

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

**Albaraka Türk Katılım Bankası
Anonim Şirketi**

**Unconsolidated financial statements including
independent auditors' limited review report for the
interim period ended June 30, 2013**

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

Albaraka Türk Katılım Bankası Anonim Şirketi
Independent auditors' limited review report
for the interim period ended June 30, 2013

To the Board of Directors of Albaraka Türk Katılım Bankası Anonim Şirketi:

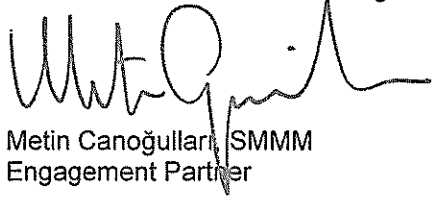
We have reviewed the accompanying unconsolidated balance sheet of Albaraka Türk Katılım Bankası A.Ş. ("the Bank") as of June 30, 2013 and the unconsolidated statements of income, unconsolidated statement of income and expense items accounted under equity, unconsolidated cash flows and unconsolidated changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. As independent auditors, our responsibility is to issue a report based on the review performed on these financial statements.

We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review is principally limited to reviewing financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information; and hence it is substantially less in scope than an audit and therefore provides a lesser assurance. We have not performed an audit and accordingly we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the financial position of Albaraka Türk Katılım Bankası A.Ş. as of June 30, 2013 and the results of its operations and its cash flows for the period then ended in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

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 and 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
Engagement Partner

July 30, 2013
Istanbul, Turkey

UNCONSOLIDATED INTERIM FINANCIAL REPORT OF ALBARAKA TÜRK KATILIM BANKASI A.Ş. AS OF AND FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013

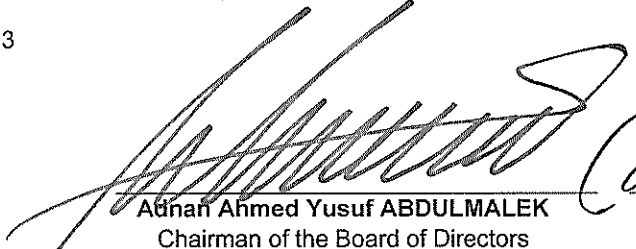
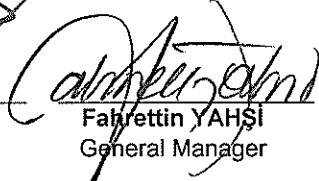
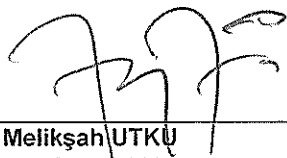


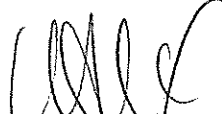
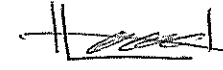
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Electronic mail contact info : albarakaturk@albarakaturk.com.tr

The unconsolidated interim financial report for the six month period prepared in accordance with the Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by the Banking Regulation and Supervision Agency is comprised of the following sections.

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

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

30.07.2013

 Adnan Ahmed Yusuf ABDULMALEK Chairman of the Board of Directors	 Fahrettin YAHŞI General Manager	
 Melikşah UTKU Assistant General Manager	 Ahmet OCAK Budget and Financial Reporting Senior Manager	
 Hamad Abdulla A. EQAB Chairman of the Audit Committee	 Mitat AKTAŞ Member of the Audit Committee	 Hood Hashem Ahmed HASHEM Member of the Audit Committee

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

Name-Surname / Title : Oya AKDOĞAN / Budget and Financial Reporting / Vice Manager
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Table of contents

	Page
Section one	
General information	
I. History of the Bank including its incorporation date, initial legal status and amendments to legal status	1
II. Shareholding structure, shareholders having direct or indirect, joint or individual control over the management of the Bank and disclosures on related changes in the current year, if any	1
III. Explanation on the chairman and members of board of directors, members of audit committee, general manager and assistant general managers, their areas of responsibility and their shares in the Bank, if any	2
IV. Information on the Bank's qualified shareholders	3
V. Summary on the Bank's service activities and field of operations	3
VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards with respect to consolidation and short explanation about the institutions subject to full or proportional consolidation and institutions which are deducted from equity or not included in these three methods	4
VII. The existing or potential, actual or legal obstacles on immediate transfer of equity or reimbursement of liabilities between the Bank and its subsidiaries	4
Section two	
The unconsolidated financial statements	
I. Balance sheet (Statement of financial position)	5
II. Statement of off-balance sheet contingencies and commitments	7
III. Statement of income	8
IV. Statement of income and expense items accounted under shareholders' equity	9
V. Statement of changes in shareholders' equity	10
VI. Statement of cash flows	12
Section three	
Accounting policies	
I. Explanations on basis of presentation	13
II. Explanations on strategy of using financial instruments and foreign currency transactions	14
III. Explanations on forward, option contracts and derivative instruments	15
IV. Explanations on profit share income and expenses	15
V. Explanations on fees, commission income and expenses	16
VI. Explanations on financial assets	16
VII. Explanations on impairment of financial assets	17
VIII. Explanations on offsetting of financial instruments	18
IX. Explanations on sale and repurchase agreements and lending of securities	18
X. Explanations on assets held for sale and discontinued operations and liabilities related to these assets	18
XI. Explanations on goodwill and other intangible assets	19
XII. Explanations on tangible assets	19
XIII. Explanations on leasing transactions	20
XIV. Explanations on provisions and contingent liabilities	20
XV. Explanations on liabilities regarding employee benefits	21
XVI. Explanations on taxation	21
XVII. Additional explanations on borrowings	23
XVIII. Explanations on issued share certificates	23
XIX. Explanations on acceptances and availed drafts	23
XX. Explanations on government grants	23
XXI. Explanations on segment reporting	23
XXII. Explanations on other matters	23
XXIII. Additional paragraph for convenience translation	23
Section four	
Information on financial structure and risk management	
I. Explanations on the capital adequacy standard ratio	24
II. Explanations on credit risk	28
III. Explanations on market risk	28
IV. Explanations on operational risk	29
V. Explanations on currency risk	29
VI. Explanations on position risk of equity securities in banking book	31
VII. Explanations on liquidity risk	32
VIII. Explanations on securitisation positions	35
IX. Explanations on credit risk mitigation techniques	35
X. Explanations on risk management objectives and policies	37
XI. Explanations on presentation of financial assets and liabilities at fair values	40
XII. Explanations regarding the activities carried out on behalf and account of other persons	40
XIII. Explanations on business segments	41

Section five**Explanations and notes on the unconsolidated financial statements**

I.	Explanations and notes related to assets	42
II.	Explanations and notes related to liabilities	56
III.	Explanations and notes related to off-balance sheet commitments	67
IV.	Explanations and notes related to the statement of income	69
V.	Explanations and notes related to the statements of changes in shareholders' equity	74
VI.	Explanations and notes related to the statement of cash flows	74
VII.	Explanations related to the risk group of the Bank	75
VIII.	Explanations related to domestic, foreign, off-shore branches or investments and foreign representative offices	76
IX.	Explanations related to subsequent events	76

Section six**Other explanations**

I.	Other issues that have significant effect on the balance sheet or that are ambiguous and/or open to interpretation and require clarification	77
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Section seven**Limited review report**

I.	Explanations on independent auditors' limited review report	77
II.	Other notes and explanations prepared by the independent auditors	77

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

Section one

General information

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

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

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

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

The Bank's head office is located in Istanbul and is operating through 137 (Prior period- 136) local branches and 1 (Prior period- 1) foreign branch and with 2.878 (Prior period- 2.758) staff as of June 30, 2013.

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

As of June 30, 2013, 54,06% of the Bank's shares are owned by Albaraka Banking Group located in Bahrain. 23,04% of the shares are publicly traded and quoted on the Borsa İstanbul.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

as at June 30, 2013

(Currency - Thousand Turkish Lira)

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

Title	Name and Surname	Administrative Function and Responsibility	Educational Degree	Ownership Percentage (%)
Chairman of the Board of Directors (BOD)	Adnan Ahmed Yusuf ABDULMALEK	Chairman of BOD	Master	(*) 0,0000
Members of BOD	Yalçın ÖNER	Vice Chairman of BOD	Master	0,0006
	İbrahim Fayez Humaid ALSHAMSI	Member of BOD	Bachelor	(*) 0,0000
	Osman AKYÜZ	Member of BOD	Bachelor	-
	Prof.Dr. Ekrem PAKDEMİRLİ	Member of BOD	Doctorate	(*) 0,0000
	Mitat AKTAŞ	Member of BOD	Master	(*) 0,0000
	Hamad Abdulla A. EQAB	Member of BOD	Bachelor	(*) 0,0000
	Fahad Abdullah A. ALRAJHI	Member of BOD	Bachelor	(*) 0,0000
	Hood Hashem Ahmed HASHEM	Member of BOD	Master	(*) 0,0000
	Khalifa Taha HAMOOD	Member of BOD	Bachelor	(*) 0,0000
	Ass. Prof. Dr. Kemal VAROL	Independent Member of BOD	Doctorate	-
General Manager	Fahrettin YAHŞİ	Member of BOD /General Manager	Master	-
Assistant General Managers	Mehmet Ali VERÇİN	Corporate Marketing, Treasury	Bachelor	-
	Nihat BOZ	Marketing, Investment Projects	Bachelor	-
	Temel HAZIROĞLU	Legal Advisory, Legal Follow-up	Bachelor	0,0048
		Human Values, Training & Organisation, Performance & Career Management, Administrative Affairs, Financial Affairs		
	Bülent TABAN	Commercial Marketing, Commercial Products, Regional Offices	Master	0,0342
	Turgut SİMİTCİOĞLU	Credit Operations, Banking Services	Master	-
		Operations, Foreign Affairs		
		Operations, Payment Systems		
		Operations, Risk Follow-up		
	Melikşah UTKU	Project Management, Software Development, IT Support, IT Strategy & Governance, Budget & Financial Reporting	Master	-
	Mahmut Esfa EMEK	Corporate Credits, Commercial Credits, Retail Credits, Credit Management & Monitoring	Bachelor	-
	Ayhan KESER	Retail Marketing, Alternative Distribution Channels, Retail Products, Financial Institutions	Bachelor	-
Audit Committee	Hamad Abdulla A. EQAB	Chairman of Audit Committee	Bachelor	(*) 0,0000
	Hood Hashem Ahmed HASHEM	Member of Audit Committee	Master	(*) 0,0000
	Mitat AKTAŞ	Member of Audit Committee	Master	(*) 0,0000

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

Chairman and members of BOD, members of audit committee, general manager and assistant general managers own 0,0396% of the Bank's share capital (Prior period- 0,0396%).

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

IV. Information on the Bank's qualified shareholders:

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

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

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

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

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

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

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

In addition to its ordinary banking activities, the Bank operates as an insurance agency on behalf of Işık Sigorta, Anadolu Sigorta, Güneş Sigorta, Allianz, Aviva Sigorta, Neova Sigorta, Zurich Sigorta, Ankara Sigorta, Avivasa Emeklilik ve Hayat, Generali Sigorta, as a private pension insurance agency on behalf of Anadolu Hayat Emeklilik and Avivasa Emeklilik ve Hayat, and as a brokerage agency on behalf of Bizim Menkul Değerler A.Ş. through its branches, engages in purchase and sale of precious metals, provides intermediary services in quick money transfers, credit card and member business (P.O.S.) services.

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards with respect to consolidation and Short Explanation about the Institutions Subject to Full or Proportional Consolidation and Institutions which are deducted from Equity or not included in These Three Methods:

The Bank did not consolidate the financial statements of its subsidiary Bereket Varlık Kiralama A.Ş. and its associate Kredi Garanti Fonu A.Ş. considering the materiality principle and its insignificant influence over the associate, respectively and the related subsidiary and associate are carried at cost in the accompanying financial statements. Moreover, the financial statements of the Bank's special purpose entity, Albaraka Türk Sukuk Limited, which is not a subsidiary but over which the Bank exercises 100% control, are not consolidated in the accompanying financial statements considering the materiality principle.

VII. The Existing or Potential, Actual or Legal Obstacles on Immediate Transfer of Equity or Reimbursement of Liabilities between the Bank and Its Subsidiaries:

Immediate transfer of equity between the Bank and its subsidiaries is not an issue.

There is no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Bank and its subsidiaries. The Bank charges or pays cost of the services according to the service agreements between the Bank and its subsidiaries.

Section two

The unconsolidated financial statements

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

ASSETS	Notes (Section Five-I)	THOUSAND TURKISH LIRA					
		CURRENT PERIOD (30/06/2013)			PRIOR PERIOD (31/12/2012)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	152.175	1.664.771	1.816.946	122.743	1.177.900	1.300.643
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (net)	(2)	7.092	155	7.247	6.192	-	6.192
2.1 Trading Financial Assets		7.092	155	7.247	6.192	-	6.192
2.1.1 Public Sector Debt Securities		-	-	-	-	-	-
2.1.2 Equity Securities		5.922	-	5.922	4.609	-	4.609
2.1.3 Derivative Financial Assets Held for Trading		-	-	-	-	-	-
2.1.4 Other Marketable Securities		1.170	155	1.325	1.583	-	1.583
2.2 Financial Assets at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Equity Securities		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
III. BANKS	(3)	463.200	363.804	827.004	643.330	393.782	1.037.112
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
V. FINANCIAL ASSETS-AVAILABLE FOR SALE (net)	(4)	103.192	48.849	152.041	104.749	47.820	152.569
5.1 Equity Securities		-	1.360	1.360	-	1.269	1.269
5.2 Public Sector Debt Securities		103.192	47.489	150.681	104.749	46.551	151.300
5.3 Other Marketable Securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	(5)	8.853.906	1.497.033	10.350.939	7.907.609	1.150.795	9.058.404
6.1 Loans and Receivables		8.802.923	1.496.997	10.299.920	7.882.729	1.150.795	9.033.524
6.1.1 Loans to Risk Group of The Bank		1.608	9.553	11.161	34.262	-	34.262
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Other		8.801.315	1.487.444	10.288.759	7.848.467	1.150.795	8.999.262
6.2 Non-performing loans		261.349	1.274	262.623	221.404	1.145	222.549
6.3 Specific Provisions (-)		210.366	1.238	211.604	196.524	1.145	197.669
VII. INVESTMENTS HELD TO MATURITY (net)	(6)	585.210	-	585.210	356.879	8.936	365.815
VIII. INVESTMENTS IN ASSOCIATES (net)	(7)	4.211	-	4.211	4.211	-	4.211
8.1 Accounted for under Equity Method		-	-	-	-	-	-
8.2 Unconsolidated Associates		4.211	-	4.211	4.211	-	4.211
8.2.1 Financial Associates		4.211	-	4.211	4.211	-	4.211
8.2.2 Non-Financial Associates		-	-	-	-	-	-
IX. SUBSIDIARIES (net)	(8)	50	-	50	50	-	50
9.1 Unconsolidated Financial Subsidiaries		50	-	50	50	-	50
9.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
X. JOINT VENTURES (net)	(9)	-	-	-	-	-	-
10.1 Accounted for under Equity Method		-	-	-	-	-	-
10.2 Unconsolidated		-	-	-	-	-	-
10.2.1 Financial Joint Ventures		-	-	-	-	-	-
10.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XI. LEASE RECEIVABLES	(10)	37.618	-	37.618	41.659	-	41.659
11.1 Finance Lease Receivables		47.472	-	47.472	51.494	-	51.494
11.2 Operational Lease Receivables		-	-	-	-	-	-
11.3 Other		-	-	-	-	-	-
11.4 Unearned Income (-)		9.854	-	9.854	9.835	-	9.835
XII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	-	-	-	-	-	-
12.1 Fair Value Hedge		-	-	-	-	-	-
12.2 Cash Flow Hedge		-	-	-	-	-	-
12.3 Hedge of Net Investment Risks in Foreign Operations		-	-	-	-	-	-
XIII. TANGIBLE ASSETS (net)	(12)	288.636	1.895	290.531	292.493	1.844	294.337
XIV. INTANGIBLE ASSETS (net)	(13)	7.768	563	8.331	6.497	555	7.052
14.1 Goodwill		-	-	-	-	-	-
14.2 Other		7.768	563	8.331	6.497	555	7.052
XV. INVESTMENT PROPERTY (net)	(14)	-	-	-	-	-	-
XVI. TAX ASSET	(15)	12.005	-	12.005	10.400	-	10.400
16.1 Current Tax Asset		1.854	-	1.854	2.482	-	2.482
16.2 Deferred Tax Asset		10.151	-	10.151	7.918	-	7.918
XVII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (net)	(16)	28.286	-	28.286	10.714	-	10.714
17.1 Assets Held for Sale		28.286	-	28.286	10.714	-	10.714
17.2 Assets of Discontinued Operations		-	-	-	-	-	-
XVIII. OTHER ASSETS	(17)	55.204	1.713	56.917	37.859	637	38.496
TOTAL ASSETS		10.598.553	3.578.783	14.177.336	9.545.385	2.782.269	12.327.654

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

LIABILITIES	Notes (Section Five-II)	THOUSAND TURKISH LIRA					
		CURRENT PERIOD (30/06/2013)			PRIOR PERIOD (31/12/2012)		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED	(1)	6.283.839	3.863.284	10.147.123	5.535.572	3.689.446	9.225.018
1.1 Funds from Risk Group of The Bank		35.261	231.126	266.387	65.574	165.908	231.482
1.2 Other		6.248.578	3.632.158	9.880.736	5.469.998	3.523.538	8.993.536
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	-	-	-	-	-
III. FUNDS BORROWED	(3)	-	1.774.185	1.774.185	-	1.393.830	1.393.830
IV. BORROWINGS FROM MONEY MARKETS		-	-	-	-	-	-
V. SECURITIES ISSUED (net)		-	-	-	-	-	-
VI. MISCELLANEOUS PAYABLES		295.279	39.291	334.570	304.153	12.245	316.398
VII. OTHER LIABILITIES	(4)	-	-	-	-	-	-
VIII. LEASE PAYABLES	(5)	-	-	-	-	-	-
8.1 Finance Lease Payables		-	-	-	-	-	-
8.2 Operational Lease Payables		-	-	-	-	-	-
8.3 Other		-	-	-	-	-	-
8.4 Deferred Finance Lease Expenses (-)		-	-	-	-	-	-
IX. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(6)	-	-	-	-	-	-
9.1 Fair Value Hedge		-	-	-	-	-	-
9.2 Cash Flow Hedge		-	-	-	-	-	-
9.3 Net Foreign Investment Hedge		-	-	-	-	-	-
X. PROVISIONS	(7)	132.001	55.035	187.036	111.101	24.717	135.818
10.1 General Provisions		97.623	23.400	121.023	81.488	21.612	103.100
10.2 Restructuring Reserves		-	-	-	-	-	-
10.3 Reserve for Employee Benefits		23.284	-	23.284	19.245	-	19.245
10.4 Insurance Technical Reserves (net)		-	-	-	-	-	-
10.5 Other Provisions		11.094	31.635	42.729	10.368	3.105	13.473
XI. TAX LIABILITY	(8)	32.873	16	32.889	38.256	1	38.257
11.1 Current Tax Liability		32.873	16	32.889	38.256	1	38.257
11.2 Deferred Tax Liability		-	-	-	-	-	-
XII. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (net)	(9)	-	-	-	-	-	-
12.1 Assets Held for Sale		-	-	-	-	-	-
12.2 Assets of Discontinued Operations		-	-	-	-	-	-
XIII. SUBORDINATED LOANS	(10)	-	386.199	386.199	-	-	-
XIV. SHAREHOLDERS' EQUITY	(11)	1.317.848	(2.514)	1.315.334	1.218.406	(73)	1.218.333
14.1 Paid-In Capital		900.000	-	900.000	900.000	-	900.000
14.2 Capital Reserves		55.393	(2.514)	52.879	56.760	(73)	56.687
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Marketable Securities Valuation Reserve		521	(2.514)	(1.993)	1.266	(73)	1.193
14.2.4 Revaluation Reserve on Tangible Assets		54.808	-	54.808	55.522	-	55.522
14.2.5 Revaluation Reserve on Intangible Assets		-	-	-	-	-	-
14.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-
14.2.7 Bonus Shares From Associates, Subsidiaries and Jointly Controlled Entities		-	-	-	-	-	-
14.2.8 Hedging Funds (Effective Portion)		-	-	-	-	-	-
14.2.9 Accumulated Valuation Differences on Assets Held For Sale and Assets of Discontinued Operations		-	-	-	-	-	-
14.2.10 Other Capital Reserves		64	-	64	(28)	-	(28)
14.3 Profit Reserves		261.645	-	261.645	68.920	-	68.920
14.3.1 Legal Reserves		59.602	-	59.602	49.966	-	49.966
14.3.2 Status Reserves		-	-	-	-	-	-
14.3.3 Extraordinary Reserves		202.043	-	202.043	18.954	-	18.954
14.3.4 Other Profit Reserves		-	-	-	-	-	-
14.4 Profit or Loss		100.810	-	100.810	192.726	-	192.726
14.4.1 Prior Years Profit / (Loss)		720	-	720	891	-	891
14.4.2 Current Year Profit / (Loss)		100.090	-	100.090	191.835	-	191.835
14.5 Minority Interest		-	-	-	-	-	-
TOTAL LIABILITIES		8.061.840	6.115.496	14.177.336	7.207.488	5.120.166	12.327.654

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.**STATEMENT OF OFF-BALANCE SHEET COMMITMENTS**

		Notes (Section Five-III)	THOUSAND TURKISH LIRA					
			CURRENT PERIOD (30/06/2013)			PRIOR PERIOD (31/12/2012)		
			TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET COMMITMENTS (I+II+III)	(1),(3)	3.537.356	3.138.720	6.676.076	3.737.941	2.617.485	6.355.426
I.	GUARANTEES AND SURETIES		2.669.414	2.934.292	5.603.706	2.859.471	2.353.810	5.213.281
1.1.	Letters of Guarantees		2.662.399	2.031.541	4.693.940	2.852.364	1.682.435	4.534.799
1.1.1.	Guarantees Subject to State Tender Law		115.512	16.187	131.699	149.051	15.888	164.939
1.1.2.	Guarantees Given for Foreign Trade Operations		20	739.700	739.720	20	795.286	795.306
1.1.3.	Other Letters of Guarantee		2.546.867	1.275.654	3.822.521	2.703.293	871.261	3.574.554
1.2.	Bank Loans		-	20.763	20.763	-	15.490	15.490
1.2.1.	Import Letter of Acceptances		-	20.763	20.763	-	15.490	15.490
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letter of Credits		692	558.590	559.282	6.296	471.537	477.833
1.3.1.	Documentary Letter of Credits		-	-	-	-	-	-
1.3.2.	Other Letter of Credits		692	558.590	559.282	6.296	471.537	477.833
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		-	305.184	305.184	-	168.039	168.039
1.7.	Other Collaterals		6.323	18.214	24.537	811	16.309	17.120
II.	COMMITMENTS	(1),(3)	867.942	204.428	1.072.370	878.470	263.675	1.142.145
2.1.	Irrevocable Commitments		867.942	204.428	1.072.370	878.470	263.675	1.142.145
2.1.1.	Forward Asset Purchase Commitments		163.579	204.323	367.902	265.158	263.575	528.733
2.1.2.	Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.3.	Loan Granting Commitments		50.252	-	50.252	39.577	-	39.577
2.1.4.	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5.	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6.	Payment Commitment for Checks		290.374	-	290.374	263.656	-	263.656
2.1.7.	Tax And Fund Liabilities from Export Commitments		1.373	-	1.373	1.043	-	1.043
2.1.8.	Commitments for Credit Card Expenditure Limits		360.876	-	360.876	306.032	-	306.032
2.1.9.	Commitments for Promotions Related with Credit Cards and Banking Activities		380	-	380	323	-	323
2.1.10.	Receivables From Short Sale Commitments		-	-	-	-	-	-
2.1.11.	Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.12.	Other Irrevocable Commitments		1.108	105	1.213	2.681	100	2.781
2.2.	Revocable Commitments		-	-	-	-	-	-
2.2.1.	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(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)		20.385.586	3.044.542	23.430.128	18.914.892	2.365.084	21.279.976
IV.	ITEMS HELD IN CUSTODY		1.537.925	953.032	2.490.957	1.313.127	662.365	1.975.492
4.1.	Assets Under Management		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		72	-	72	72	-	72
4.3.	Checks Received for Collection		657.618	68.203	725.821	626.896	51.715	678.611
4.4.	Commercial Notes Received for Collection		199.049	20.423	219.472	230.109	19.014	249.123
4.5.	Other Assets Received for Collection		105	-	105	105	-	105
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		391	511.049	511.440	-	253.338	253.338
4.8.	Custodians		680.690	353.357	1.034.047	455.945	338.298	794.243
V.	PLEDGED ITEMS		18.847.661	2.091.510	20.939.171	17.601.765	1.702.719	19.304.484
5.1.	Marketable Securities		427.147	441.392	868.539	444.122	193.889	638.011
5.2.	Guarantee Notes		1.350.395	146.099	1.496.494	1.225.294	163.687	1.388.981
5.3.	Commodity		590.216	283.943	874.159	485.124	242.477	727.601
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		15.306.128	739.753	16.045.881	14.424.663	706.303	15.130.966
5.6.	Other Pledged Items		1.132.641	459.537	1.592.178	995.139	376.727	1.371.866
5.7.	Pledged Items-Depository		41.134	20.786	61.920	27.423	19.636	47.059
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)			23.922.942	6.183.262	30.106.204	22.652.833	4.982.569	27.635.402

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş. STATEMENT OF INCOME

INCOME AND EXPENSE ITEMS	Notes (Section Five-IV)	THOUSAND TURKISH LIRA			
		CURRENT PERIOD (01/01- 30/06/2013)	PRIOR PERIOD (01/01- 30/06/2012)	CURRENT PERIOD (01/04- 30/05/2013)	PRIOR PERIOD (01/04- 30/06/2012)
I. PROFIT SHARE INCOME	(1)	542.701	465.659	268.535	240.263
1.1 Profit Share on Loans		517.712	449.951	255.585	235.106
1.2 Income Received from Reserve Deposits		-	-	-	-
1.3 Income Received from Banks		616	1.018	270	588
1.4 Income Received from Money Market Placements		-	-	-	-
1.5 Income Received from Marketable Securities Portfolio		21.958	12.909	11.631	3.555
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		4.504	2.880	2.188	1.099
1.5.4 Investments Held to Maturity		17.454	10.049	9.443	2.456
1.6 Finance Lease Income		2.415	1.766	1.049	1.014
1.7 Other Profit Share Income		-	15	-	-
II. PROFIT SHARE EXPENSE	(2)	245.436	247.252	122.069	127.708
2.1 Expense on Profit Sharing Accounts		222.282	232.740	107.649	121.033
2.2 Profit Share Expense on Funds Borrowed		23.154	14.023	14.420	6.675
2.3 Profit Share Expense on Money Market Borrowings		-	489	-	-
2.4 Profit Share Expense on Securities Issued		-	-	-	-
2.5 Other Profit Share Expense		-	-	-	-
III. NET PROFIT SHARE INCOME (I – II)		297.265	218.407	146.466	112.555
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		54.901	55.716	29.213	28.141
4.1 Fees and Commissions Received		67.927	65.303	35.763	33.359
4.1.1 Non-Cash Loans		40.282	38.085	21.057	19.541
4.1.2 Other	(12)	27.645	27.218	14.706	13.818
4.2 Fees and Commissions Paid		13.026	9.587	6.550	5.218
4.2.1 Non-Cash Loans		277	274	129	160
4.2.2 Other	(12)	12.749	9.313	6.421	5.058
V. DIVIDEND INCOME	(3)	459	788	459	361
VI. TRADING INCOME/LOSS(net)	(4)	13.826	8.072	5.861	4.971
6.1 Capital Market Transaction Income / (Loss)		386	66	(373)	(243)
6.2 Income / (Loss) from Derivative Financial Instruments		-	-	-	-
6.3 Foreign Exchange Income / (Loss)		13.440	8.006	6.234	5.214
VII. OTHER OPERATING INCOME	(5)	71.355	33.453	12.546	12.755
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		437.806	316.436	194.545	158.783
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	124.519	45.802	39.428	15.302
X. OTHER OPERATING EXPENSES (-)	(7)	185.727	163.274	95.494	85.919
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		127.560	107.360	59.623	57.562
XII. EXCESS AMOUNT RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII. INCOME / (LOSS) ON EQUITY METHOD		-	-	-	-
XIV. INCOME / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV. INCOME / (LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	127.560	107.360	59.623	57.562
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(27.470)	(21.351)	(13.243)	(10.734)
16.1 Provision for Current Taxes		(28.907)	(23.402)	(13.765)	(12.379)
16.2 Provision for Deferred Taxes		1.437	2.051	522	1.645
XVII. NET INCOME / (LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	100.090	86.009	46.380	46.828
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income from Assets Held For Sale		-	-	-	-
18.2 Income from Sale Of Associates, Subsidiaries And Jointly Controlled Entities (Joint Vent.)		-	-	-	-
18.3 Income from Other Discontinued Operations		-	-	-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Loss from Assets Held for Sale		-	-	-	-
19.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-	-	-
19.3 Loss from Other Discontinued Operations		-	-	-	-
XX. INCOME / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-	-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(9)	-	-	-	-
21.1 Provision for Current Taxes		-	-	-	-
21.2 Provision for Deferred Taxes		-	-	-	-
XXII. NET INCOME / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-	-	-
XXIII. NET INCOME / LOSS (XVII+XXII)	(11)	100.090	86.009	46.380	46.828
23.1 Group's Income/Loss		100.090	86.009	46.380	46.828
23.2 Minority Interest		-	-	-	-
Earnings Per Share (Full TL)		0,111	0,096	0,052	0,052

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY

STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		THOUSAND TURKISH LIRA			
		CURRENT PERIOD (01/01-30/06/2013)	PRIOR PERIOD (01/01-30/06/2012)	CURRENT PERIOD (01/04-30/06/2013)	PRIOR PERIOD (01/04-30/06/2012)
I.	ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS	(3.982)	1.446	(3.332)	460
II.	TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-	-	-
III.	INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-	-	-
IV.	FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	92	292	91	(20)
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	5	-	-	-
VIII.	OTHER PROFIT LOSS ITEMS ACCOUNTED UNDER EQUITY IN ACCORDANCE WITH TAS	-	-	-	-
IX.	DEFERRED TAX ON VALUATION DIFFERENCES	796	(289)	666	(92)
X.	TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(3.089)	1.449	(2.575)	348
XI.	PROFIT/LOSS	100.090	86.009	46.380	46.828
11.1	Net change in Fair Value of Marketable Securities (Recycled To Profit/Loss)	-	-	-	-
11.2	Part of Derivatives Designated for Cash Flow Hedge Purposes reclassified and presented in Income Statement	-	-	-	-
11.3	Part of Hedge of Net Investments in Foreign Operations reclassified and presented in Income Statement	-	-	-	-
11.4	Other	100.090	86.009	46.380	46.828
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	97.001	87.458	43.805	47.176

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

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

THOUSAND TURKISH LIRA

CHANGES IN SHAREHOLDERS' EQUITY	Notes (Section Five)	Paid-in Capital	Effect of Inflation Accounting on Capital	Share Premium	Share Cancellation	Share Certificate Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Years Net Income / (Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares from Investments	Hedging Reserves	Accumulated	
																	Valuation Differences on Assets For Sale and Disc.op.	Total Equity
PRIOR PERIOD (01/01/2012-30/06/2012)																		
I.	Beginning balance	(V)	539.000	-	-	-	39.160	-	229.891	(382)	160.155	715	(1.438)	37.150	-	-	-	1.004.251
II.	Changes In Period Increase/Decrease Related to Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Hedging Funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	1.446	-	-	-	-	1.446
4.1	Cash-Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge Of Net Investment in Foreign Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes Related to the Disposal Of Assets	-	-	-	-	-	-	-	-	292	-	-	-	-	-	-	-	292
X.	Changes Related to the Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The Effect of Change in Associate's Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase	361.000	-	-	-	-	(61)	-	(360.939)	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal Sources	361.000	-	-	-	-	(61)	-	(360.939)	-	-	-	-	-	-	-	-	-
XIII.	Share Issue Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation Adjustment to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	-	-	-	2.824	-	(2.824)	-	-	475	(289)	(475)	-	-	-	(289)
XVII.	Period Net Income/(Loss)	-	-	-	-	-	-	-	-	-	86.009	-	-	-	-	-	-	86.009
XVIII.	Profit Distribution	-	-	-	-	-	8.043	-	152.826	-	(160.155)	(714)	-	-	-	-	-	-
18.1	Dividends Distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers To Reserves	-	-	-	-	-	8.043	-	152.826	-	(160.155)	(160.659)	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	160.155	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)		900.000	-	-	-	-	49.966	-	18.964	(90)	86.009	476	(281)	36.675	-	-	-	1.091.709

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

(10)

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

THOUSAND TURKISH LIRA

Accumulated																	
Valuation Differences on Assets Held For Sale and Disc.op.																	
Total Equity																	

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş. STATEMENT OF CASH FLOWS

		THOUSAND TURKISH LIRA	
		CURRENT PERIOD (01/01/2013-30/06/2013)	PRIOR PERIOD (01/01/2012-30/06/2012)
STATEMENT OF CASH FLOWS	Notes		
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes In Operating Assets And Liabilities		369.297	227.054
1.1.1 Profit Share Income Received		512.662	440.635
1.1.2 Profit Share Expense Paid		(235.697)	(238.910)
1.1.3 Dividend Received		459	788
1.1.4 Fees and Commissions Received		104.640	104.314
1.1.5 Other Income		68.381	27.614
1.1.6 Collections from Previously Written Off Loans	(V-I-5,h2)	70.106	14.656
1.1.7 Payments to Personnel and Service Suppliers		(109.193)	(94.609)
1.1.8 Taxes Paid		(36.392)	(33.697)
1.1.9 Others		(5.669)	6.263
1.2 Changes in operating assets and liabilities		(624.784)	(1.050.629)
1.2.1 Net (Increase) Decrease in Available For Sale Financial Assets		(1.055)	(113)
1.2.2 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		-	-
1.2.3 Net (Increase) Decrease in Due From Banks and Other Financial Institutions		(540.328)	(112.681)
1.2.4 Net (Increase) Decrease in Loans		(1.262.076)	(1.176.156)
1.2.5 Net (Increase) Decrease in Other Assets		46.027	58.632
1.2.6 Net Increase (Decrease) in Funds Collected From Banks		-	-
1.2.7 Net Increase (Decrease) in Other Funds Collected		728.972	159.408
1.2.8 Net Increase (Decrease) in Funds Borrowed		386.199	-
1.2.9 Net Increase (Decrease) in Payables		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities		17.477	20.281
I. Net Cash Flow From Banking Operations		(255.487)	(823.575)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(232.064)	307.492
2.1 Cash Paid for Acquisition of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.2 Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	-
2.3 Fixed Assets Purchases		(39.020)	(23.900)
2.4 Fixed Assets Sales		8.898	3.816
2.5 Cash Paid for Purchase of Financial Assets Available for Sale		-	-
2.6 Cash Obtained from Sale of Financial Assets Available for Sale		-	25.000
2.7 Cash Paid for Purchase of Investment Securities	(V-I-6.4)	(274.378)	-
2.8 Cash Obtained from Sale of Investment Securities	(V-I-6.4)	72.436	302.576
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		295.385	4.348
3.1 Cash Obtained from Funds Borrowed and Securities Issued		295.385	4.348
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3 Capital Increase		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		-	-
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		21.853	12
V. Net (Decrease) Increase in Cash and Cash Equivalents		(170.313)	(511.723)
VI. Cash and Cash Equivalents at the Beginning of the Period		1.362.144	1.765.991
VII. Cash and Cash Equivalents at the End of the Period		1.191.831	1.254.268

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

Section three

Accounting policies

I. Explanations on basis of presentation:

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

The Bank prepares legal records, financial statements and the documents constituting the basis for financial statements in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents", "Turkish Accounting Standards" ("TAS") put into effect by Public Oversight Accounting and Auditing Standards Authority, "Turkish Financial Reporting Standards" ("TFRS") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette No. 28337, dated 28 June 2012, and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

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

Accounting policies and valuation methods used in the preparation of financial statements have been applied as specified in the related communiqués, pronouncements and regulations of TAS and BRSA. The accounting policies adopted in the preparation of the current year-end financial statements are consistent with those adopted in the preparation of the financial statements as of December 31, 2012. TAS/TFRS changes (IAS 12 "Income Taxes: Recovery of Underlying Assets (Amendment)", IFRS 7 "Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements (Amendment)") do not have an effect on the Bank's accounting policies, financial position or performance. The accounting policies and valuation principles used in the preparation of unconsolidated financial statements are explained in Notes II and XXII below.

"Communiqué related to Changes in Communiqué on Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks" published in the Official Gazette dated January 23, 2011 and numbered 27824 has set out the financial statement formats for the banks which selected to early adopt TFRS 9 (In accordance with the Communiqué related to Changes in Communiqué on TFRS 9 "Financial Instruments" published in the Official Gazette dated December 30, 2012 numbered 28513, the effective date of the mentioned Communiqué has been changed as December 31, 2014 which was previously January 1, 2013) "Financial Instruments" before January 1, 2015. Since the Bank has not chosen to early adopt TFRS 9, the accompanying financial statements have been prepared in accordance with the financial statements in the appendix of "Communiqué on Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks" published in the Official Gazette dated June 28, 2012 and numbered 28337.

The amendments of TAS and TFRS, which have been issued as of the reporting date, are not expected to have a material impact on the accounting policies, financial condition and performance of the Bank, except for TFRS 9 "Financial Instruments". The Bank assesses the impact of TFRS 9 "Financial Instruments"

The unconsolidated financial statements are prepared in accordance with the historical cost basis except for the financial assets at fair value through profit and loss, financial assets-available for sale and immovables which are reflected at fair values.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

I. Explanations on basis of presentation (continued):

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

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

The BRSA explained with its decision numbered 1623 and dated April 21, 2005 and its circular dated April 28, 2005 that the conditions for applying inflation accounting was no longer applicable and accordingly inflation accounting has not been applied in the accompanying financial statements starting from January 1, 2005.

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

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

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

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

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

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

There are no foreign currency differences capitalized by the Bank.

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

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

The Bank has no forward and option contracts.

The Bank does not have any derivative financial instruments.

Embedded derivatives are separated from the host contract and accounted for as a derivative under TAS 39 if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss. When the host contract and embedded derivative are closely related, embedded derivatives are not separated from the host contract and are accounted according to the standard applied to the host contract.

IV. Explanations on profit share income and expenses:

Profit share income

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

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

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", the profit share accruals of non-performing loans and other receivables are reversed and are recorded as profit share income when collected.

Profit share expense

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

V. Explanations on fees and commission income and expenses:

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

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

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

VI. Explanations on financial assets:

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

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

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

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

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

As of June 30, 2013, the Bank has no financial assets classified as financial assets at fair value through profit or loss except for trading financial assets.

Financial assets available for sale:

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

VI. Explanations on financial assets (continued):

Loans and receivables:

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

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

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

Held to maturity financial assets:

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

VII. Explanations on impairment of financial assets:

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

VII. Explanations on impairment of financial assets (continued):

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

If there is objective evidence indicating that an unquoted equity instrument which is not carried at fair value because its fair value cannot be reliably measured is impaired, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses cannot be reversed.

VIII. Explanations on offsetting of financial instruments:

Financial instruments are offset when the Bank has a legally enforceable right to net off the recognized amounts, and there is an intention to settle on net basis or realize the asset and settle the liability simultaneously.

There are no such offset of financial assets and liabilities.

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

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

The Bank has no securities lending transactions.

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

XI. Explanations on goodwill and other intangible assets:

Goodwill and other intangible assets are recorded at cost in accordance with TAS 38 "Intangible Assets". As of the balance sheet date, there is no goodwill in the financial statements of the Bank. The Bank's intangible assets consist of softwares and intangible rights.

The costs of the intangible assets purchased before December 31, 2004 have been restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. Intangible assets purchased after this date have been recorded at their historical costs. Intangible assets are amortised by the Bank over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Bank's software have been determined as 3 to 4 years and other intangible assets' useful lives have been determined as 15 years.

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

XII. Explanations on tangible assets:

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

As of March 31, 2009, the Bank has made a change in accounting policy and adopted revaluation model for immovables in accordance TAS 16 and reflected the results of appraisal reports prepared by an independent real estate appraiser firm to the financial statements. As of December 31, 2012, the Bank has revalued its immovables and reflected the results of appraisal reports prepared by an independent real estate appraiser firm using comparison of similar items method to the financial statements. The revaluation fund mentioned cannot be distributed as dividend to shareholders. Current period depreciation charge relating to the revaluation has been transferred to retained earnings from revaluation fund reserve in accordance with TAS 16.

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

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

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

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

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end. Leasehold improvements are depreciated over their estimated economic useful lives in equal amounts. The estimated economic useful lives cannot exceed the leasing period. In cases where the leasing period is not certain, the useful life is determined as 5 years. After January 1, 2010 in cases where leasing period is more than 5 years, the useful life is determined as 5 years.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

XII. Explanations on tangible assets (continued):

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

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

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

XIII. Explanations on leasing transactions:

Transactions as a lessee

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

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

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

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

Transactions as a lessor

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

XIV. Explanations on provisions and contingent liabilities:

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

Provisions are recognized if; as of the balance sheet date there is a present legal or constructive obligation as a result of past events, it is probable that an outflow resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provision is booked for contingent liabilities originated as a result of past events in the period they arise if it is probable that the liability will be settled and a reliable estimate for the liability amount can be made.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

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 terminated due to retirement or for reasons other than resignation or misconduct.

The retirement pay provision recognized in the financial statements, is calculated in accordance with TAS 19 "Employee Benefits" by using the "projection method" and based upon factors derived using the Bank's experience with respect to completion of service period and eligibility to receive retirement pay and 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. The Bank has no further payment obligations other than this contribution share. The contributions are recognized as personnel expenses when they accrue.

iii) *Short term benefits to employees:*

In accordance with TAS 19, vacation pay liabilities are classified as "Short Term Benefits to Employees" and accrued in the period they are earned and are 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 accordingly is not subject to withholding tax.

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

XVI. Explanations on taxation (continued):

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 for 5 years according to the Corporate Tax Law.

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

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

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

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

Deferred tax:

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

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

Transfer pricing:

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

XVII. Additional explanations on borrowings:

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

There are no debt securities issued by the Bank.

The Bank has not issued convertible bonds.

XVIII. Explanations on issued share certificates:

None.

XIX. Explanations on acceptances and availed drafts:

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

XX. Explanations on government grants:

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

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 XIII.

XXII. Explanations on other matters:

None.

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 and 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.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)**

Section four

Information on financial structure and risk management

I. Explanations on capital adequacy standard ratio:

Capital adequacy ratio calculations are made in accordance with "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" (Regulation) published in the Official Gazette no.28337 dated June 28, 2012 starting from July 1, 2012. As of June 30, 2013, the Bank's unconsolidated capital adequacy ratio calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" is 15,56% (Prior Period- 13,03%).

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

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", "Regulation on Credit Risk Mitigation Techniques" published in the Official Gazette no.28337 dated June 28, 2012 and the "Regulation on Equities of Banks" published in the Official Gazette no.26333 dated November 1, 2006.

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements
as at June 30, 2013
(Currency - Thousand Turkish Lira)

I. Explanations on capital adequacy standard ratio (continued):**b) Information on capital adequacy standard ratio: Thousand TL, %**

Bank Only								
	%0	%10	%20	%50	%75	%100	%150	%200
Value at Credit Risk	2.207.767	-	1.174.065	3.594.379	1.741.708	6.344.285	34.537	2.360
Risk Categories								
Conditional and unconditional receivables from central governments or central banks	2.101.635	-	8.179	47.489	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	11.840	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	727.623	150.024	893	110.451	-	-
Conditional and unconditional receivables from corporates	-	-	319.756	20.959	-	5.873.451	-	-
Conditional and unconditional retail receivables	-	-	102.602	137	1.740.815	-	-	-
Conditional and unconditional receivables secured by mortgages on property	-	-	3.085	3.365.264	-	-	-	-
Past due receivables	-	-	-	10.506	-	24.540	15.306	-
Receivables defined in high risk category by BRSA	-	-	980	-	-	-	19.231	2.360
Securities collateralized by mortgages	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-
Other receivables	106.132	-	-	-	-	335.843	-	-

On the table, the collateralized credit amounts are included to risk weights based on related risk categories.

c) Summary information related to capital adequacy standard ratio:

	Current Period	Prior Period
A Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	779.128	661.316
B Capital Requirement for Market Risk (MRCR)	7.936	5.234
C Capital Requirement for Operational Risk (ORCR)	77.228	66.816
Shareholders' Equity	1.681.226	1.194.026
Shareholders' Equity/((CRCR+MRCR+ORCR)*12.5*100)	15,56	13,03

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

d) Details of shareholders' equity accounts:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	900.000	900.000
Nominal Capital	900.000	900.000
Capital Commitments (-)	-	-
Inflation Adjustments to Paid-in Capital	-	-
Share Premium	-	-
Share Cancellation Profits	-	-
Reserves	261.709	68.892
Inflation Adjustments to Reserves	-	-
Profit	100.810	192.726
Current Period Net Profit	100.090	191.835
Prior Years' Profits	720	891
Provision for possible losses up to 25% of the core capital	106	108
Income on Sale of Equity Shares and Real Estate Property	-	-
Primary Subordinated Debts	-	-
Loss in excess of Reserves (-)	-	-
Current Period Net Loss	-	-
Prior Years' Loss	-	-
Leasehold Improvements on Operational Leases(-)	28.877	29.409
Intangible Assets (-)	8.331	7.052
Deferred Tax Asset Exceeding 10% of the Core Capital (-)	-	-
Amount in excess as per the 3rd Paragraph of the Article 56 of the Banking Law(-)	-	-
Total Core Capital	1.225.417	1.125.265

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

	Current Period	Prior Period
SUPPLEMENTARY CAPITAL		
General Loan Loss Reserves	57.777	44.750
45% of the Revaluation Reserve for Movable Fixed Assets	-	-
45% of the Revaluation Reserve for Properties	24.664	24.985
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	-	-
Primary Subordinated Loans Excluded in the Calculation of The Core Capital	-	-
Secondary Subordinated Loans	378.364	-
45% of Marketable Securities Value Increase Fund	(1.993)	537
Indexation Differences For Capital Reserves, Profit Reserves and Retained Earnings (Except Indexation Differences for Legal Reserves, Statutory Reserves and Extraordinary Reserves)	-	-
Total Supplementary Capital	458.812	70.272
CAPITAL	1.684.229	1.195.537
DEDUCTIONS FROM THE CAPITAL	3.003	1.511
Shareholdings in Unconsolidated Banks and Financial Institutions (Domestic, Foreign) in which the Bank Owns Ten Percent or More of Capital	50	50
Shareholdings in Unconsolidated Banks and Financial Institutions (Domestic, Foreign) in which the Bank Owns Less than Ten Percent of Capital 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	764	802
Securitization Positions to be Deducted from Equity	-	-
Other	2.189	659
TOTAL SHAREHOLDERS' EQUITY	1.681.226	1.194.026

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

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

II. Explanations on credit risk:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

III. Explanations on market risk:

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

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

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

a) Information related to market risk:

	Amount
(I) Capital requirement to be employed for general market risk - standard method	474
(II) Capital requirement to be employed for specific risk - standard method	474
Capital requirement against specific risks of securitisation positions- standard method	-
(III) Capital requirement to be employed for currency risk - standard method	6.988
(IV) Capital requirement to be employed for commodity risk - standard method	-
(V) Capital requirement to be employed for swap risk - standard method	-
(VI) Capital requirement to be employed for market risk of options - standard method	-
(VII) Capital requirement against counterparty credit risks - standard method	-
(VIII) Capital requirement to be employed for market risks of banks using risk measurement model	-
(IX) Total capital requirement to be employed for market risk (I+II+III+IV+V+VI+VII)	7.936
(X) Amount subject to market risk (12,5 X VIII) or (12,5 x IX)	99.200

b) Average Market Risk Table Concerning Market Risk Calculated as of Month Ends During the Period:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

IV. Explanations on operational risk:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

V. Explanations on currency risk:

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

- a) The Bank is exposed to currency risks as a market risk and tries to balance the currency risks by avoiding to keep any long or short positions. The currency risk of the Bank is monitored on a daily basis. Net foreign currency position / shareholders' equity ratio is also controlled on a daily basis. All foreign currency assets, liabilities and foreign currency forward transactions are taken into consideration while capital requirement to be employed for foreign currency risk is calculated. Standard Method used in legal reporting and amount subject to risk is calculated on a monthly basis.
- b) The Bank does not have any derivative financial instruments held for hedging purposes.
- c) 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.
- 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:

Full TL	USD	EUR
As of June 30, 2013 - Balance sheet evaluation rate	1,909	2,480
As of June 28, 2013	1,929	2,512
As of June 27, 2013	1,915	2,497
As of June 26, 2013	1,930	2,515
As of June 25, 2013	1,929	2,525
As of June 24, 2013	1,951	2,555

- 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 full TL 1,888 for 1 USD (December 2012 – full TL 1,778), full TL 2,486 for 1 EURO (December 2012 – full TL 2,332).

Foreign currency sensitivity:

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

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

% change in foreign currency rate		Effect on profit / loss		Effect on equity	
		Current Period	Prior Period	Current Period	Prior Period
USD	10% increase	14.715	21.855	64	(28)
USD	10% decrease	(14.715)	(21.855)	(64)	28
EURO	10% increase	1.521	4.906	-	-
EURO	10% decrease	(1.521)	(4.906)	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

V. Explanations on currency risk (continued):

Information on currency risk of the Bank:

Current Period	EUR	USD	Other FC(*)	Total
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	565.603	825.867	273.301	1.664.771
Banks	81.887	213.291	68.626	363.804
Financial assets at fair value through profit and loss	-	33	122	155
Money market placements	-	-	-	-
Available-for-sale financial assets	43	48.806	-	48.849
Loans and financial lease receivables(**)	1.075.026	3.150.086	-	4.225.112
Subsidiaries, associates and joint ventures	-	-	-	-
Held-to-maturity investments	-	-	-	-
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	42	1.853	1.895
Intangible assets	-	-	563	563
Other assets (***)	518	1.117	906	2.541
Total assets	1.723.077	4.239.242	345.371	6.307.690
Liabilities				
Current account and funds collected from banks via participation accounts	138.989	280.452	1.227	420.668
Other current and profit sharing accounts	966.631	2.160.095	315.890	3.442.616
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	574.758	1.585.626	-	2.160.384
Marketable securities issued	-	-	-	-
Miscellaneous payables	5.300	33.628	363	39.291
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	22.186	32.295	570	55.051
Total liabilities	1.707.864	4.092.096	318.050	6.118.010
Net balance sheet position	15.213	147.146	27.321	189.680
Net off balance sheet position	718.090	2.206.065	10.137	2.934.292
Derivative financial instruments assets	-	-	-	-
Derivative financial instruments liabilities	-	-	-	-
Non-cash loans (****)	718.090	2.206.065	10.137	2.934.292
Prior Period				
Total assets	1.612.829	3.489.126	308.322	5.410.277
Total liabilities	1.563.771	3.270.579	285.889	5.120.239
Net balance sheet position	49.058	218.547	22.433	290.038
Net off balance sheet position	658.975	1.663.526	31.309	2.353.810
Derivative financial instruments assets	-	-	-	-
Derivative financial instruments liabilities	-	-	-	-
Non-cash loans	658.975	1.663.526	31.309	2.353.810

(*) TL 272.967 of the balance in Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey in other FC column represent precious metals, TL 29.436 of the balance in Banks in other FC column represent precious metals accounts with banks, TL 312.979 of the balance in Other current and profit sharing accounts in other FC column represent precious metals deposits accounts.

(**) The balance includes foreign currency indexed loans and financial lease receivables of TL 2.728.079 (Prior period- TL 2.627.537).

(***) Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 828 (Prior period- TL 471) is included in other assets.

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

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

Realised gains/losses, revaluation surpluses and unrealised gains/losses on equity securities and results included in core and supplementary capitals:

	Portfolio	Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
			Total	Amount included in Supplementary Capital	Total	Amount included In Core Capital	Amount included in Supplementary Capital
1	Private Equity Investments	-	-	-	-	-	-
2	Quoted Shares	-	-	-	-	-	-
3	Other Shares	-	-	-	-	-	-
4	Total	-	-	-	-	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

VII. Explanations on liquidity risk:

In the banking sector, liquidity risk mainly arises from average maturity of sources being shorter than average maturity of utilizations. The Bank acts in a conservative manner in liquidity management and keeps necessary reserves to meet the liquidity requirements. The Bank utilizes some of its sources in short term foreign investments; receivables from loans are generally collected in monthly installments.

The Bank collects funds through profit/loss sharing accounts for which the profit share rate is not predetermined and repayment of principal is not guaranteed and share of profit/loss on projects funded from these accounts are allocated to such profit/loss sharing accounts. Accordingly, the Bank's assets and liabilities and profit share ratios are compatible.

The Bank covers TL and Foreign Currency (FC) liquidity needs mostly by the funds collected and also utilizes Syndicated Murabaha Loans and wakala borrowings from abroad. Moreover, the Bank takes care to keep the assets in short term liquid assets and prolong average maturity of the liabilities.

The Board of Directors of the Bank monitors both the BRSA liquidity ratios and certain other indicators defined in the liquidity contingency plan on a daily basis. The liquidity sources which will be utilized in case of a potential liquidity shortage are defined in the contingency plans.

As per the BRSA Communiqué "Measurement and Assessment of the Adequacy of Banks' Liquidity", starting from June 1, 2007 the weekly and monthly liquidity ratios for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. Liquidity ratios for the periods ending June 30, 2013 and December 31, 2012 are as follows:

Current Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	180,80	220,55	132,46	150,54
Maximum (%)	261,07	286,26	156,72	201,10
Minimum (%)	105,37	148,63	111,28	115,77

Prior Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	239,38	242,35	167,72	180,48
Maximum (%)	345,05	295,33	238,14	213,75
Minimum (%)	117,02	194,66	104,38	155,78

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

VII. Explanations on liquidity risk (continued):

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated (*)	Total
Current Period								
Assets								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Turkey	366.164	1.450.782	-	-	-	-	-	1.816.946
Banks	447.474	-	379.530	-	-	-	-	827.004
Financial Assets at Fair Value Through Profit and Loss	7.092	155	-	-	-	-	-	7.247
Money Market Placements	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	1.360	-	35.095	1.078	114.508	-	-	152.041
Loans	2.341	1.183.976	1.778.658	3.739.692	3.425.292	207.579	-	10.337.538
Held-To-Maturity Investments	-	-	5.454	15.378	564.378	-	-	585.210
Other Assets	-	566	322	329	2.295	-	447.838	451.350
Total Assets	824.431	2.635.479	2.199.059	3.756.477	4.106.473	207.579	447.838	14.177.336
Liabilities								
Current account and funds collected from banks via participation accounts	66.929	230.750	99.100	206.323	-	-	-	603.102
Other current and profit sharing accounts	1.756.142	5.216.724	1.136.774	1.431.082	3.299	-	-	9.544.021
Funds provided from other financial institutions	-	460.673	1.122.248	191.264	-	386.199	-	2.160.384
Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	156.892	27.952	7.654	-	-	142.072	334.570
Other liabilities	-	19.155	13.734	-	-	-	1.502.370	1.535.259
Total Liabilities	1.823.071	6.084.194	2.399.808	1.836.323	3.299	386.199	1.644.442	14.177.336
Net Liquidity Gap	(998.640)	(3.448.715)	(200.749)	1.920.154	4.103.174	(178.620)	(1.196.604)	-
Prior period								
Total Assets	1.439.485	2.020.674	1.258.819	3.468.429	3.541.639	211.319	387.289	12.327.654
Total Liabilities	1.758.769	2.627.054	926.927	5.134.497	376.401	-	1.504.006	12.327.654
Net Liquidity Gap	(319.284)	(606.380)	331.892	(1.666.068)	3.165.238	211.319	(1.116.717)	-

(*) 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 here. The unallocated other liabilities row consists of equity, provisions and tax liabilities.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

VII. Explanations on liquidity risk (continued):

Analysis of financial liabilities based on the remaining contractual maturities:

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Current period							
Funds Collected	1.823.071	5.447.474	1.235.874	1.637.405	3.299	-	10.147.123
Funds Borrowed from Other Financial Institutions	-	474.455	1.114.128	198.011	-	396.716	2.183.310
Borrowings from Money Markets	-	-	-	-	-	-	-
Total	1.823.071	5.921.929	2.350.002	1.835.416	3.299	396.716	12.330.433
Prior period							
Funds Collected	1.758.769	2.016.266	773.995	4.299.587	376.401	-	9.225.018
Funds Borrowed from Other Financial Institutions	-	438.472	123.889	843.800	-	-	1.406.161
Borrowings from Money Markets	-	-	-	-	-	-	-
Total	1.758.769	2.454.738	897.884	5.143.387	376.401	-	10.631.179

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Unallocated	Total
Current Period								
Letters of guarantee (*)	2.367.676	116.579	290.991	1.145.235	735.943	37.516	-	4.693.940
Bank acceptances	20.763	-	-	-	-	-	-	20.763
Letters of credit	536.828	18.714	2.860	880	-	-	-	559.282
Other commitments and contingencies	-	329.721	-	-	-	-	-	329.721
Total	2.925.267	465.014	293.851	1.146.115	735.943	37.516	-	5.603.706
Prior Period								
Letters of guarantee (*)	2.096.771	199.543	294.033	1.176.899	730.658	36.895	-	4.534.799
Bank acceptances	15.490	-	-	-	-	-	-	15.490
Letters of credit	473.669	1.308	1.524	1.332	-	-	-	477.833
Other commitments and contingencies	-	185.159	-	-	-	-	-	185.159
Total	2.585.930	386.010	295.557	1.178.231	730.658	36.895	-	5.213.281

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

VIII. Securitisation Positions:

None.

IX. Credit risk mitigation techniques:

On and off balance sheet offsetting agreements are not utilized.

The risk mitigators that are used in credit process in compliance with Communiqué "The Risk Mitigation Techniques" which is published at June 28, 2012 are stated below:

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

The credibility of guarantors is monitored and evaluated within the framework of credit revision periods.

Collaterals obtained by the Bank are reviewed and appraised in accordance with related legislation as long as the credit relationship is outstanding.

The appraisal of the mortgages for loans exceeding TL 3.000 or 5% of Bank's shareholders' equity are being made by the firms authorized by BRSA or Capital Market Board.

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

IX. Credit risk mitigation techniques (continued):

Collaterals in terms of Risk Categories:

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

Risk Categories	Amount	Financial Collaterals	Other/Physical Collaterals	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	2.157.303	-	-	-
Conditional and unconditional receivables from regional or local governments	11.840	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	988.991	1.648	-	-
Conditional and unconditional receivables from corporates	6.214.166	340.715	-	21.163
Conditional and unconditional retail receivables	1.843.554	102.739	-	12.115
Conditional and unconditional receivables secured by mortgages on property	3.368.349	-	-	-
Past due receivables	50.352	-	-	-
Receivables defined in high risk category by BRSA	22.571	980	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	-	-	-	-
Other receivables	441.975	-	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

X. Explanations on Risk Management Objectives and Policies:

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

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

Market Risk

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

X. Explanations on Risk Management Objectives and Policies (continued):

Liquidity Risk

The liquidity risk is defined as inability to keep sufficient level of cash to meet cash outflow needs arising from participation accounts that are due and other obligations as a result of cash flow imbalances.

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

For liquidity risk, cash flows are monitored daily and preventive and remedial precautions are taken to meet obligations on time and in the required manner.

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

Credit Risk

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

X. Explanations on Risk Management Objectives and Policies (continued):

Operational Risk

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

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

Operational risk is categorized under five groups according to its sources: employee risk, technological risks, organization risk, legal-compliance risk and external risks. The Bank takes necessary measures in order to keep operational risk at an acceptable level.

Other risks

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

Reputation risk is defined as events and situations arising from all services, functions and relations of the Bank that would cause to lose confidence in the Bank and damage its image.

The Bank's risk management system in order to prevent and/or control reputation risk, switches on a proactive communication mechanism by giving priority to its customers whenever it is determined that the Bank's reputation or image is damaged. The system, ready for the worst case scenarios in advance, takes into account the level of the relationship between operational risks and reputation risk, its level and its effect.

Residual risk is the risk that arises in case that the risk mitigation techniques are not as effective as expected. Senior management procures the implementation of residual risk management policy and strategy that is approved by Board of Directors. It establishes necessary communication channels in order to publish relevant policy and strategies to relevant Bank personnel and inform them about their responsibilities.

Counterparty credit risk is the probability that one of the parties of a transaction where both sides are imposed with liability becomes default on his liability before the last payment in the cash flow of the transaction.

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

X. Explanations on Risk Management Objectives and Policies (continued):

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

Concentration risk is the probability of experiencing large scale losses due to one single risk amount or risk amounts in particular risk types that may threaten the body of the Bank and the capability of operating its principal activities. Policies in regards to concentration risk are classified as Sectoral concentration, Concentration to be created on the Basis of Collateral, Concentration on the Basis of Market Risk, Concentration on the Basis of Types of Losses, Concentration Arising from Participation Fund and Other Financing Providers.

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

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

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

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

XIII. Explanations on business segments:

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

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	1.143.214	8.997.716	1.172.773	2.863.633	14.177.336
Total Liabilities	6.629.713	5.644.992	343.825	1.558.806	14.177.336
Net profit share income/(expense)(*)(**)	(93.017)	362.303	27.979	-	297.265
Net fees and commissions income/(expense)	(156)	51.999	(3.327)	6.385	54.901
Other operating income /(expense)	(221)	(19.238)	888	(206.035)	(224.606)
Profit before tax	(93.394)	395.064	25.540	(199.650)	127.560
Provision for tax	-	-	-	(27.470)	(27.470)
Net profit for the period	(93.394)	395.064	25.540	(227.120)	100.090

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	1.051.560	7.274.935	476.093	1.953.543	10.756.131
Total Liabilities	5.461.564	3.399.579	202.272	1.692.716	10.756.131
Net profit share income/(expense)(*)(**)	(108.388)	299.111	27.684	-	218.407
Net fees and commissions income/(expense)	1.391	51.630	(1.869)	4.564	55.716
Other operating income /(expense)	12	(11.423)	503	(155.855)	(166.763)
Profit before tax	(106.985)	339.318	26.318	(151.291)	107.360
Provision for tax	-	-	-	(21.351)	(21.351)
Net profit for the period	(106.985)	339.318	26.318	(172.642)	86.009

(*) The distribution difference in the retail, commercial and corporate segments stems from fund allocation and fund collection methods of the Bank.

(**) Since the management uses net profit share income/ (expense) as a performance measurement criteria, profit share income and expense is presented net.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(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 Central Bank of Republic of Turkey (CBRT):

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/foreign currency	41.675	51.116	56.903	52.220
CBRT	110.500	1.612.318	65.840	1.060.523
Other (*)	-	1.337	-	65.157
Total	152.175	1.664.771	122.743	1.177.900

(*) Includes precious metals amounting to TL 1.337 as of June 30, 2013 (Prior period- TL 65.157).

b) Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	110.500	161.536	65.840	150.069
Unrestricted time deposit	-	-	-	-
Restricted time deposit (*)	-	1.450.782	-	910.454
Total	110.500	1.612.318	65.840	1.060.523

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2005/1", banks operating in Turkey are required to maintain reserves in CBRT for TL and foreign currency liabilities. According to the Communiqué Regarding the Reserve Requirements, reserve requirements can be maintained in TL, USD and/or EURO and standard gold.

The reserve rates for TL liabilities vary between 5% and 11,5% for TL deposits and other liabilities according to their maturities as of June 30,2013 (December 31,2012: for all TL liabilities between 5% and 11%). The reserve rates for foreign currency liabilities vary between 6% and 13% for deposit and other foreign currency liabilities according to their maturities as of June 30,2013 (December 31,2012: for all foreign currency liabilities between 6% and 11,5%).

(*) As of June 30, 2013, the reserve requirement held in standard gold is TL 271.630 (December 31, 2012: TL 136.030).

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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:

The Bank does not have trading derivative instruments.

3. a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	463.200	168.066	643.330	147.538
Abroad	-	195.738	-	246.244
Foreign head offices and branches	-	-	-	-
Total	463.200	363.804	643.330	393.782

b) Information on foreign bank accounts:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

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

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

None (Prior period- None).

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

	Current Period	Prior Period
Debt securities	152.826	151.300
Quoted on a stock exchange(*)	152.826	151.300
Unquoted	-	-
Share certificates	1.360	1.269
Quoted on a stock exchange	-	-
Unquoted	1.360	1.269
Impairment provision (-)	2.145	-
Total	152.041	152.569

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(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		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	52.552	55.588	24.660	77.314
Corporate shareholders	52.116	55.588	23.175	77.314
Real person shareholders	436	-	1.485	-
Indirect loans granted to shareholders	11.057	24.308	34.094	10.305
Loans granted to employees	6.509	-	5.275	-
Total	70.118	79.896	64.029	87.619

b) Information on the first and second group loans, other receivables and restructured or rescheduled loans and other receivables:

	Standard loans and other receivables		Loans and other receivables under close monitoring	
	Loans and other receivables (Total)	Restructured or rescheduled	Loans and other receivables (Total)	Restructured or rescheduled
Cash loans				
		Extension of Repayment Plan		Extension of Repayment Plan
		Other		Other
Loans	9.691.888	15.882	608.032	109.925
Export loans	163.986	-	871	166
Import loans	1.241.958	-	18.900	7.339
Business loans	5.132.745	15.882	512.960	76.528
Consumer loans	1.073.537	-	24.643	9.571
Credit cards	225.860	-	3.492	-
Loans given to financial sector	-	-	-	-
Other (*)	1.853.802	-	47.166	16.321
Other receivables	-	-	-	-
Total	9.691.888	15.882	608.032	109.925

(*) Details of other loans are provided below:

Commercial loans with installments	761.958
Other investment credits	385.036
Loans given to abroad	465.852
Profit and loss sharing investments (**)	109.573
Loans for purchase of marketable securities for customer	177.044
Other	1.505
Total	1.900.968

(**) As of June 30, 2013, the related balance represents 10 profit and loss sharing investment projects which are real estate development projects in various regions of Istanbul and Ankara. Revenue sharing of profit and loss sharing investment projects is done within the framework of the signed contract between the Bank and the counterparty after the cost of the projects is clarified and net profit of projects is determined once the project / stages of the project are completed. In case the transaction subject to the profit and loss sharing investment project results in a loss, the Bank's share of loss is limited with the funds invested in the project by the Bank. In the current period the Bank recognized TL 14.055 (Prior Period - None) income in the accompanying financial statements in relation to such loans.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

5. Information on loans and receivables (continued):

	Extension of Repayment Plan	
	Standard loans and other receivables	Loans and other receivables under close monitoring
1 or 2 times	15.882	109.925
3, 4 or 5 times	-	-
Over 5 times	-	-

Extension Periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 months	15.882	16.370
6 - 12 months	-	29.054
1 - 2 years	-	29.670
2 - 5 year	-	32.152
5 years and over	-	2.679

In accordance with the Communiqué "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for These Loans" published in Official Gazette dated December 30, 2011 and numbered 28158, information related to the loans granted to real persons and legal entities resident in Libya and real persons and legal entities having operations in or for Libya:

As of June 30, 2013, the Bank does not have any loan receivables arising from rescheduled loans within the scope of related Communiqué.

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

As of June 30, 2013, the Bank has loan receivables amounting to TL 10.370 arising from rescheduled loans within the scope of related Communiqué.

c) Maturity analysis of cash loans:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(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	5.702	1.088.727	1.094.429
Housing loans	2.210	960.542	962.752
Vehicle loans	1.945	53.487	55.432
Consumer loans	310	2.488	2.798
Other	1.237	72.210	73.447
Consumer loans-FC indexed	-	369	369
Housing loans	-	354	354
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	15	15
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	47.583	9.235	56.818
With installment	21.360	8.821	30.181
Without installment	26.223	414	26.637
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	2.405	977	3.382
Housing loans	-	273	273
Vehicle loans	24	600	624
Consumer loans	2.381	101	2.482
Other	-	3	3
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	2.717	410	3.127
With installment	1.472	396	1.868
Without installment	1.245	14	1.259
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL(real person)	-	-	-
Overdraft account-FC(real person)	-	-	-
Total	58.407	1.099.718	1.158.125

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(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	441.182	158.852	600.034
Business loans	93.239	15.150	108.389
Vehicle loans	138.162	9.247	147.409
Consumer loans	157	-	157
Other	209.624	134.455	344.079
Commercial installment loans-FC indexed	150.206	11.718	161.924
Business loans	46.662	6.298	52.960
Vehicle loans	17.715	1.424	19.139
Consumer loans	45	-	45
Other	85.784	3.996	89.780
Commercial installment Loans-FC	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-TL	149.187	20.220	169.407
With installment	81.221	19.440	100.661
Without installment	67.966	780	68.746
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (legal entity)	-	-	-
Overdraft account-FC(legal entity)	-	-	-
Total	740.575	190.790	931.365

e) Allocation of loans by customers:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

f) Breakdown of domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	9.834.068	8.827.001
Foreign loans	465.852	206.523
Total	10.299.920	9.033.524

g) Loans granted to subsidiaries and associates:

As of the balance sheet date, there are no cash loans granted to subsidiaries and associates.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

5. Information on loans and receivables (continued):

ğ) Specific provisions for loans:

	Current Period	Prior Period
Loans and receivables with limited collectability	33.461	8.101
Loans and receivables with doubtful collectability	42.126	55.894
Uncollectible loans and receivables	128.731	127.444
Total	204.318	191.439

In addition to specific provision for loans amounting TL 204.318 (Prior period – TL 191.439), provision amounting to TL 7.286 (Prior period – TL 6.230) have been provided for fees and commissions and other receivables with doubtful collectability which sums up to total TL 211.604 (Prior period- TL 197.669). Specific provision for loans amounting to TL 148.265 (Prior period- TL 149.959) represents participation account share of specific provisions of loans provided from participation accounts.

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

h.1) Non-performing loans and receivables which are restructured or rescheduled:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period			
(Gross amount before specific provisions)	-	-	13.535
Restructured loans and other receivables	-	-	13.535
Rescheduled loans and other receivables	-	-	-
Prior period			
(Gross amounts before special provisions)	-	-	10.565
Restructured loans and other receivables	-	-	10.565
Rescheduled loans and other receivables	-	-	-

h.2) Movements of non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Closing balance of prior period	10.899	68.143	137.277
Additions in the current period (+)	105.132	628	3.640
Transfers from other categories of non-performing loans (+)	-	50.668	19.545
Transfers to other categories of non-performing loans (-)	50.668	19.545	-
Collections in the current period (-)	6.586	43.640	16.540
Write offs (-)	39	11	3.566
Corporate and commercial loans	15	-	3.094
Retail loans	24	11	472
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	58.738	56.243	140.356
Specific provisions (-)	33.461	42.126	128.731
Net balance at the balance sheet	25.277	14.117	11.625

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

5. Information on loans and receivables (continued):

Non-performing loans and receivables in the amount of TL 255.337 (Prior period- TL 216.319) comprise TL 148.421 (Prior period- TL 150.335) of participation account share of loans and receivables provided from participation accounts.

In addition to non- performing loans and other receivables included in the above table, there are fees, commissions and other receivables with doubtful collectibility amounting to TL 7.286 (Prior period- TL 6.230). In the current period, collections from fees, commissions and other receivables with doubtful collectibility amounted to TL 3.340.

h.3) Non-performing loans and other receivables in foreign currencies:

	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):			
Period end balance	-	-	1.274
Specific provision (-)	-	-	1.238
Net balance on balance sheet	-	-	36
Prior period:			
Period end balance	-	-	1.145
Specific provision (-)	-	-	1.145
Net balance on balance sheet	-	-	-

h.4) Gross and net non-performing loans and other receivables per customer categories:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current period (net)	25.277	14.117	11.625
Loans to individuals and corporates (gross)	58.738	56.243	140.356
Specific provision (-)	33.461	42.126	128.731
Loans to individuals and corporates (net)	25.277	14.117	11.625
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-
Prior period (net)	2.798	12.249	9.833
Loans to individuals and corporates (gross)	10.899	68.143	137.277
Specific provision (-)	8.101	55.894	127.444
Loans to individuals and corporates (net)	2.798	12.249	9.833
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

5. Information on loans and receivables (continued):

i) Liquidation policy for uncollectible loans and receivables:

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

i) Information on "Write-off" policies:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

j) Other explanations on loans and receivables:

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

Current Period	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and Receivables					
Corporate Loans	428.531	297.894	85.039	-	811.464
Consumer Loans	83.369	9.413	9.059	-	101.841
Credit Cards	5.599	2.772	343	-	8.714
Total	517.499	310.079	94.441	-	922.019

Prior Period	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and Receivables					
Corporate Loans	260.652	64.418	51.354	-	376.424
Consumer Loans	70.696	6.320	4.851	-	81.867
Credit Cards	4.156	942	341	-	5.439
Total	335.504	71.680	56.546	-	463.730

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

6. Information on held-to-maturity investments:

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

None (Prior period- None)

6.2) Information related to government securities held to maturity :

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities (*)	575.158	365.815
Total	575.158	365.815

6.3) Information on held-to-maturity investments:

	Current Period	Prior Period
Debt Securities	585.210	365.815
Quoted on a stock exchange(*)	585.210	356.879
Unquoted	-	8.936
Impairment provision(-)	-	-
Total	585.210	365.815

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

6.4) Movement of held-to-maturity investments:

	Current Period	Prior Period
Balance at beginning of period	365.815	430.862
Foreign currency differences on monetary assets	-	(500)
Purchases during period	274.378	300.000
Disposals through sales and redemptions	(72.437)	(383.221)
Impairment provision (-)	-	-
Income accruals	17.454	18.674
Closing balance	585.210	365.815

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

7. Associates (net):

a) Information on unconsolidated associates:

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

Name	Address (City/ Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
Kredi Garanti Fonu A.Ş	Ankara / Turkey	1,67	-

The balances of Kredi Garanti Fonu A.Ş. presented in the table below have been obtained from the audited financial statements as of December 31,2012.

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income/loss	Prior period income/loss	Fair value
264.286	235.077	3.667	-	-	3.675	(10.241)	-

b) Information on consolidated associates:

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

8. Information on subsidiaries (net):

a) Information on unconsolidated subsidiaries:

The Bank has founded Bereket Varlık Kiralama A.Ş on 14.10.2011, the purpose of which is to obtain rental income by taking over the assets of the source institution and leasing them back to the source institution, issue rent certificates based on said rental income and pass on the related assets to source institution by the end of the rental period. Bereket Varlık Kiralama A.Ş has been founded to operate according to rulings of Turkish Trade Law about foundations of incorporations and complying with Communiqué on "Principles Related to Rent Certificates and Asset Leasing Companies "dated 01.04.2010 and numbered 27539 serial : 3 no: 43 published in Official Gazette by Capital Market Board of Turkey and other related regulations, upon BRSA's opinion dated 22.09.2011, numbered B.02.1.BDK.0.13.00.0-91.11-20564 and permission of Capital Market Board of Turkey dated 06.10.2011 numbered 32/923. The capital of the Company is TL 50 comprising 50.000 (full) shares with the nominal value of TL 1 (full TL).

Name	Address (City/ Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
Bereket Varlık Kiralama A.Ş	İstanbul / Türkiye	99,99	99,99

The Bank did not consolidate financial statements of its subsidiary Bereket Varlık Kiralama A.Ş., considering the materiality principle.

The balances of Bereket Varlık Kiralama A.Ş. presented in the table below have been obtained from the unaudited financial statements as of June 30,2013.

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income/loss	Prior period income/loss	Fair value	Additional Shareholders' Equity Required
22	22	-	-	-	(12)	(16)	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

8. Information on subsidiaries (net) (continued):

b) Information on consolidated subsidiaries:

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

9. Information on investments in joint- ventures:

The Bank does not have investments in joint- ventures as of the balance sheet date.

10. Information on lease receivables (net):

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	24.373	17.969	24.271	18.722
1 to 4 years	23.061	19.613	26.395	22.155
More than 4 years	38	36	828	782
Total	47.472	37.618	51.494	41.659

b) Information on net investments through finance lease:

	Current Period	Prior Period
Gross finance lease receivables	47.472	51.494
Unearned finance lease receivable (-)	9.854	9.835
Net receivable from finance leases	37.618	41.659

c) General explanation on finance lease contracts:

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

	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
	Extension of Repayment Plan		Extension of Repayment Plan	
		Other		Other
Finance lease receivables Net)	34.810	-	2.808	-

11. Information on derivative financial assets for hedging purposes:

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

12. Information on tangible assets:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

13. Information on intangible assets:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

14. Information on investment property:

The Bank does not have investment property.

15. Information related to deferred tax asset:

As of June 30 2013, the Bank calculated deferred tax asset of TL 25.290 (Prior period- TL 22.910) and deferred tax liability of TL 15.139 (Prior period- TL 14.992) on all tax deductible/ taxable temporary differences arising between the carrying amounts and the tax base of assets and liabilities in the financial statements that will be considered in the calculation of taxable earnings in the future periods and presented them as net in the accompanying financial statements.

	Current Period	Prior Period
Difference between carrying value and tax base of tangible assets	914	452
Provisions for impairment	406	175
Provisions for retirement and vacation pay liabilities	4.657	3.849
Discount on profit share and deferred commission income	18.759	18.364
General reserves for possible losses	21	22
Marketable securities valuation reserve	498	-
Other	35	48
Deferred tax asset	25.290	22.910
Revaluation reserve of immovables	13.702	13.880
Marketable securities valuation reserve	-	298
Discount on profit share	37	6
Other	1.400	808
Deferred tax liability	15.139	14.992
Deferred tax asset (net)	10.151	7.918

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

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

	Current Period	Prior Period
Opening balance	10.714	25.372
Additions	27.072	15.097
Disposals	(4.518)	(8.526)
Transfers (*)	(4.650)	(21.153)
Impairment Provision(-)/Reversal of Impairment Provision	(332)	(76)
Net closing balance	28.286	10.714

(*) The balance is transferred to assets to be disposed included in tangible assets.

The Bank has no discontinued operations and assets of discontinued operations.

17. Information on other assets:

As of the balance sheet date, the Bank's other assets balance is TL 56.917 (Prior period- TL 38.496) and does not exceed 10% of balance sheet total excluding off balance sheet commitments.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

II. Explanations and notes related to liabilities:

1. Information on funds collected:

a) Information on maturity structure of funds collected:

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts									
Non-Trade TL	356.697	-	-	-	-	-	-	-	356.697
II. Real Persons Participation Accounts Non-Trade TL	-	2.316.855	554.665	78.395	-	21.024	964.898	-	3.935.835
III. Current Account other-TL	653.833	-	-	-	-	-	-	-	653.833
Public Sector	10.244	-	-	-	-	-	-	-	10.244
Commercial Institutions	622.176	-	-	-	-	-	-	-	622.176
Other Institutions	21.016	-	-	-	-	-	-	-	21.016
Commercial and Other Institutions	35	-	-	-	-	-	-	-	35
Banks and Participation Banks	362	-	-	-	-	-	-	-	362
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	3	-	-	-	-	-	-	-	3
Foreign Banks	167	-	-	-	-	-	-	-	167
Participation Banks	192	-	-	-	-	-	-	-	192
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	465.575	246.591	160.792	-	179.458	285.058	-	1.337.474
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	405.052	192.384	158.233	-	16.245	261.304	-	1.033.218
Other Institutions	-	38.722	29.070	2.559	-	5.042	20.059	-	95.452
Commercial and Other Institutions	-	21.801	4.931	-	-	-	-	-	26.732
Banks and Participation Banks	-	-	20.206	-	-	158.171	3.695	-	182.072
V. Real Persons Current Accounts Non-Trade FC	244.617	-	-	-	-	-	-	-	244.617
VI. Real Persons Participation Accounts Non-Trade FC	-	932.360	237.469	59.279	-	11.517	579.607	-	1.820.232
VII. Other Current Accounts FC	362.987	-	-	-	-	-	-	-	362.987
Residents in Turkey-Corporate	275.621	-	-	-	-	-	-	-	275.621
Residents Abroad-Corporate	20.799	-	-	-	-	-	-	-	20.799
Banks and Participation Banks	66.567	-	-	-	-	-	-	-	66.567
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	64.162	-	-	-	-	-	-	-	64.162
Participation Banks	2.405	-	-	-	-	-	-	-	2.405
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	376.643	360.423	63.363	-	126.431	195.610	-	1.122.470
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	201.512	195.998	9.729	-	956	129.372	-	537.567
Other institutions	-	16.643	79.035	5	-	64.015	9.064	-	168.762
Commercial and Other Institutions	-	18.046	142	-	-	965	42.887	-	62.040
Banks and Participation Banks	-	140.442	85.248	53.629	-	60.495	14.287	-	354.101
IX. Precious Metals Deposits	204.938	-	106.849	601	-	-	590	-	312.978
X. Participation Accounts Special Fund Pools TL	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	1.823.072	4.091.433	1.505.997	362.430	-	338.430	2.025.761	-	10.147.123

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

1. Information on funds collected (continued):

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	297.366	-	-	-	-	-	-	-	297.366
II. Real Persons Participation Accounts Non-Trade TL	-	644.324	167.469	27.565	-	1.979	2.672.571	-	3.513.908
III. Current Account other-TL	480.588	-	-	-	-	-	-	-	480.588
Public Sector	20.029	-	-	-	-	-	-	-	20.029
Commercial Institutions	444.522	-	-	-	-	-	-	-	444.522
Other Institutions	14.779	-	-	-	-	-	-	-	14.779
Commercial and Other Institutions	94	-	-	-	-	-	-	-	94
Banks and Participation Banks	1.164	-	-	-	-	-	-	-	1.164
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	167	-	-	-	-	-	-	-	167
Participation Banks	997	-	-	-	-	-	-	-	997
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	94.543	189.076	124.733	-	70.901	764.457	-	1.243.710
Public Sector	-	10	-	-	-	-	1	-	11
Commercial Institutions	-	89.667	168.640	122.391	-	70.900	613.103	-	1.064.701
Other Institutions	-	4.866	19.398	2.342	-	1	147.804	-	174.411
Commercial and Other Institutions	-	-	1.038	-	-	-	-	-	1.038
Banks and Participation Banks	-	-	-	-	-	-	3.549	-	3.549
V. Real Persons Current Accounts Non- Trade FC	230.163	-	-	-	-	-	-	-	230.163
VI. Real Persons Participation Accounts Non-Trade FC	-	294.512	138.365	23.133	-	3.671	1.306.992	-	1.766.673
VII. Other Current Accounts FC	537.895	-	-	-	-	-	-	-	537.895
Residents in Turkey-Corporate	441.060	-	-	-	-	-	-	-	441.060
Residents abroad-Corporate	24.863	-	-	-	-	-	-	-	24.863
Banks and Participation Banks	71.972	-	-	-	-	-	-	-	71.972
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	70.668	-	-	-	-	-	-	-	70.668
Participation Banks	1.304	-	-	-	-	-	-	-	1.304
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other- FC	-	73.073	214.095	48.170	-	55.232	482.137	-	872.707
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	15.609	115.773	796	-	-	401.512	-	533.690
Other Institutions	-	354	28.589	3	-	-	26.731	-	55.677
Commercial and Other Institutions	-	56	50	-	-	-	40.720	-	40.826
Banks and Participation Banks	-	57.054	69.683	47.371	-	55.232	13.174	-	242.514
IX. Precious Metals Deposits	212.757	-	68.744	225	-	-	282	-	282.008
X. Participation Accounts Special Fund Pools TL	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools -FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	1.758.769	1.106.452	777.749	223.826	-	131.783	5.226.439	-	9.225.018

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(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:

Information on real persons' current and participation accounts not subject to trading transactions under the guarantee of insurance and exceeding the limit of Insurance Fund:

	Under the guarantee of Insurance		Exceeding the guarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Real persons' current and participation accounts not subject to trading transactions				
Turkish Lira accounts	2.351.140	1.704.459	1.936.078	2.102.987
Foreign currency accounts	859.827	629.491	1.518.752	1.638.371
Foreign branches' deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities' insurance	-	-	-	-

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

b.2) Saving deposits at domestic branches of foreign banks in Turkey under the coverage of foreign insurance:

The head office of the Bank is in Turkey.

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

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

	Current Period	Prior Period
Foreign Branches' Profit Sharing Accounts and Other Accounts	7.833	6.265
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board Of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	6.099	4.701
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Turkey in order to engage solely in Off-Shore Banking Activities	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

2. Information on derivative financial liabilities held for trading:

The Bank has no derivative financial liabilities held for trading.

3. Information on borrowings:

The Bank has obtained a Syndicated Murabaha Loan amounting to USD 293.200.000 and EUR 124.500.000 with a maturity of one year. The loan agreement has been signed on September 11, 2012.

As of June 30, 2013, the Bank has wakala borrowings in the amount of USD 331.385.506 and EUR 105.173.892 obtained from foreign banks in accordance with investment purpose wakala contracts.

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	-	9.420	-	-
Loans from foreign banks, institutions and funds	-	1.764.765	-	1.393.830
Total	-	1.774.185	-	1.393.830

b) Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	-	1.774.185	-	1.393.830
Medium and Long-Term	-	-	-	-
Total	-	1.774.185	-	1.393.830

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

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

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

As of balance sheet date, other liabilities do not exceed 10% of the balance sheet total.

5. Lease payables:

a) Information on finance lease transactions:

a.1) Information on financial lease agreements:

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

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

None.

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

None.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

5. Lease payables (continued):

b) Explanations on operational leases:

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

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

	Current Period	Prior Period
Less than a year	20.288	18.825
1 to 4 years	57.304	54.320
Over 4 years	49.271	49.550
Total	126.863	122.695

6. Information on hedging derivative financial liabilities:

The Bank does not have hedging derivative financial liabilities.

7. Information on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General provision for	121.023	103.100
I. Group loans and receivables (Total)	96.287	85.480
Participation Accounts' Share	55.435	55.007
Bank's Share	40.852	30.473
Others	-	-
Additional provision for loans and receivables with extended maturities for loans and receivables in Group I	649	1.087
Participation Accounts' Share	551	924
Bank's Share	98	163
Others	-	-
II. Group loans and receivables (Total)	11.612	5.552
Participation Accounts' Share	7.811	3.343
Bank's Share	3.801	2.209
Others	-	-
Additional provision for loans and receivables with extended maturities for loans and receivables in Group II	5.702	5.105
Participation Accounts' Share	3.728	3.273
Bank's Share	1.974	1.832
Others	-	-
Non-cash loans	13.124	12.068
Others	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

7. Information on provisions (continued):

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

As of June 30, 2013, provision for foreign exchange losses on foreign currency indexed loans amounting to TL 2.409 (Prior period- TL 20.540) has been offset against the loans included in the assets of the balance sheet.

c) Information on specific provisions for non-cash loans that are not indemnified and converted into cash:

As of June 30, 2013, the Bank has provided specific provisions amounting to TL 11.034 (Prior period – TL 10.053) for non-cash loans that are not indemnified and converted into cash.

ç) Other provisions:

ç.1) Information on general reserves for possible losses:

	Current Period	Prior Period
General Reserves for Possible Losses	106	108
Total	106	108

ç.2) Information on nature and amount of other provisions exceeding 10% of total provisions:

	Current Period	Prior Period
Provision for unindemnified non-cash loans	11.034	10.053
Payment commitments for checks	2.429	2.225
Provisions allocated from profit shares to be distributed to profit sharing accounts(*)	28.892	963
Provision for promotions related with credit cards and promotion of banking services	204	124
General reserves for possible losses	106	108
Financial assets at fair value through profit and loss	64	-
Total	42.729	13.473

- (*) Represents participation accounts' portion of specific provisions, general provisions and Saving Deposits Insurance Fund premiums provided in accordance with the article 14 of Communiqué "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for These Loans".

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

7. Information on provisions (continued):

d) Information on provisions for employee rights:

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 16.349 (Prior period- TL 14.850) and vacation pay liability amounting to TL 6.935 (Prior period - TL 4.395), totaling to TL 23.284 (Prior period - TL 19.245). The Bank has calculated the reserve for employee termination benefits using actuarial valuation methods as indicated in TAS 19. Accordingly, following actuarial assumptions were used in the calculation of the total liability.

	Current Period	Prior Period
Discount rate (%)	8,6	8,6
Estimated increase rate of salary ceiling (%)	5,0	5,0
Rate used in relation to possibility of retirement (*) (%)	72,0	71,8

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

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

	Current Period	Prior Period
Prior period ending balance	14.850	10.602
Provisions made in the period	3.023	9.204
Actuarial gain/(loss)	(421)	(2.899)
Paid during the period	(1.103)	(2.057)
Balance at the end of the period	16.349	14.850

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

8. Information on taxes payable:

a) Explanations on current tax liability:

a.1) As of June 30, 2013, the Bank's corporate tax payable is TL 13.734 (Prior period- TL 13.969) after offsetting prepaid corporate tax.

a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	13.734	13.969
Taxation on securities income	5.001	6.393
Taxation on real estate income	370	305
Banking insurance transaction tax	4.837	4.818
Foreign exchange transaction tax	-	-
Value added tax payable	328	527
Other	3.108	7.463
Total	27.378	33.475

a.3) Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	2.498	2.163
Social security premiums-employer	2.487	2.161
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	175	153
Unemployment insurance-employer	351	305
Other	-	-
Total	5.511	4.782

b) Information on deferred tax liability:

The Bank does not have net deferred tax liability as of the balance sheet date.

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

None.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Domestic Banks	-	-	-	-
Loans from other Institutions	-	-	-	-
Loans from Foreign Banks	-	-	-	-
Loans from other Foreign Institutions	-	386.199	-	-
Total	-	386.199	-	-

The Bank obtained subordinated loan on May 7, 2013 from the investors not resident in Turkey amounting to USD 200 million with 10 years maturity with a grace period of five years. The profit rate was determined as 7,75 %.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

11. Information on shareholders' equity:

a) Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	900.000	900.000
Preferred stock	-	-

b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at the Bank and if so, amount of the registered share capital ceiling:

In the Board of Directors meeting dated February 28, 2013, the Bank has taken a resolution on transition to registered capital system . The Bank's application to the Capital Market Board on the same date was approved on March 7, 2013 and the registered capital ceiling was determined as TL 2.500.000 to be valid until December 31, 2017.

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

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

There is no capital increase in the current period.

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

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

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

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

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

11. Information on shareholders' equity (continued):

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

There is no privilege given to stocks representing the capital.

g) Information on marketable securities valuation reserve:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference (*)	521	(2.514)	1.266	(73)
Foreign exchange difference	-	-	-	-
Total	521	(2.514)	1.266	(73)

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

1. Explanations on off balance sheet commitments:

a) Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Forward Asset Purchase Commitments	367.902	528.733
Share capital commitment to associates and subsidiaries	-	-
Loan granting commitments	50.252	39.577
Payment commitments for checks	290.374	263.656
Tax and funds liabilities arising from export commitments	1.373	1.043
Commitments for credit card limits	360.876	306.032
Commitments for promotions related with credit cards and banking activities	380	323
Other irrevocable commitments	1.213	2.781
Total	1.072.370	1.142.145

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

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

	Current Period	Prior Period
Guarantees	4.693.940	4.534.799
Acceptances	20.763	15.490
Letters of credit	559.282	477.833
Other guaranties and sureties	329.721	185.159
Total	5.603.706	5.213.281

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

	Current Period	Prior Period
Letters of guarantees	4.693.940	4.534.799
Long standing letters of guarantees	3.123.716	2.854.776
Temporary letters of guarantees	382.449	496.096
Advance letters of guarantees	273.501	275.550
Letters of guarantees given to customs	168.987	173.679
Letters of guarantees given for obtaining cash loans	745.287	734.698
Sureties and similar transactions	329.721	185.159
Total	5.023.661	4.719.958

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

c) Within the Non-cash Loans

c.1) Total amount of non-cash loans:

	Current Period	Prior Period
Guarantees given for obtaining cash loans	745.287	734.698
With original maturity of 1 year or less	389.028	410.984
With original maturity of more than 1 year	356.259	323.714
Other non-cash loans	4.858.419	4.478.583
Total	5.603.706	5.213.281

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

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

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

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

2. Explanations on derivative transactions:

The Bank does not have any derivative financial instruments.

3. Explanations on contingent assets and liabilities:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

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

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

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

I. Information on profit share income:

a) Information on profit share income received from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share received from loans (*)	469.777	47.935	420.827	29.124
Short Term Loans	181.876	6.969	183.235	5.154
Medium and Long Term Loans	282.742	40.118	234.885	23.891
Loans Under Follow up	5.159	848	2.707	79
Premiums Received from Resource Utilization Support Fund	-	-	-	-

(*) Includes fees and commission income on cash loans.

b) Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	-	-	-	-
Domestic Banks	-	-	1.018	-
Foreign Banks	-	616	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	-	616	1.018	-

c) Information on profit share income received from marketable securities:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

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

The Bank has not received profit share income from associates and subsidiaries.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

2. Explanations on profit share expenses:

a) Information on profit share expense paid to funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	-	18.755	-	14.023
CBRT	-	-	-	-
Domestic banks	-	18	-	118
Foreign banks	-	18.737	-	13.905
Head offices and branches abroad	-	-	-	-
Other institutions	-	4.399	-	-
Total	-	23.154	-	14.023

b) Profit share expense paid to associates and subsidiaries:

There is no profit share expense paid to associates and subsidiaries of the Bank.

c) Profit share expenses paid to marketable securities issued:

There is no profit share expense paid to marketable securities of the Bank.

ç) Distribution of profit share expense on funds collected based on maturity of funds collected:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

3. Information on dividend income:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

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

	Current Period	Prior Period
Income	1.292.463	1.088.973
Income from capital market transactions	386	240
Income from derivative financial instruments	-	-
Foreign exchange income	1.292.077	1.088.733
Loss (-)	1.278.637	1.080.901
Loss on capital market transactions	-	174
Loss on derivative financial instruments	-	-
Foreign exchange losses	1.278.637	1.080.727
Trading income/loss (net)	13.826	8.072

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

5. Explanations related to other operating income:

	Current Period	Prior Period
Reimbursement for communication expenses	1.327	776
Reimbursement for bank statement expenses	258	608
Reversal of prior year provisions	66.308	28.522
Income from sale of assets	2.026	2.643
Cheque book charges	342	334
Other income	1.094	570
Total	71.355	33.453

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

	Current Period	Prior Period
Specific provisions for loans and other receivables	75.702	21.916
Loans and receivables in III. Group	60.285	15.911
Loans and receivables in IV. Group	5.758	755
Loans and receivables in V. Group	7.588	3.653
Doubtful commission, fee and other receivables	2.071	1.597
General provision expenses	17.491	16.183
Provision expenses for possible losses	13	-
Impairment losses on marketable securities	73	-
Financial assets at fair value through profit and loss	73	-
Financial assets available for sale	-	-
Impairment losses on associates, subsidiaries, joint ventures and held to maturity investments	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Held to maturity investments	-	-
Other(*)	31.240	7.703
Total	124.519	45.802

TL 56.218 (Prior period- TL 13.264) of the total specific provisions provided for loan and other receivables amounting to TL 75.702 (Prior period- TL 21.916) is the participation accounts portion of specific provision provided for loans and other receivables.

TL 4.470 (Prior Period- TL 13.238) of the total general loan loss provisions provided for loan and other receivables amounting to TL 17.491 (Prior Period- TL 16.183) is the participation accounts portion of general loan loss provision provided for loans and other receivables.

(*) Related amount includes participation accounts' portion of specific provisions, general provisions and Saving Deposits Insurance Fund premiums provided in accordance with the article 14 of Communiqué "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for These Loans", amounting to TL 27.950 (Prior Period- TL 1.962).

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	109.193	94.609
Provision for retirement pay liability	1.499	1.038
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	10.878	8.161
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	2.044	1.416
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	760	78
Depreciation expenses of assets to be disposed	334	204
Impairment expenses of assets held for sale and assets of discontinued operations	362	68
Other operating expenses	35.856	32.442
Operating lease expenses	14.139	12.484
Maintenance expenses	1.854	1.684
Advertisement expenses	1.938	3.095
Other expenses	17.925	15.179
Loss on sale of assets	205	25
Other(*)	24.596	25.233
Total	185.727	163.274

(*) Details of other balance are provided below:

	Current Period	Prior Period
Saving Deposit Insurance Fund	8.268	5.649
Taxes, Duties, Charges and Funds	7.265	6.905
Provision expenses for short term employee rights	2.540	1.174
Audit and Consultancy Fees	2.336	5.647
Other	4.187	5.858
Total	24.596	25.233

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

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

Tax provision for continued operations:

	Current Period	Prior Period
Income before tax	127.560	107.360
Tax calculated with tax rate of 20%	25.512	21.472
Other additions and disallowable expenses	3.989	1.417
Deductions	(2.031)	(1.538)
Tax calculated	27.470	21.351

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

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

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

11. Explanations on net income/ loss:

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

None.

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

None.

c) Income / loss of minority interest:

None.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

- 12. Components of other items which constitute at least 20% of the total of other items ,if the total of other items in income statement exceed 10 % of the total of income statement:**

Other Fees and Commissions Received	Current Period	Prior Period
Member firm-POS	12.026	14.359
Commissions on money orders	3.114	2.770
Clearing room	3.098	3.367
Appraisal fees	2.489	1.702
Insurance and brokerage commissions	1.766	1.161
Other	5.152	3.859
Total	27.645	27.218

Other Fees and Commissions Paid	Current Period	Prior Period
Funds borrowed	4.846	3.244
Credit cards commissions and fees	3.314	1.908
Member firm-POS	2.225	2.543
Other	2.364	1.618
Total	12.749	9.313

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

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

VI. Explanations and notes related to the cash flows statement:

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

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

a) Current period:

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of the period	-	-	9	-	34.253	10.305
Balance at the end of the period	-	-	7	-	11.154	24.308
Profit share and commission income received	-	-	-	-	2.886	13

b) Prior period:

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of period	-	-	8	-	179	38.037
Balance at end of period	-	-	9	-	34.253	10.305
Profit share and commission income received	-	-	-	-	138	187

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

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect Shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and profit sharing accounts						
Balance at the beginning of period	33	41	1.647	1.360	229.835	350.647
Balance at the end of period	20	33	2.173	1.647	264.194	229.835
Profit share expense	-	-	253	164	3.726	3.457

(*) As of June 30, 2013 wakala borrowings obtained from risk group of the Bank through investment purpose wakala contracts amount to USD 181.040.000 and EURO 69.523.892 (Prior Period-148.629.432 USD and 76.113.509 EURO). The profit share expense relating to such borrowings for the period between January 1, 2013 - June 30, 2013 is TL 5.454 (Prior period-5.402 TL).

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

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

As of June 30, 2013; the Bank has paid TL 5.893 (Prior period- TL 4.978) to top management.

(Convenience translation of a report and financial statements originally issued in Turkish - See section three Note XXIII)

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

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

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

IX. Explanations related to subsequent events:

None.

Albaraka Türk Katılım Bankası Anonim Şirketi

Notes related to unconsolidated financial statements

As at June 30, 2013

(Currency - Thousand Turkish Lira)

Section six

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

None.

Section seven

Limited review report

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

The Bank's unconsolidated financial statements as of and for the year ended June 30, 2013 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a Member Firm of Ernst & Young Global Limited) and the independent auditors' limited review report dated July 30, 2013 is presented at the beginning of the financial statements and related notes.

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

None.