BRANCH

İnönü Cad. No:85
01060 ADANA
Tel: +90 (322) 363 11 00
Fax: +90 (212) 354 20 08

ADANA BARKAL BRANCH

Turhan Cemal Beriker Bulvarı
Adana İş Merkezi A Blok No:25
01960 Seyhan/ADANA
Tel: +90 (322) 429 78 78
Fax: +90 (212) 354 20 79

ADAPAZARI BRANCH

Çark Cad. No:1/75
54100 ADAPAZARI
Tel: +90 (264) 277 91 41
Fax: +90 (212) 354 20 20

AFYON BRANCH

Bankalar Cad. No:32 03100
AFYONKARAHİSAR
Tel: +90 (272) 214 10 14
Fax: +90 (212) 354 20 62

AKSARAY BRANCH

Ankara Cad. No:7 AKSARAY
Tel: +90 (382) 212 12 71
Fax: +90 (212) 354 20 91

ALTUNİZADE BRANCH

Kısıklı Cad. Aköz İş Mrk. A Blok No:2
Altunizade/Üsküdar/İSTANBUL
Tel: +90 (216) 651 74 94
Fax: +90 (212) 354 20 92

ANKARA BRANCH

Atatürk Bulvarı No:57/A 06410
Sıhhiye/ANKARA
Tel: +90 (312) 430 53 20
Fax: +90 (212) 354 20 02

AVCILAR BRANCH

Namık Kemal Cad. No:37
34310 Avcılar/İSTANBUL
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Fax: +90 (212) 354 20 53

ANTALYA BRANCH

Milli Egemenlik Cad. No:42/5
07100 ANTALYA
Tel: +90 (242) 247 46 12
Fax: +90 (212) 354 20 21

AYDIN BRANCH

Hükümet Bulvarı No:11
09100 AYDIN
Tel: +90 (256) 213 48 38
Fax: +90 (212) 354 20 66

BAĞCILAR BRANCH

Osmangazi Cad. No:23 34560
Bağcılar/İSTANBUL
Tel: +90 (212) 434 23 28
Fax: +90 (212) 354 20 28

BAHÇELİEVLER BRANCH

Eski Edirne Asfaltı Ömür Sitesi
B1 Blok No:30
34160 Bahçelievler/İSTANBUL
Tel: +90 (212) 642 00 44
Fax: +90 (212) 354 20 75

İNCİRLİ BRANCH

İncirli Cad. No:86 34140 Bakırköy/
İSTANBUL
Tel: +90 (212) 542 02 22
Fax: +90 (212) 354 20 12

BAKIRKÖY ÇARŞI BRANCH

İstanbul Cad. Dantelacı Sok. No:7
Bakırköy/İSTANBUL
Tel: +90 (212) 583 66 33
Fax: +90 (212) 354 20 99

BALGAT BRANCH

Ceyhun Atif Kansu Cad. No:100/Ü
06520 Balgat/ANKARA
Tel: +90 (312) 472 40 30
Fax: +90 (212) 354 20 42

BALIKESİR BRANCH

Anafartalar Cad. No:15
10100 BALIKESİR
Tel: +90 (266) 243 73 33
Fax: +90 (212) 354 20 22

BATMAN BRANCH

Diyarbakır Cad. No:58
72070 BATMAN
Tel: +90 (488) 215 26 42
Fax: +90 (212) 354 20 72

BAYRAMPAŞA BRANCH

Abdi İpekçi Cad. No:77
34030 Bayrampaşa/İSTANBUL
Tel: +90 (212) 612 52 20
Fax: +90 (212) 354 20 13

BEŞYÜZEVLER BRANCH

Eski Edirne Asfaltı No:349
34045 Bayrampaşa/İSTANBUL
Tel: +90 (212) 477 61 90
Fax: +90 (212) 354 20 27

BEYLİKDÜZÜ BRANCH

İstanbul Cad. No:2
34500 Gürpınar/İSTANBUL
Tel: +90 (212) 871 00 45
Fax: +90 (212) 354 20 30

BORNOVA BRANCH

Mustafa Kemal Cad. No:20/E
Bornova/İZMİR
Tel: +90 (232) 342 43 23
Fax: +90 (212) 354 20 97

BURSA BRANCH

İnönü Cad. No:27, 16010 BURSA
Tel: +90 (224) 220 97 60
Fax: +90 (212) 354 20 04

ÇAĞLAYAN BRANCH

Vatan Cad. No:21/C 34403
Çağlayan/İSTANBUL
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Fax: +90 (212) 354 20 44

ÇORLU BRANCH

Kazimiye Mah. Salih Omurtak Cad.
No:34/C 59850 Çorlu/TEKİRDAĞ
Tel: +90 (282) 673 66 10
Fax: +90 (212) 354 20 82

ÇORUM BRANCH

İnönü Cad. No:38/A
19100 ÇORUM
Tel: +90 (364) 224 19 11
Fax: +90 (212) 354 20 63

DENİZLİ BRANCH

İstasyon Cad. No:48 20100 DENİZLİ
Tel: +90 (258) 242 00 25
Fax: +90 (212) 354 20 33

DİYARBAKIR BRANCH

İnönü Cad. No:19 21200 DİYARBAKIR
Tel: +90 (412) 224 75 30
Fax: +90 (212) 354 20 32

DÜZCE BRANCH

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Fax: +90 (212) 354 20 61

ELAZIĞ BRANCH

Hürriyet Cad. No:35/B 23200 ELAZIĞ
Tel: +90 (424) 212 47 24
Fax: +90 (212) 354 20 60

Branches

ERZURUM BRANCH

İstasyon Cad. No:69
25040 ERZURUM
Tel: +90 (442) 213 24 76
Fax: +90 (212) 354 20 54

ESENLER BRANCH

Fevzi Çakmak Mah. No:40
34220 Esenler/İSTANBUL
Tel: +90 (212) 508 49 99
Fax: +90 (212) 354 20 80

ESKİŞEHİR BRANCH

Porsuk Bulvarı No:9
26010 Köprübaşı/ESKİŞEHİR
Tel: +90 (222) 231 36 66
Fax: +90 (212) 354 20 50

ETLİK BRANCH

Yunus Emre Cad. No:5/A, 5/B
06010 Etlük/ANKARA
Tel: +90 (312) 325 91 91
Fax: +90 (212) 354 20 59

FATİH BRANCH

Macar Kardeşler Cad. No:30
34080 Fatih/İSTANBUL
Tel: +90 (212) 635 48 96
Fax: +90 (212) 354 20 15

GAZİANTEP BRANCH

Suburcu Cad. No:4
27000 GAZİANTEP
Tel: +90 (342) 230 91 68
Fax: +90 (212) 354 20 09

GAZİOSMANPAŞA BRANCH

Çukurçeşme Cad. No:5
Gaziosmanpaşa/İSTANBUL
Tel: +90 (212) 563 54 10
Fax: +90 (212) 354 20 93

GEBZE BRANCH

Atatürk Cad. No:29/B
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Fax: +90 (212) 354 20 34

GÜNEŞLİ BRANCH

Gülbahar Cad. Tufan Sok. No:26/B
34212 Güneşli/İSTANBUL
Tel: +90 (212) 474 03 03
Fax: +90 (212) 354 20 40

GÜNGÖREN BRANCH

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35210 Konak/İZMİR
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Fax: +90 (212) 354 20 03

İZMİT BRANCH

Alemdar Cad. No:17 41300 KOCAELİ
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HADIMKÖY BRANCH

Sanbir Sanayi Bulvarı 5. Bölge No:196
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HASANPAŞA BRANCH

Fahrettin Kerim Gökay Cad.
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Fax: +90 (212) 354 20 81

KADIKÖY BRANCH

Rihtım Cad. No:44
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Fax: +90 (212) 354 20 11

KAHRAMANMARAŞ BRANCH

Kıbrıs Meydanı No:114
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Fax: +90 (212) 354 20 17

KASTAMONU BRANCH

Cumhuriyet Cad. No:10/A
37100 KASTAMONU
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Fax: +90 (212) 354 20 73

KARABAĞLAR BRANCH

Yeşillik Cad. No:473
35400 Karabağlar/İZMİR
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Fax: +90 (212) 354 20 47

KDZ. EREĞLİ BRANCH

Erdemir Cad. No:233/B
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KARAKÖY BRANCH

Karaköy Meydanı
34420 Karaköy/İSTANBUL
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Fax: +90 (212) 354 20 05

KARTAL BRANCH

Ankara (Bankalar) Cad. No:92
34860 Kartal / İSTANBUL
Tel: +90 (216) 473 60 05
Fax: +90 (212) 354 20 56

KAVACIK BRANCH

Cumhuriyet Cad. Beşler Plaza
B-Blok No:38/1 ve 38/A
34830 Beykoz / İSTANBUL
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KAYSERİ BRANCH

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Saniye Ermutlu Sok. No:4
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34130 Laleli/İSTANBUL
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MALATYA BRANCH

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44100 MALATYA
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MALTEPE BRANCH

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MANİSA BRANCH

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45020 MANİSA
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Camii Şerif Mah. İstiklal Cad. No:33
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MERTER BRANCH

Fatih Cad. No:30
34169 Merter/İSTANBUL
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OSMANBEY BRANCH

Halaskargazi Cad. No: 263
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PENDİK BRANCH

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SAMSUN BRANCH

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SİVAS BRANCH

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SİTELER BRANCH

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SULTANÇİFTLİĞİ BRANCH

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Anafaltar Cad. Kızılalma Mah. No: 59
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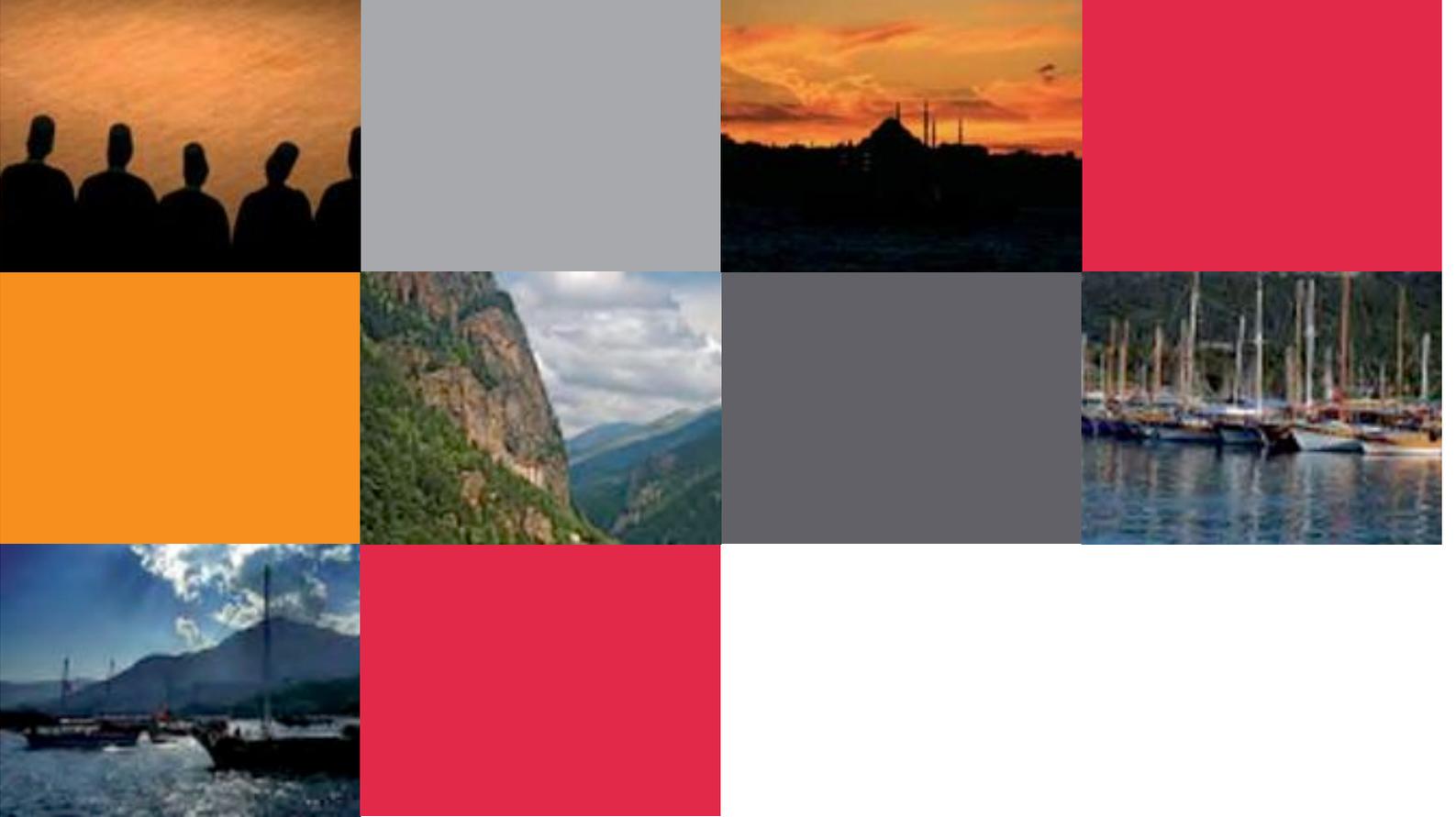
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