

(Convenience translation of the independent auditors' 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' report and notes to the financial
statements as of December 31, 2011**

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

Albaraka Türk Katılım Bankası Anonim Şirketi
Independent auditors' report
for the year ended December 31, 2011

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

We have audited the accompanying unconsolidated balance sheet of Albaraka Türk Katılım Bankası A.Ş. ("the Bank") as of December 31, 2011 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 year then ended, as well as a summary of significant accounting policies and other explanatory notes.

Disclosure for the responsibility of the Bank's Board of Directors:

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

Disclosure for the responsibility of the authorized audit firm:

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

Independent Auditors' Opinion:

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Albaraka Türk Katılım Bankası A.Ş. as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with the accounting principles and standards set out as per Article 37 of the Banking Act No: 5411 and other regulations, communiqués, interpretations and circulars published by the BRSA on accounting and financial reporting principles.

Additional Paragraph for Convenience Translation:

As explained in detail in Note XXIII of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of the Banking Act No: 5411 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

February 25 , 2012
Istanbul, Turkey

UNCONSOLIDATED FINANCIAL REPORT OF ALBARAKA TÜRK KATILIM BANKASI A.Ş
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011

Address of the Bank's headquarter : Saray Mah. Dr. Adnan Büyükdeniz Cad.No:6
34768 Ümraniye / İstanbul
Bank's phone number and facsimile : 00 90 216 666 01 01 – 00 90 216 666 16 00
Bank's website : www.albarakaturk.com.tr
Electronic mail contact info : albarakaturk@albarakaturk.com.tr

The unconsolidated financial report 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 CORRESPONDING ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL POSITION OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITORS' 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 audited and presented as attached.

25.02.2012

Adnan Ahmed Yusuf ABDULMALEK
Chairman of the Board of Directors

Fahrettin YAŞI
General Manager

Ayhan KESER
Assistant General Manager

Ahmet OCAK
Financial Affairs Senior Manager

Hamad Abdulla A. EQAB
Chairman of the Audit

Mitat AKTAŞ
Member of the Audit

Hood Hashem Ahmed HASHEM
Member of the Audit Committee

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Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at December 31, 2011
(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 the Bank' 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 122 local branches and 1 foreign branch and with 2.601 staff as of December 31, 2011.

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 December 31, 2011, 54,06% of the Bank's shares are owned by Albaraka Banking Group located in Bahrain. 22,78% of the shares are publicly traded and quoted on the Istanbul Stock Exchange.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at December 31, 2011
(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 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	(*) 0,0000
	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
General Manager	Fahrettin YAHSİ	Member of BOD /General Manager	Master	-
Assistant General Managers	Mehmet Ali VERÇİN	Corporate Marketing and Retail Marketing	Bachelor	-
	Nihat BOZ	Legal Affairs	Bachelor	0,0048
	Temel HAZIROĞLU	Human Resources, Training and Organization Department	Bachelor	0,0342
	Bülent TABAN	Corporate Loans, Commercial Loans and Retail Loans, Credit Management & Monitoring Department	Master	-
	Turgut SİMİTÇİOĞLU	Risk Follow up and Administrative Affairs	Bachelor	-
	Melikşah UTKU	Software Development , IT Support , Project Management , Governance and Strategy of Information Technologies	Master	-
	Mahmut Esfa EMEK	Credit Operation, Foreign Affairs Operation, Banking Services and Payment System Operation	Bachelor	-
	Ayhan KESER	Financial Affairs and Financial Institutions & Fund Management	Bachelor	-
Audit Committee	Hamad Abdulla A. EQAB	Chairman of Audit Committee	Bachelor	(*) 0,0000
	Hood Hashem Ahmed HASHEM	Member of Audit Committee	Bachelor	(*) 0,0000
	Mitat AKTAŞ	Member of Audit Committee	Master	(*) 0,0000
Auditors	Seyfettin YENİDÜNYA	Auditor	Bachelor	-
	Prof. Dr. Arif Ateş VURAN	Auditor	Doctorate	-
	İlhan İMİK	Auditor	Bachelor	(*) 0,0000

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

(**) İlhan İMİK has resigned as of January 18, 2012.

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 December 31, 2011
(Currency - Thousand Turkish Lira)**

IV. Information on the Bank's qualified shareholders:

The Bank's paid in capital amounting to TL 539.000 consists of 539.000.000 number of shares with a nominal value of TL 1 (full) for each share. TL 291.373 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	291.373	54,06 %	291.373	-

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.

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 equity
- V. Statement of changes in shareholders' equity
- VI. Statement of cash flows
- VII. Statement of profit appropriation

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

ASSETS		Notes	THOUSAND TURKISH LIRA					
			CURRENT PERIOD (31/12/2011)			PRIOR PERIOD (31/12/2010)		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	292.927	758.273	1.051.200	284.190	416.791	700.981
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (net)	(2)	4.802	-	4.802	4.562	-	4.562
2.1	Trading Financial Assets		4.802	-	4.802	4.562	-	4.562
2.1.1	Public Sector Debt Securities		-	-	-	-	-	-
2.1.2	Equity Securities		4.802	-	4.802	4.562	-	4.562
2.1.3	Derivative Financial Assets Held for Trading		-	-	-	-	-	-
2.1.4	Other Marketable Securities		-	-	-	-	-	-
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)	409.667	897.805	1.307.472	566.652	164.315	730.967
IV.	MONEY MARKET PLACEMENTS		-	-	-	-	-	-
V.	FINANCIAL ASSETS-AVAILABLE FOR SALE (net)	(4)	84.540	1.340	85.880	54.544	36	54.580
5.1	Equity Securities		-	1.340	1.340	-	36	36
5.2	Public Sector Debt Securities		84.540	-	84.540	54.544	-	54.544
5.3	Other Marketable Securities		-	-	-	-	-	-
VI.	LOANS AND RECEIVABLES	(5)	6.567.141	697.669	7.264.810	5.843.577	427.318	6.270.895
6.1	Loans and Receivables		6.554.087	697.669	7.251.756	5.816.247	427.318	6.243.565
6.1.1	Loans to Risk Group of The Bank		187	-	187	104	-	104
6.1.2	Public Sector Debt Securities		-	-	-	-	-	-
6.1.3	Other		6.553.900	697.669	7.251.569	5.816.143	427.318	6.243.461
6.2	Non performing loans		169.477	2.459	171.936	185.281	5.569	190.850
6.3	Specific Provisions (-)		156.423	2.459	158.882	157.951	5.569	163.520
VII.	INVESTMENTS HELD TO MATURITY (net)	(6)	411.785	19.077	430.862	360.674	15.530	376.204
VIII.	INVESTMENTS IN ASSOCIATES (net)	(7)	3.000	-	3.000	2.000	-	2.000
8.1	Accounted for under Equity Method		-	-	-	-	-	-
8.2	Unconsolidated Associates		3.000	-	3.000	2.000	-	2.000
8.2.1	Financial Associates		3.000	-	3.000	2.000	-	2.000
8.2.2	Non-Financial Associates		-	-	-	-	-	-
IX.	SUBSIDIARIES (net)	(8)	50	-	50	-	-	-
9.1	Unconsolidated Financial Subsidiaries		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 (net)	(10)	22.150	-	22.150	25.920	-	25.920
11.1	Finance Lease Receivables		27.298	-	27.298	29.849	-	29.849
11.2	Operational Lease Receivables		-	-	-	-	-	-
11.3	Other		-	-	-	-	-	-
11.4	Unearned Income (-)		5.148	-	5.148	3.929	-	3.929
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)	229.071	2.078	231.149	192.324	-	192.324
XIV.	INTANGIBLE ASSETS (net)	(13)	4.798	549	5.347	2.173	-	2.173
14.1	Goodwill		-	-	-	-	-	-
14.2	Other		4.798	549	5.347	2.173	-	2.173
XV.	INVESTMENT PROPERTY (net)	(14)	-	-	-	-	-	-
XVI.	TAX ASSET	(15)	9.865	-	9.865	7.677	-	7.677
16.1	Current Tax Asset		1.262	-	1.262	-	-	-
16.2	Deferred Tax Asset		8.603	-	8.603	7.677	-	7.677
XVII.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (net)	(16)	25.372	-	25.372	18.070	-	18.070
17.1	Assets Held for Sale		25.372	-	25.372	18.070	-	18.070
17.2	Assets of Discontinued Operations		-	-	-	-	-	-
XVIII.	OTHER ASSETS	(17)	18.276	650	18.926	18.919	1.029	19.948
TOTAL ASSETS			8.083.444	2.377.441	10.460.885	7.381.282	1.025.019	8.406.301

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	THOUSAND TURKISH LIRA					
		CURRENT PERIOD (31/12/2011)			PRIOR PERIOD (31/12/2010)		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED	(1)	4.797.751	3.246.996	8.044.747	4.358.934	2.522.656	6.881.590
1.1 Funds from Risk Group of The Bank		242.951	109.056	352.007	205.019	162.841	367.860
1.2 Other		4.554.800	3.137.940	7.692.740	4.153.915	2.359.815	6.513.730
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	-	-	-	-	-
III. FUNDS BORROWED	(3)	-	1.053.290	1.053.290	-	374.807	374.807
IV. BORROWINGS FROM MONEY MARKETS		-	-	-	-	-	-
V. SECURITIES ISSUED (net)		-	-	-	-	-	-
VI. MISCELLANEOUS PAYABLES		169.276	7.726	177.002	162.084	9.760	171.844
VII. OTHER LIABILITIES	(4)	-	-	-	-	-	-
VIII. LEASE PAYABLES (net)	(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)	104.193	42.000	146.193	82.238	19.519	101.757
10.1 General Provisions		61.164	11.774	72.938	48.447	11.154	59.601
10.2 Restructuring Reserves		-	-	-	-	-	-
10.3 Reserve for Employee Benefits		14.307	-	14.307	11.576	-	11.576
10.4 Insurance Technical Reserves (net)		-	-	-	-	-	-
10.5 Other Provisions		28.722	30.226	58.948	22.215	8.365	30.580
XI. TAX LIABILITY	(8)	35.401	1	35.402	23.668	-	23.668
11.1 Current Tax Liability		35.401	1	35.402	23.668	-	23.668
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)	-	-	-	-	-	-
XIV. SHAREHOLDERS' EQUITY	(11)	1.004.251	-	1.004.251	852.635	-	852.635
14.1 Paid-In Capital		539.000	-	539.000	539.000	-	539.000
14.2 Capital Reserves		35.330	-	35.330	31.109	-	31.109
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Marketable Securities Revaluation Reserve		(1.438)	-	(1.438)	2.364	-	2.364
14.2.4 Revaluation Reserve on Tangible Assets		36.874	-	36.874	28.745	-	28.745
14.2.5 Revaluation Reserve on Intangible Assets		(42)	-	(42)	-	-	-
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 Revaluation Reserve on Assets Held For Sale and Assets of Discontinued Operations		-	-	-	-	-	-
14.2.10 Other Capital Reserves		(64)	-	(64)	-	-	-
14.3 Profit Reserves		269.051	-	269.051	148.147	-	148.147
14.3.1 Legal Reserves		39.160	-	39.160	32.441	-	32.441
14.3.2 Status Reserves		-	-	-	-	-	-
14.3.3 Extraordinary Reserves		229.891	-	229.891	115.706	-	115.706
14.3.4 Other Profit Reserves		-	-	-	-	-	-
14.4 Profit or Loss		160.870	-	160.870	134.379	-	134.379
14.4.1 Prior Periods Profit / (Loss)		715	-	715	335	-	335
14.4.2 Current Period Profit / (Loss)		160.155	-	160.155	134.044	-	134.044
14.5 Minority Interest		-	-	-	-	-	-
TOTAL LIABILITIES		6.110.872	4.350.013	10.460.885	5.479.559	2.926.742	8.406.301

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**

		THOUSAND TURKISH LIRA						
		Notes	CURRENT PERIOD (31/12/2011)			PRIOR PERIOD (31/12/2010)		
			TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET COMMITMENTS (I+II+III)		3.071.946	2.513.747	5.585.693	2.732.206	1.760.866	4.493.072
I.	GUARANTEES AND SURETIES		2.685.935	2.512.179	5.198.114	2.436.598	1.759.362	4.195.960
1.1.	Letters of Guarantees		2.676.710	1.857.501	4.534.211	2.433.598	1.253.503	3.687.101
1.1.1.	Guarantees Subject to State Tender Law		150.781	60.412	211.193	227.770	23.333	251.103
1.1.2.	Guarantees Given for Foreign Trade Operations		-	847.504	847.504	-	556.637	556.637
1.1.3.	Other Letters of Guarantee		2.525.929	949.585	3.475.514	2.205.828	673.533	2.879.361
1.2.	Bank Loans		-	43.986	43.986	-	20.651	20.651
1.2.1.	Import Letter of Acceptances		-	43.986	43.986	-	20.651	20.651
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letter of Credits		-	506.178	506.178	-	470.805	470.805
1.3.1.	Documentary Letter of Credits		-	-	-	-	-	-
1.3.2.	Other Letter of Credits		-	506.178	506.178	-	470.805	470.805
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		225	83.488	83.713	-	-	-
1.7.	Other Collaterals		9.000	21.026	30.026	3.000	14.403	17.403
II.	COMMITMENTS	(1),(3)	386.011	1.568	387.579	295.608	1.504	297.112
2.1.	Irrevocable Commitments		386.011	1.568	387.579	295.608	1.504	297.112
2.1.1.	Forward Asset Purchase Commitments		-	-	-	-	-	-
2.1.2.	Share Capital Commitment to Associates and Subsidiaries		1.000	-	1.000	2.000	-	2.000
2.1.3.	Loan Granting Commitments		18.278	-	18.278	13.395	1.504	14.899
2.1.4.	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5.	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6.	Payment Commitment for Checks		190.160	-	190.160	181.529	-	181.529
2.1.7.	Tax And Fund Liabilities from Export Commitments		576	-	576	503	-	503
2.1.8.	Commitments for Credit Card Expenditure Limits		173.723	-	173.723	98.162	-	98.162
2.1.9.	Commitments for Promotions Related with Credit Cards and Banking Activities		45	-	45	19	-	19
2.1.10.	Receivables From Short Sale Commitments		-	-	-	-	-	-
2.1.11.	Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.12.	Other Irrevocable Commitments		2.229	1.568	3.797	-	-	-
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)		14.444.231	1.853.449	16.297.680	10.778.808	1.097.661	11.876.469
IV.	ITEMS HELD IN CUSTODY		1.130.822	659.393	1.790.215	503.678	290.870	794.548
4.1.	Assets Under Management		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		-	-	-	-	-	-
4.3.	Checks Received for Collection		397.679	42.873	440.552	332.317	45.136	377.453
4.4.	Commercial Notes Received for Collection		245.203	9.456	254.659	170.451	12.658	183.109
4.5.	Other Assets Received for Collection		105	-	105	125	-	125
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		72	262.032	262.104	72	177.716	177.788
4.8.	Custodians		487.763	345.032	832.795	713	55.360	56.073
V.	PLEDGED ITEMS		13.313.409	1.194.056	14.507.465	10.275.130	806.791	11.081.921
5.1.	Marketable Securities		231.595	35.609	267.204	43.530	5.770	49.300
5.2.	Guarantee Notes		976.112	156.319	1.132.431	670.980	107.971	778.951
5.3.	Commodity		427.087	251.412	678.499	341.662	139.913	481.575
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		11.244.768	502.327	11.747.095	9.186.963	524.031	9.710.994
5.6.	Other Pledged Items		413.604	221.105	634.709	13.615	10.934	24.549
5.7.	Pledged Items-Depository		20.243	27.284	47.527	18.380	18.172	36.552
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
	TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		17.516.177	4.367.196	21.883.373	13.511.014	2.858.527	16.369.541

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	THOUSAND TURKISH LIRA	
		CURRENT PERIOD (31/12/2011)	PRIOR PERIOD (31/12/2010)
I. PROFIT SHARE INCOME	(1)	769.727	666.507
1.1 Profit Share on Loans		718.310	611.458
1.2 Income Received from Reserve Deposits		-	-
1.3 Income Received from Banks		593	7.347
1.4 Income Received from Money Market Placements		-	-
1.5 Income Received from Marketable Securities Portfolio		48.545	43.253
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		7.207	4.827
1.5.4 Investment-Held for Maturity		41.338	38.426
1.6 Finance Lease Income		2.265	4.449
1.7 Other Profit Share Income		14	-
II. PROFIT SHARE EXPENSE	(2)	384.079	350.349
2.1 Expense on Profit Sharing Accounts		359.921	347.360
2.2 Profit Share Expense on Funds Borrowed		18.370	2.989
2.3 Profit Share Expense on Money Market Borrowings		5.788	-
2.4 Expense on Securities Issued		-	-
2.5 Other Profit Share Expense		-	-
III. NET PROFIT SHARE INCOME (I – II)		385.648	316.158
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		90.332	82.916
4.1 Fees and Commissions Received		110.625	92.930
4.1.1 Non-Cash Loans		59.740	51.605
4.1.2 Other	(12)	50.885	41.325
4.2 Fees and Commissions Paid		20.293	10.014
4.2.1 Non-Cash Loans		424	340
4.2.2 Other	(12)	19.869	9.674
V. DIVIDEND INCOME	(3)	-	302
VI. TRADING INCOME/LOSS(net)	(4)	21.224	16.016
6.1 Capital Market Transaction Income / (Loss)		346	1.292
6.2 Income / (Loss) from Derivative Financial Instruments		-	-
6.3 Foreign Exchange Income / (Loss)		20.878	14.724
VII. OTHER OPERATING INCOME	(5)	55.460	56.861
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		552.664	472.253
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	106.341	105.106
X. OTHER OPERATING EXPENSES (-)	(7)	244.160	201.471
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		202.163	165.676
XII. AMOUNT IN EXCESS 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)	202.163	165.676
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(42.008)	(31.632)
16.1 Provision for Current Taxes		(44.263)	(36.193)
16.2 Provision for Deferred Taxes		2.255	4.561
XVII. NET INCOME / (LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	160.155	134.044
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)		-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
21.1 Provision for Current Taxes		-	-
21.2 Provision for Deferred Taxes		-	-
XXII. NET INCOME / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII. NET INCOME / LOSS (XVII+XXII)	(11)	160.155	134.044
23.1 Group's Income/Loss		160.155	134.044
23.2 Minority Interest		-	-
Earnings Per Share (Full TL)		0,297	0,249

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 (01/01-31/12/2011)	PRIOR PERIOD (01/01-31/12/2010)
I. ADDITIONS FROM MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(4.753)	197
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	11.400	23.185
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	(382)	-
V. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED UNDER EQUITY DUE TO TAS	-	-
IX. DEFERRED TAX ON VALUATION DIFFERENCES	1.329	(4.676)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	7.594	18.706
XI. PROFIT/LOSS	160.155	134.044
11.1 Change in Fair Value of Marketable Securities (Transfer To Profit/Loss)	-	-
11.2 Reclassification and Transfer of Derivatives Accounted for Cash Flow Hedge Purposes to Income Statement	-	-
11.3 Transfer of Hedge of Net Investments in Foreign Operations to Income Statement	-	-
11.4 Other	160.155	134.044
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	167.749	152.750

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

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

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 and Other Capital Reserves	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Years Net Income / (Loss)	Marketable Securities Revaluation Reserve	Tangible and Intangible Assets Revaluation Fund	Bonus Shares from Investments	Hedging Reserves	Asset Held For Sale and Disc.op. Valuation Fund	Total Equity
PRIOR PERIOD (31/12/2010)																	
I. Beginning balance	(V)	539.000	-	-	-	27.160	-	26.142	-	105.279	347	2.206	10.532	-	-	-	710.666
Changes In Period																	
II. Increase/Decrease Related to Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Revaluation Differences		-	-	-	-	-	-	-	-	-	-	197	-	-	-	-	197
IV. Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedge Of Net Investment in Foreign Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	24.700	-	-	-	24.700
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes Related to the Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	(1.515)	-	-	-	(1.515)
XI. The Effect of Change in Associate's Equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Issue Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation Adjustment to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	335	(39)	(4.972)	-	-	-	(4.676)
XVII. Period Net Income/(Loss)		-	-	-	-	-	-	-	-	134.044	-	-	-	-	-	-	134.044
XVIII. Profit Distribution		-	-	-	-	5.281	-	89.564	-	(105.279)	(347)	-	-	-	-	-	(10.781)
18.1 Dividends Distributed		-	-	-	-	-	-	-	-	-	(10.781)	-	-	-	-	-	(10.781)
18.2 Transfers To Reserves		-	-	-	-	5.281	-	89.564	-	-	(94.845)	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(105.279)	105.279	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)		539.000	-	-	-	32.441	-	115.706	-	134.044	335	2.364	28.745	-	-	-	852.635

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

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

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 and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Years Net Income / (Loss)	Marketable Securities Revaluation Reserve	Tangible and Intangible Assets Revaluation Fund	Bonus Shares from Investments	Hedging Reserves	Asset Held For Sale and Disc.op. Valuation Fund	Total Equity
CURRENT PERIOD (31/12/2011)																	
I. Beginning balance	(V)	539.000	-	-	-	32.441	-	115.706	-	134.044	335	2.364	28.745	-	-	-	852.635
Changes In Period																	
II. Increase/Decrease Related to Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Revaluation Differences		-	-	-	-	-	-	-	-	-	-	(4.753)	-	-	-	-	(4.753)
IV. Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedge Of Net Investment in Foreign Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	11.400	-	-	-	11.400
VI. Intangible Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences		-	-	-	-	-	-	-	(382)	-	-	-	-	-	-	-	(382)
IX. Changes Related to the Disposal Of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes Related to the Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The Effect of Change in Associate's Equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Issue Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation Adjustment to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	715	951	(2.995)	-	-	-	(1.329)
XVII. Period Net Income/(Loss)		-	-	-	-	-	-	-	-	160.155	-	-	-	-	-	-	160.155
XVIII. Profit Distribution		-	-	-	-	6.719	-	114.185	-	(134.044)	(335)	-	-	-	-	-	(13.475)
18.1 Dividends Distributed		-	-	-	-	-	-	-	-	-	(13.475)	-	-	-	-	-	(13.475)
18.2 Transfers To Reserves		-	-	-	-	6.719	-	114.185	-	-	(120.904)	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(134.044)	134.044	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)		539.000	-	-	-	39.160	-	229.891	(382)	160.155	715	(1.438)	37.150	-	-	-	1.004.251

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

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

STATEMENT OF CASH FLOWS		THOUSAND TURKISH LIRA		
		Notes	CURRENT PERIOD (31/12/2011)	PRIOR PERIOD (31/12/2010)
A.	CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit Before Changes In Operating Assets And Liabilities		326.132	241.330
1.1.1	Profit Share Income Received		705.931	623.797
1.1.2	Profit Share Expense Paid		(368.685)	(347.739)
1.1.3	Dividend Received		-	302
1.1.4	Fees and Commissions Received		138.702	143.266
1.1.5	Other Income		43.395	50.582
1.1.6	Collections from Previously Written Off Loans	(V-I-5,h2)	30.960	49.671
1.1.7	Payments to Personnel and Service Suppliers		(141.882)	(118.140)
1.1.8	Taxes Paid		(19.042)	(44.181)
1.1.9	Others	(V-VI-3)	(63.247)	(116.228)
1.2	Changes in operating assets and liabilities		(313.501)	(404.825)
1.2.1	Net (Increase) Decrease in Available For Sale Financial Assets		(240)	(1.525)
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		(221.744)	(116.255)
1.2.4	Net (Increase) Decrease in Loans		(876.994)	(1.667.793)
1.2.5	Net (Increase) Decrease in Other Assets		(65.124)	(12.639)
1.2.6	Net Increase (Decrease) in Funds Collected From Banks		-	-
1.2.7	Net Increase (Decrease) in Other Funds Collected		860.521	1.417.320
1.2.8	Net Increase (Decrease) in Funds Borrowed		-	-
1.2.9	Net Increase (Decrease) in Due Payables		-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	(V-VI-3)	(9.920)	(23.933)
I.	Net Cash Flow From Banking Operations		12.631	(163.495)
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash flow from investing activities		(95.260)	(115.183)
2.1	Cash Paid for Purchase Jointly Controlled Operations, Associates and Subsidiaries		(1.000)	-
2.2	Cash Obtained from Sale of Jointly Controlled Operations, Associates and Subsidiaries		-	4.000
2.3	Fixed Assets Purchases		(72.138)	(73.922)
2.4	Fixed Assets Sales		17.698	21.120
2.5	Cash Paid for Purchase of Financial Assets Available for Sale		(30.000)	(25.000)
2.6	Cash Obtained from Sale of Financial Assets Available for Sale		-	-
2.7	Cash Paid for Purchase of Investment Securities	(V-I-6,4)	(50.000)	(275.000)
2.8	Cash Obtained from Sale of Investment Securities	(V-I-6,4)	40.180	233.619
2.9	Other		-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash flow from financing activities		653.315	348.816
3.1	Cash Obtained from Funds Borrowed and Securities Issued		1.038.612	359.597
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(371.822)	-
3.3	Capital Increase		-	-
3.4	Dividends Paid		(13.475)	(10.781)
3.5	Payments for Finance Leases		-	-
3.6	Other		-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(V-VI-3)	52.392	(13.307)
V.	Net (Decrease) / Increase in Cash and Cash Equivalents		623.078	56.831
VI.	Cash and Cash Equivalents at the Beginning of the Period	(V-VI-i)	1.142.913	1.086.082
VII.	Cash and Cash Equivalents at the End of the Period	(V-VI-ii)	1.765.991	1.142.913

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

ALBARAKATURK KATILIM BANKASI A.Ş. STATEMENT OF PROFIT APPROPRIATION

	THOUSAND TURKISH LIRA	
	CURRENT PERIOD (31/12/2011)	PRIOR PERIOD (31/12/2010)
I. Distribution of current year income		
1.1. Current year income	202.164	165.676
1.2. Taxes and duties payable (-)	42.009	31.632
1.2.1. Corporate tax (Income tax)	44.263	36.193
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and legal liabilities (**)	(2.254)	(4.561)
A. Net income for the year (1.1-1.2)	160.155	134.044
1.3. Prior year losses (-)	-	-
1.4. First legal reserves (-)	-	6.719
1.5. Other statutory reserves (-)	-	-
B. Distributable net period income [(A)-(1.3+1.4+1.5)]	160.155	127.325
1.6. First dividend to shareholders (-)	-	13.475
1.6.1. To owners of ordinary shares	-	13.475
1.6.2. To owners of preferred stocks	-	-
1.6.3. To owners of preferred stocks (Preemptive rights)	-	-
1.6.4. To Profit sharing bonds	-	-
1.6.5. To owners of the profit /loss sharing certificates	-	-
1.7. Dividend to personnel (-)	-	-
1.8. Dividend to board of directors (-)	-	-
1.9. Second dividend to shareholders (-)	-	-
1.9.1. To owners of ordinary shares	-	-
1.9.2. To owners of preferred stocks	-	-
1.9.3. To owners of preferred Stocks (Preemptive rights)	-	-
1.9.4. To profit sharing bonds	-	-
1.9.5. To owners of the profit /loss sharing Certificates	-	-
1.10. Second legal reserve (-)	-	-
1.11. Status reserves (-)	-	-
1.12. Extraordinary reserves	-	114.185
1.13. Other reserves	-	-
1.14. Special funds	-	-
II. Distribution from reserves		
2.1. Distributed reserves	-	-
2.2. Second legal reserves (-)	-	-
2.3. Share to shareholders (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To Owners of preferred stocks	-	-
2.3.3. To owners of preferred stocks (Preemptive rights)	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To owners of the profit /loss sharing certificates	-	-
2.4. Share to personnel (-)	-	-
2.5. Share to board of directors (-)	-	-
III. Earnings per share		
3.1. To owners of stocks (***)	0,297	0,249
3.2. To owners of stocks (%)	29,7	24,9
3.3. To owners of preferred stocks	-	-
3.4. To owners of preferred stocks (%)	-	-
IV. Dividend per share		
4.1. To owners of stocks	-	0,025
4.2. To owners of stocks (%)	-	2,5
4.3. To owners of preferred stocks	-	-
4.3. To owners of preferred stocks (%)	-	-

(*) General Assembly of the Bank is authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of the preparation of these financial statements

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

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

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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 its unconsolidated financial statements and the related explanations and notes in accordance with the Communiqué "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published by the Banking Regulatory and Supervisory Agency (BRSA) per Article 37 of "Accounting and Reporting Rules" of the Turkish Banking Law No 5411, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and the related statements and guidances thereon, other communiqués, pronouncements and explanations about accounting and financial reporting issued by BRSA.

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 year end financial statements are consistent with those adopted in the preparation of the financial statements as of December 31, 2010. TAS/TFRS changes (TFRIC 14 (Change) "Prepayments of a Minimum Funding Instrument"; TAS 32 (Change), "Classification on Rights Issue"; TFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments; TAS 24 (Revision), "Related Party Disclosures" and Improvements to TFRS 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 "Financial Instruments" before 01.01.2013. 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 February 10, 2007 and numbered 26430.

The amendments of TAS and TFRS, except TFRS 9 "Financial Instruments", which have been effective as of reporting date, have no impact on the accounting policies, financial condition and performance of the Bank. The Bank assess the impact of TFRS 9 "Financial Instruments "

The unconsolidated financial statements are prepared in accordance with the historical cost basis except for the trading financial assets, securities available for sale and immovables.

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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 manages its strategies on financial instruments depending on 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 specific provision for foreign currency non-performing loans and receivables originated from profit sharing accounts of which the risk belongs to the Bank in full, 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 instruments into Turkish Lira are included in the income statement.

The monetary 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. The non monetary balance sheet items and 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.

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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 exchange rate of gold ruling 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 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.

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

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.

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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 in 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.

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 classified as 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 and 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 December 31, 2011, 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 Revaluation 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 revaluation 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.

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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; 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 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 (loss event) of one or more than one event (or occurrence) subsequent to initial recognition of that asset or group of assets; and such loss event 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 the difference between the present value which is calculated by discounting the projected cash flows in the future with the original profit share rate with the net book value; provision is provided for impairment and the provision is associated with the expense accounts.

Albaraka Türk Katılım Bankası Anonim Şirketi

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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 of 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 can not be reversed.

VIII. Explanations on offsetting of financial instruments:

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

There are no such offset 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 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.

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

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.

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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 adopted revaluation model for buildings 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, 2011 the Bank has revalued its buildings 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 can not be distributed as dividend to shareholders. Current period depreciation charge of the revaluation fund 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 can not 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.

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XII. Explanations on tangible assets (continued):

If the recoverable amount (the higher of value in use and fair value) of a tangible asset is less than its carrying value, impairment loss is provided in accordance with TAS 36 'Impairment of Assets' and the carrying value is written down to its recoverable amount.

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

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

XIII. Explanations on leasing transactions:

Transactions as a lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee 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 or 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 Assets".

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

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.

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XV. Explanations on liabilities regarding employee benefits:

i) *Defined benefit plans:*

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

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

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

ii) *Defined contribution plans:*

The Bank pays defined contribution plans to publicly administered Social Security Funds for its employees. 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 when they qualify and not discounted.

XVI. Explanations on taxation:

Current tax:

The Bank is subject to tax laws and legislation effective in Turkey.

In accordance with the Corporate Tax Law no.5520 published in the Official Gazette no.26205 dated June 21, 2006, the corporation tax rate effective from January 1, 2006 is 20%.

Dividends paid to the resident institutions are not subject to withholding tax. Withholding tax rate on the dividend payments other than these is 15%. Appropriation of the retained earnings to capital is not considered as profit distribution and 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.

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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 within 5 years according to the Corporate Tax Law.

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

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

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 relevant 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 subject to deductions in means of corporate tax.

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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:

The Bank has not issued share certificates in the current period.

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 IX.

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
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The capital adequacy standard ratio is calculated in accordance with the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” and Communiqué on “Shareholders’ Equity of Banks”. In the calculation of capital adequacy standard ratio, data prepared in accordance with the legislation related to account and record is used. As of December 31, 2011, the Bank’s capital adequacy ratio is 12,53 % (December 31, 2010 – 14,09%).

The risk calculation methods used in the calculation of capital adequacy standard ratio includes determination of risk weighted assets and non-cash loans in line with the relevant banking regulation and measuring the market risk and operational risk in line with the same regulation.

Information on capital adequacy standard ratio: Thousand TL, %

	Risk Weights					
	Bank					
	0%	20%	50%	100%	150%	200%
Amount Subject to Credit Risk						
Balance Sheet Items (Net)	1.635.543	1.260.942	2.735.507	3.013.594	2.672	102
Cash and Cash Equivalents	237.315	-	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	351.187	-	-	-	-	-
Domestic Banks, Foreign Banks, Foreign Head Offices and Branches	-	1.247.195	-	60.277	-	-
Money Market Placements	-	-	-	-	-	-
Receivables From Reverse Repurchase Transactions	-	-	-	-	-	-
Reserve Deposits	377.670	-	-	-	-	-
Loans	224.613	13.211	2.586.644	2.536.322	2.672	102
Non-performing Loans (Net)	-	-	-	12.528	-	-
Financial Lease Receivables	1.438	-	9.464	9.630	-	-
Available-for-Sale Financial Assets	-	-	-	-	-	-
Held to Maturity Investments	409.400	-	-	9.400	-	-
Receivables from Term Sales of Assets	-	-	-	4.321	-	-
Miscellaneous Receivables	-	-	-	1.063	-	-
Accrued Profit Share and Income Accruals	21.592	536	139.399	126.889	-	-
Investment in Associates, Subsidiaries and Joint Ventures (Business Partnerships) (net)	-	-	-	3.050	-	-
Tangible Assets	-	-	-	239.035	-	-
Other Assets	12.328	-	-	11.079	-	-
Off-Balance Sheet Items	130.712	22.676	614.935	2.188.607	-	-
Guarantees and Commitments	130.712	22.676	614.935	2.188.607	-	-
Derivative Financial Instruments	-	-	-	-	-	-
Non Risk Weighted Accounts	-	-	-	-	-	-
Total Risk-Weighted Assets	1.766.255	1.283.618	3.350.442	5.202.201	2.672	102

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
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	Current Period	Prior Period
Total Risk Weighted Assets (TRWA)	7.138.358	5.308.734
Amount Subject to Market Risk (ASMR)	87.200	39.100
Amount Subject to Operational Risk (ASOR)	738.014	617.328
Shareholders' Equity	997.782	840.250
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	12,53	14,09

Details of shareholders' equity accounts:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital Subordinated to All Other Receivables in Case of Liquidation of the Bank	539.000	539.000
Nominal Capital	539.000	539.000
Capital Commitments (-)	-	-
Inflation Indexation Difference on Paid-in Capital Subordinated to All Other Receivables in Case of the Liquidation of the Bank	-	-
Share Premium	-	-
Share Cancellation Profits	-	-
Legal Reserves	39.160	32.441
First Legal Reserve (Turkish Commercial Code 466/1)	32.006	25.287
Second Legal Reserve (Turkish Commercial Code 466/2)	7.093	7.093
Other Legal Reserve Per Special Laws	61	61
Status Reserves	-	-
Extraordinary Reserves	229.827	115.706
Reserves Allocated by the General Assembly	229.891	115.706
Retained Earnings	-	-
Accumulated Losses (*)	(64)	-
Foreign Currency Share Capital Exchange Difference	-	-
Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	160.870	134.379
Current Period Net Profit	160.155	134.044
Prior Years' Profits	715	335
Provision for possible losses up to 25% of the core capital	2.976	90
Gains on Sale of Associates and Subsidiaries and Properties to be Added to Capital	-	-
Primary Subordinated Loans on Conditions not Exceeding the Limits Specified in the Regulations	-	-
Losses that cannot be Covered by Reserves (-)	-	-
Current Period Net Loss	-	-
Prior Years' Loss	-	-
Operational Leases Improvement Costs(-)	17.516	8.501
Prepaid Expenses (-) (**)	-	6.188
Intangible Assets (-)	5.388	2.173
Deferred Tax Asset Exceeding 10% of the Core Capital (-)	-	-
Excess Amount in the Article 56, Clause 3 of the Banking Law (-)	-	-
Total Core Capital	948.929	804.754

(*) The balance represents the foreign currency translation difference of the Bank's foreign branch's income statement.

(**) In accordance with the "Communiqué Related to Changes in Communiqué on Own Funds of Banks" published in the Official Gazette dated March 10, 2011 and numbered 27870, prepaid expenses are not deducted from the core capital any more.

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
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	Current Period	Prior Period
SUPPLEMENTARY CAPITAL		
General Loan Loss Reserves	34.096	21.637
45% of the Revaluation Reserve for Movable Fixed Assets	(10)	-
45% of the Revaluation Reserve for Properties	16.718	12.935
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	-	-
Primary Subordinated Loans Excluded in the Calculation of The Core Capital	-	-
Secondary Subordinated Loans	-	-
45% of Marketable Securities Value Increase Fund	(1.438)	1.064
Associates and Subsidiaries	-	-
Available for Sale Securities	(1.438)	1.064
Indexation Differences For Capital Reserves, Profit Reserves and Retained Earnings (Except Indexation Differences for Legal Reserves, Statutory Reserves and Extraordinary Reserves)	-	-
Total Supplementary Capital	49.366	35.636
CAPITAL	998.295	840.390
DEDUCTIONS FROM THE CAPITAL	513	140
Shareholdings of Unconsolidated Banks and Financial Institutions (Domestic, Foreign) from which the Bank Keeps Ten Percent or More of Capitals	-	-
Shareholdings of Unconsolidated Banks and Financial Institutions (Domestic, Foreign) from which the Bank Keeps Less than Ten Percent of Capitals which Exceed the Ten Percent Of Bank's Core and Supplementary Capital	-	-
Secondary Subordinated Loans Granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and Placements that Possess the Nature of their Primary or Secondary Subordinated Debt	-	-
Loans Granted Being Non-Compliant with the Articles 50 and 51 of the Banking Law	-	-
The Net Book Value of Properties Exceeding Fifty Percent of Equity and Properties Held for Sale and Properties and Commodity to be Disposed, Acquired In Exchange of Loans and Receivables According to the Article 57 of the Banking Law and Have Not Been Disposed Yet After 5 Years After Foreclosure	224	140
Securitization Positions Preferred to be Deducted from Equity rather than to be subjected to 1250 % Risk Weighted Resulting from the Law numbered 45 on Principles and Procedures in Calculating the Capital Adequacy	-	-
Other	289	-
TOTAL SHAREHOLDERS' EQUITY	997.782	840.250

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II. Explanations on credit risk:

- (1) Credit risk represents the Bank's risk or losses arising from corporate and individual loan customers who have cash or non-cash credit relations with the Bank not fulfilling the terms of their agreements partially or in full. Limit assignment authority belongs to the Board of Directors and in accordance with the authority given by the Board of Directors the risk limits of the Bank have been determined by Head-office Loan Committee, Loan Committee and Board of Directors. Head-office Loan Committee exercises the loan assignment authority via units of the Bank or branches. Proposal for loans are presented in a written format to Loan Committee and Board of Directors and are signed by the members of Loan Proposal Committee.

Regarding the credit risk, debtors or group of debtors is subject to risk limitations. Credit limits are determined for each individual customer, company, group of companies, risk groups separately. While determining credit risk several criteria such as the customers' financial strength, commercial capacities, sectors, geographical areas and capital structure are evaluated.

In accordance with the decision taken by the Board of Directors of the Bank, the Bank can not grant loans above 15% of its equity to a real person or legal entity. (Exception to this decision is subject to the decision of the Board of Directors.) The Bank focuses to distribute the risk in different sectors evenly; accordingly the branches of the Bank are trying to reach companies from various sectors. In principle each branch considers distributing the credit risk evenly and following the companies operating in risky sectors.

The credibility of the debtors of loans and other receivables are monitored periodically in accordance with related legislation. The financial documents for loans are compiled as stated in the related legislation. Credit limits of customers are renewed periodically according to the Bank's credit limit renewal procedure. The Bank obtains necessary collaterals for loans and other receivables by analyzing the worthiness of corporate and individual loans according to credit policy. Main collaterals obtained for credit risk are mortgage on real estate, cash blockage, pledges on vehicle and machinery.

Limits defined by the Board of Directors and Loan Committee for each bank are followed-up by Treasury Management on a daily basis for the transactions related with placements or treasury operations like foreign currency purchase and sales with domestic and foreign correspondent banks.

- (2) The Bank does not have derivative financial instruments like options, forward exchange.
- (3) Indemnified non-cash loans are subject to the same risk weight as overdue loans. Rescheduled or restructured loans are followed in accordance with the principles of credit risk management and follow-up principle of the Bank. Financial position and business operations of those customers are analyzed systematically while the principal and profit payments based on the restructured payment plan are monitored by the related departments.

The Bank considers that long-term commitments are exposed to more credit risk than short-term commitments, and matters such as defining risk limits for long-term risks and obtaining collateral are treated in a wider extent than short-term risks.

- (4) The Bank has credit lines in different countries within framework of its banking activity and due inquires (economic, cycles etc.) are carried out during the allocation and revision of credit lines.

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For the banks where correspondent activity and international commodity transactions are intended to be carried out, credit limits are set by the related credit committees; taking into account the size of the addressee bank and the Bank itself to avoid concentration of risk. The Bank does not carry any serious risk in this respect.

- (5) As of December 31, 2011, share of cash receivables of the Bank from its top 100 cash loan customers in total cash loans is 37% (Prior period - 43%).

As of December 31, 2011, share of non- cash receivables of the Bank from its top 100 non-cash loan customers in total non-cash loans is 46% (Prior period - 48%).

As of December 31, 2011, share of cash and non-cash receivables of the Bank from its top 100 loan customers in total of balance sheet and non-cash loans is 33% (Prior period - 36%).

- (6) As of December 31, 2011 the Bank's general provision amount for its credit risk is TL 72.938 (Prior period - TL 59.601).

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

	Loans to individuals and corporates		Balances with banks and other financial institutions		Marketable securities (*)		Other loans (**)	
	Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period
Distribution of credit risk by type of borrowers								
Private Sector	6.319.763	5.633.690	-	103.362	-	-	4.997.595	4.313.199
Public Sector	1.209	1.552	-	-	505.968	423.072	-	-
Banks	-	-	-	993	9.434	7.676	107.354	15.208
Retail Customers	952.934	529.888	-	-	-	-	97.486	172.910
Equity Securities	-	-	-	-	6.142	4.598	-	-
Total	7.273.906	6.165.130	-	104.355	521.544	435.346	5.202.435	4.501.317
Information according to geographical concentration								
Domestic	7.019.650	6.038.003	-	103.362	512.110	427.670	4.943.726	4.411.236
European Union (EU) Countries	48.552	23.973	-	-	-	-	32.505	10.846
OECD Countries (***)	-	-	-	-	-	-	-	216
Off-Shore Banking Regions	95.882	20.383	-	-	9.434	7.676	8.678	11.097
USA, Canada	19.690	3.873	-	-	-	-	-	-
Other Countries	90.132	78.898	-	993	-	-	217.526	67.922
Total	7.273.906	6.165.130	-	104.355	521.544	435.346	5.202.435	4.501.317

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

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

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

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	Assets	Liabilities	Non-cash Loans	Capital Expenditures	Net Profit (*)
Current Period					
Domestic	9.948.849	7.991.164	4.939.404	-	160.965
EU countries	150.658	244.970	32.505	-	-
OECD countries (**)	4.511	985	-	-	-
Off-shore banking regions	110.745	596.940	8.678	-	-
USA, Canada	91.395	2.511	-	-	-
Other countries	151.677	620.064	217.527	-	(810)
Associates, subsidiaries and jointly controlled entities	3.050	-	-	-	-
Unallocated assets/liabilities (***)	-	-	-	-	-
Total	10.460.885	9.456.634	5.198.114	-	160.155

	Assets	Liabilities	Non-cash Loans	Capital Expenditures	Net Profit (*)
Prior Period					
Domestic	8.174.575	6.855.504	4.105.879	-	134.044
EU countries	58.822	12.479	10.846	-	-
OECD countries (**)	8.710	1	216	-	-
Off-shore banking regions	28.033	437.628	11.097	-	-
USA, Canada	53.480	319	-	-	-
Other countries	80.681	247.735	67.922	-	-
Associates, subsidiaries and jointly controlled entities	2.000	-	-	-	-
Unallocated assets/liabilities (***)	-	-	-	-	-
Total	8.406.301	7.553.666	4.195.960	-	134.044

(*) Geographical distribution has not been performed.

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

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

Sectoral distribution of cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	81.054	1,24	1.681	0,24	144.793	2,49	729	0,17
Farming and stockbreeding	49.574	0,76	1.681	0,24	81.171	1,40	-	-
Forestry	28.726	0,44	-	-	58.741	1,01	-	-
Fishery	2.754	0,04	-	-	4.881	0,08	729	0,17
Manufacturing	2.806.707	42,82	181.072	25,96	2.222.483	38,21	120.510	28,20
Mining	97.515	1,49	29.774	4,27	50.123	0,86	49.818	11,66
Production	2.480.140	37,84	124.370	17,83	2.056.275	35,35	69.321	16,22
Electricity, gas, water	229.052	3,49	26.928	3,86	116.085	2,00	1.371	0,32
Construction	1.794.858	27,39	361.049	51,75	1.458.425	25,08	233.774	54,71
Services	1.317.421	20,09	120.781	17,31	1.199.204	20,60	52.836	12,36
Wholesale and retail trade	839.093	12,80	-	-	751.916	12,93	-	-
Hotel, food and beverage services	53.960	0,82	-	-	61.358	1,05	-	-
Transportation and telecommunication	206.736	3,15	101.564	14,56	107.692	1,85	51.843	12,13
Financial institutions	67.017	1,02	19.217	2,75	105.438	1,81	993	0,23
Real estate and renting services	53.928	0,82	-	-	53.038	0,91	-	-
Self-employment services	9.741	0,15	-	-	12.359	0,21	-	-
Education services	37.173	0,57	-	-	36.897	0,63	-	-
Health and social services	49.773	0,76	-	-	70.506	1,21	-	-
Other	554.047	8,46	33.086	4,74	791.342	13,62	19.469	4,56
Total	6.554.087	100,00	697.669	100,00	5.816.247	100,00	427.318	100,00

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II. Explanations on credit risk (continued):

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

	Current period	Prior period
Central Bank of the Republic of Turkey	813.885	578.815
Trading financial assets	-	-
Due from banks	1.307.472	730.967
Available-for-sale financial assets	84.540	54.544
Loans	7.264.810	6.270.895
Held to maturity investments	430.862	376.204
Finance lease receivables	22.150	25.920
Other assets	4.321	8.245
Total balance sheet items subject to credit risk	9.928.040	8.045.590
Contingent liabilities	5.198.114	4.195.960
Commitments	387.579	297.112
Total off-balance sheet items subject to credit risk	5.585.693	4.493.072
Total credit risk exposure	15.513.733	12.538.662

Explanations on credit rating system:

The Bank assesses the credit quality of customers through rating systems developed for the loan and finance lease customers. The principal criteria used in the said rating systems are the volume of transactions of the customer with the Bank, payment performance of the customer and income generated from the customer.

The table below presents the concentration information of the loans and finance lease receivables classified according to the rating systems:

	Current period	Prior period
Above average	18,47 %	24,13 %
Average	77,25 %	62,02 %
Below average	4,28 %	13,85 %

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Amount subject to market risk is calculated by using Standard Measurement Method of Market Risk described in the third chapter of the Communiqué on the "Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette No. 26333 dated November 1, 2006 and reported on a monthly basis.

a) Information related to market risk:

	Amount
(I) Capital requirement to be employed for general market risk - standard method	660
(II) Capital requirement to be employed for specific risk - standard method	206
(III) Capital requirement to be employed for currency risk - standard method	6.110
(IV) Capital requirement to be employed for commodity risk - standard method	-
(V) Capital requirement to be employed for exchange risk - standard method	-
(VI) Capital requirement to be employed for market risk of options - standard method	-
(VII) Capital requirement to be employed for market risks of banks using risk measurement model	-
(VIII) Total capital requirement to be employed for market risk (I+II+III+IV+V+VI)	6.976
(IX) Amount subject to market risk (12,5 X VIII) or (12,5 x VII)	87.200

b) Average Market Risk Table of Calculated Market Risk for Period Ends:

	Current period			Prior period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	1.847	3.613	-	1.315	1.950	638
Share Certificates Risk	6.812	8.713	5.938	4.946	6.013	4.025
Currency Risk	50.064	76.375	35.300	35.021	44.175	25.725
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Total Value Subject to Risk	58.723	88.701	41.238	41.282	52.138	30.388

IV. Explanations on operational risk:

The "Basic indicator method" is used in the operational risk calculation of the Bank. The amount subject to the operational risk is calculated through the use of the gross income of the Bank in 2010, 2009, and 2008 in accordance to the "Calculation of the Operational Risk" applicable from June 1, 2007 which is the 4th part of the "Regulation Regarding Measurement and Evaluation of the Bank's Capital Adequacy Ratio" published in the Official Gazette No.26333 dated November 1, 2006. In the scope of "Capital adequacy ratio" stated in Note I of this section, amount subject to operational risk is TL 738.014, capital requirement of operational risk is TL 59.041.

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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 December 31, 2011 - Balance sheet evaluation rate	1,880	2,440
As of December 30, 2011	1,880	2,430
As of December 29, 2011	1,913	2,467
As of December 28, 2011	1,905	2,470
As of December 27, 2011	1,890	2,468
As of December 26, 2011	1,883	2,462

- 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 1,858 for 1 USD (December 2010 – full TL 1,511), full TL 2,447 for 1 EURO (December 2010 – full TL 1,997) and full TL 2,430 for 100 JPY (December 2010 – full TL 1,809).

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 increase/ decrease 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	2.783	1.840	(382)	-
USD	10 % decrease	(2.783)	(1.840)	382	-
EURO	10 % increase	199	(29)	-	-
EURO	10% decrease	(199)	29	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
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Current Period	EUR	USD	JPY	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	209.348	322.000	-	226.925	758.273
Banks	398.054	392.507	132	107.112	897.805
Financial assets at fair value through profit and loss	-	-	-	-	-
Money market placements	-	-	-	-	-
Available-for-sale financial assets	43	-	-	1.297	1.340
Loans and financial lease receivables(**)	799.449	1.907.069	-	-	2.706.518
Subsidiaries, associates and joint ventures	-	-	-	-	-
Held-to-maturity investments	-	19.077	-	-	19.077
Derivative financial assets for hedging purposes	-	-	-	-	-
Tangible assets	-	2.042	-	36	2.078
Intangible assets	-	461	-	88	549
Other assets (***)	391	2.455	-	-	2.846
Total assets	1.407.285	2.645.611	132	335.458	4.388.486
Liabilities					
Current account and funds collected from banks via participation accounts	77.666	135.427	-	280	213.373
Other current and profit sharing accounts	848.536	1.858.430	4	326.653	3.033.623
Money market borrowings	-	-	-	-	-
Funds provided from other financial institutions	473.104	580.186	-	-	1.053.290
Marketable securities issued	-	-	-	-	-
Miscellaneous payables	2.372	5.355	-	-	7.726
Derivative financial liabilities for hedging purposes	-	-	-	-	-
Other liabilities	3.618	38.382	-	-	42.000
Total liabilities	1.405.296	2.617.780	4	326.933	4.350.012
Net balance sheet position	1.989	27.831	128	8.525	38.474
Net off balance sheet position	703.997	1.799.721	466	7.995	2.512.179
Derivative financial instruments assets	-	-	-	-	-
Derivative financial instruments liabilities	-	-	-	-	-
Non-cash loans (****)	703.997	1.799.721	466	7.995	2.512.179
Prior Period					
Total assets	1.049.496	1.846.612	85	50.471	2.946.664
Total liabilities	1.049.784	1.828.210	2	48.746	2.926.742
Net balance sheet position	(288)	18.402	83	1.725	19.922
Net off balance sheet position	508.337	1.244.782	829	5.414	1.759.362
Derivative financial instruments assets	-	-	-	-	-
Derivative financial instruments liabilities	-	-	-	-	-
Non-cash loans	508.337	1.244.782	829	5.414	1.759.362

(*) TL 129.983 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 98.323. of the balance in Banks in other FC column represent precious metals accounts with banks, TL 324.813 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 2.008.849 (Prior period- TL - 1.917.083)

(***) Foreign currency indexed receivables from credit sale of assets amounting to TL 2.068 (Prior period- TL 4.471) and foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 128 (Prior period- TL 91) is included in other assets.

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

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VI. 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 the depositors are not guaranteed to receive the balance they have deposited in case of losses of the projects funded from these accounts. Accordingly, the Bank's assets and liabilities are consistent with profit share ratios.

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 notice to keep the assets in short term liquid assets and prolong average maturity of the liabilities.

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 December 31, 2011 and December 31, 2010 are as follows:

Current Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	215,68	260,13	128,63	168,02
Maximum (%)	366,84	351,32	212,63	215,69
Minimum (%)	144,68	203,36	80,50	131,33

Prior Period	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	258,17	258,19	116,94	128,65
Maximum (%)	340,40	319,69	177,04	173,53
Minimum (%)	145,18	203,29	80,44	100,12

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
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	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	588.502	462.698	-	-	-	-	-	1.051.200
Banks	1.270.872	36.600	-	-	-	-	-	1.307.472
Financial Assets at Fair Value Through Profit and Loss	4.802	-	-	-	-	-	-	4.802
Money Market Placements	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	1.340	-	26.226	25.000	33.314	-	-	85.880
Loans	5.981	778.431	1.000.984	2.759.432	2.603.912	125.166	-	7.273.906
Held-To-Maturity Investments	-	-	296.462	75.000	59.400	-	-	430.862
Other Assets	-	293	933	2.006	1.089	-	302.442	306.763
Total Assets	1.871.497	1.278.022	1.324.605	2.861.438	2.697.715	125.166	302.442	10.460.885
Liabilities								
Current account and funds collected from banks via participation accounts	74.507	58.444	106.302	10.299	-	-	-	249.552
Other current and profit sharing accounts	1.777.836	1.959.278	682.367	3.031.427	344.287	-	-	7.795.195
Funds provided from other financial institutions	-	221.017	99.282	732.991	-	-	-	1.053.290
Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	65.074	9.569	-	-	-	102.359	177.002
Other liabilities	-	19.651	15.751	-	-	-	1.150.444	1.185.846
Total Liabilities	1.852.343	2.323.464	913.271	3.774.717	344.287	-	1.252.803	10.460.885
Net Liquidity Gap	19.154	(1.045.442)	411.334	(913.279)	2.353.428	125.166	(950.361)	-
Prior period								
Total Assets	1.197.224	904.873	859.011	2.402.278	2.692.358	89.280	261.277	8.406.301
Total Liabilities	1.166.313	3.455.739	988.093	1.726.521	7.155	-	1.062.480	8.406.301
Net Liquidity Gap	30.911	(2.550.866)	(129.082)	675.757	2.685.203	89.280	(801.203)	-

(*) 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 and non-allocable provisions.

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
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The table below is prepared taking into consideration undiscounted contractual maturities of the financial liabilities of the Bank. 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	1.852.343	2.017.722	788.669	3.041.726	344.287	-	8.044.747
Funds Borrowed from Other Financial Institutions	-	288.901	668.102	102.734	-	-	1.059.737
Borrowings from Money Markets	-	-	-	-	-	-	-
Total	1.852.343	2.306.623	1.456.771	3.144.460	344.287	-	9.104.484
Prior period							
Funds Collected	1.166.313	3.373.460	982.948	1.351.714	7.155	-	6.881.590
Funds Borrowed from Other Financial Institutions	-	-	5.366	382.824	-	-	388.190
Borrowings from Money Markets	-	-	-	-	-	-	-
Total	1.166.313	3.373.460	988.314	1.734.538	7.155	-	7.269.780

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 (*)	2.166.745	293.894	257.191	1.084.813	671.525	60.043	-	4.534.211
Bank acceptances	43.986	-	-	-	-	-	-	43.986
Letters of credit	470.506	30.820	-	3.772	1.080	-	-	506.178
Other commitments and contingencies	-	113.739	-	-	-	-	-	113.739
Total	2.681.237	438.453	257.191	1.088.585	672.605	60.043	-	5.198.114
Prior Period								
Letters of guarantee (*)	1.803.928	158.442	331.558	714.572	568.014	110.587	-	3.687.101
Bank acceptances	20.098	553	-	-	-	-	-	20.651
Letters of credit	421.878	22.900	90	20.570	5.367	-	-	470.805
Other commitments and contingencies	-	17.403	-	-	-	-	-	17.403
Total	2.245.904	199.298	331.648	735.142	573.381	110.587	-	4.195.960

(*) 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.

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

a. Information on fair value of financial assets and liabilities:

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated profit share accruals of corresponding financial assets or liabilities.

The carrying and fair values of financial assets and liabilities are calculated based on the following principles:

The fair values of held-to-maturity investments are determined based on market prices.

The fair value of loans and receivables are determined by calculating the discounted cash flows using the current market profit share rates.

Carrying value of the funds collected approximates their fair value.

	Carrying value		Fair value	
	Current period	Prior period	Current period	Prior period
Financial Assets				
Money market placements	-	-	-	-
Banks	2.121.357	1.309.782	2.121.357	1.309.782
Financial assets at fair value through profit and loss	4.802	4.562	4.802	4.562
Financial assets available for sale	85.880	54.580	85.880	54.580
Held to maturity investments	430.862	376.204	430.270	378.229
Loans and financial lease receivables	7.273.906	6.269.485	7.128.165	6.252.393
Financial Liabilities				
Funds collected from banks via current accounts and profit sharing accounts	249.552	276.793	249.552	276.793
Other current and profit sharing accounts	7.795.195	6.604.797	7.795.195	6.604.797
Funds provided from other financial institutions	1.053.290	374.807	1.053.290	374.807
Marketable securities issued	-	-	-	-
Miscellaneous payables	177.002	171.844	177.002	171.844

b. Information on fair value calculations accounted in the financial statements:

TFRS 7 (Financial Instruments: Turkish Financial Reporting Standard Related to Explanations) sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish a basis for fair value calculations. Aforesaid fair value hierarchy is determined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level I);
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in Level 1 (Level II);
- Data not based on observable data regarding assets and liabilities (Level III).

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

Fair value classification of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles are given in the table below:

Current period	Level I	Level II	Level III	Total
Financial assets				
Financial assets at fair value through profit and loss	4.802	-	-	4.802
Public sector debt securities	-	-	-	-
Equity securities	4.802	-	-	4.802
Derivative financial assets held for trading	-	-	-	-
Other	-	-	-	-
Financial assets- available for sale	-	84.540	-	84.540
Equity securities	-	-	-	-
Public sector debt securities	-	84.540	-	84.540
Other marketable securities	-	-	-	-
Financial liabilities				
Derivative financial liabilities held for trading	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-
Prior period	Level I	Level II	Level III	Total
Financial assets				
Financial assets at fair value through profit and loss	4.562	-	-	4.562
Public sector debt securities	-	-	-	-
Equity securities	4.562	-	-	4.562
Derivative financial assets held for trading	-	-	-	-
Other	-	-	-	-
Financial assets- available for sale	-	54.544	-	54.544
Equity securities	-	-	-	-
Public sector debt securities	-	54.544	-	54.544
Other marketable securities	-	-	-	-
Financial liabilities				
Derivative financial liabilities held for trading	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-

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

The Bank does not perform purchases, sales and custody services on behalf of its customers. The Bank has no faith based transactions.

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IX. Explanations on business segments:

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

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Net profit share income/(expense)(*)(**)	(182.777)	504.482	63.943	-	385.648
Net fees and commissions income/(expense)	931	85.435	(2.394)	6.360	90.332
Other operating income/(expense)	(3.190)	(39.051)	609	(232.185)	(273.817)
Profit before tax	(185.036)	550.866	62.158	(225.825)	202.163
Provision for tax	-	-	-	(42.008)	(42.008)
Net profit for the period	(185.036)	550.866	62.158	(267.833)	160.155

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Net profit share income/(expense)(*)(**)	(208.837)	466.184	58.811	-	316.158
Net fees and commissions income/(expense)	962	73.388	472	8.094	82.916
Other operating income/(expense)	(6.595)	(39.040)	478	(188.241)	(233.398)
Profit before tax	(214.470)	500.532	59.761	(180.147)	165.676
Provision for tax	-	-	-	(31.632)	(31.632)
Net profit for the period	(214.470)	500.532	59.761	(211.779)	134.044

(*) 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.

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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	49.197	58.135	38.212	36.245
CBRT	243.730	570.155	245.978	332.837
Other (*)	-	129.983	-	47.709
Total	292.927	758.273	284.190	416.791

(*) Includes precious metals amounting to TL 129.983 as of December 31, 2011 (Prior period- TL 47.709).

b) Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	243.730	107.457	245.605	91.884
Unrestricted time deposit	-	-	-	-
Restricted time deposit (*)	-	462.698	373	240.953
Total	243.730	570.155	245.978	332.837

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2005/1", banks operating in Turkey are required to maintain reserves in CBRT in TL for TL liabilities and in USD or Euro for foreign currency liabilities. With the changes made in the "Communiqué Regarding the Reserve Requirements" during the year; up to 40% of the reserve requirement for TL liabilities can be held as foreign currency and up to 10% as standard gold, the reserve requirement for precious metal account in foreign currency liabilities can be held as standard gold and up to 10% of the reserve requirement for foreign currency liabilities can be held as standard gold.

The reserve rates for TL liabilities vary between 5% and 11% for TL deposits and other liabilities according to their maturities as of 31 December 2011 (31 December 2010: 6% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 6% and 11% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2011 (31 December 2010: 11% for all foreign currency liabilities).

(*) As of December 31, 2011, the reserve requirement held in standard gold is TL 96.627.

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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	409.667	662.939	566.652	70.392
Abroad	-	234.866	-	93.923
Foreign head offices and branches	-	-	-	-
Total	409.667	897.805	566.652	164.315

b) Information on foreign bank accounts:

	Current period		Prior period	
	Unrestricted amount	Restricted amount	Unrestricted amount	Restricted amount
European Union Countries	98.373	-	33.708	-
USA and Canada	71.705	-	49.607	-
OECD Countries (*)	4.511	-	8.710	-
Off-shore banking regions	5.463	-	-	-
Other	54.814	-	1.898	-
Total	234.866	-	93.923	-

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

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)

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4. Information on financial assets available-for-sale (continued):

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

	Current Period	Prior Period
Debt securities	85.226	54.544
Quoted on a stock exchange(*)	85.226	54.544
Unquoted	-	-
Share certificates	1.340	36
Quoted on a stock exchange	-	-
Unquoted	1.340	36
Impairment provision (-)	686	-
Total	85.880	54.580

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

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	13.341	41.215	21.017	63.532
Corporate shareholders	11.914	41.215	20.964	63.532
Real person shareholders	1.427	-	53	-
Indirect loans granted to shareholders	118	38.037	51	27.442
Loans granted to employees	3.743	-	2.020	-
Total	17.202	79.252	23.088	90.974

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
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	Standard loans and Other receivables		Loans and other receivables under close monitoring	
	Loans and other receivables	Restructured or rescheduled	Loans and other receivables	Restructured or rescheduled
Cash loans				
Loans	6.818.605	125.282	258.039	49.830
Financing commodity against document	-	-	-	-
Export loans	102.743	400	-	285
Import loans	1.046.088	6.204	2.355	4.917
Business loans	3.615.391	105.073	190.162	37.481
Consumer loans	921.023	3.362	11.985	998
Credit cards	53.664	-	322	-
Profit and loss sharing investment (*)	89.656	-	23.246	-
Precious metals loans	-	-	-	-
Loans given to financial sector	-	-	-	-
Loans given to abroad	243.660	1.796	8.781	-
Other	746.380	8.447	21.188	6.149
Other receivables	-	-	-	-
Total	6.818.605	125.282	258.039	49.830

- (*) The Bank has 9 profit and loss sharing investment projects which are real estate development projects in various regions of Istanbul and Ankara. The Bank estimates the completion periods of such projects as: 2012 for TL 27.947, 2013 for TL 34.955, 2014 for TL 30.000, and 2015 for TL 20.000. 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 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 May 28, 2011 and numbered 27947, information related to the restructuring (after publish date of the aforementioned Communiqué) of the standard loans and loans and other receivables under close monitoring with respect to the payment schedules and terms is as follows (last installment dates and principal amounts are taken into the account):

Number of changes in the payment plan	0-1 month	1-3 months	3-6 months	6 months - 1 year	1- 5 years	Over 5 years	TOTAL
1	2.539	80	1.296	1.849	11.979	-	17.743
TOTAL	2.539	80	1.296	1.849	11.979	-	17.743

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5. Information on loans and receivables (continued):

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 December 31, 2011, the Bank has loan receivables amounting to TL 280 arising from rescheduled loans within the scope of related communiqué.

c) Maturity analysis of cash loans:

Cash Loans	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
Short term loans and other receivables	2.555.141	22.935	31.779	15.969
Loans	2.555.141	22.935	31.779	15.969
Other receivables	-	-	-	-
Medium and long-term loans and other receivables(*)	4.263.464	102.347	226.260	33.861
Loans	4.263.464	102.347	226.260	33.861
Other receivables	-	-	-	-
Total	6.818.605	125.282	258.039	49.830

(*) Loans with original maturities longer than a year are classified as “Medium and Long Term Loans”.

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	Short-term	Medium and long-term	Total
Consumer loans-TL	10.855	921.519	932.374
Housing loans	2.938	838.511	841.449
Vehicle loans	1.132	30.692	31.824
Consumer loans	2.298	2.122	4.420
Other	4.487	50.194	54.681
Consumer loans-FC indexed	-	3.274	3.274
Housing loans	-	2.974	2.974
Vehicle loans	-	135	135
Consumer loans	-	-	-
Other	-	165	165
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	12.936	607	13.543
With installment	3.630	607	4.237
Without installment	9.306	-	9.306
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	989	731	1.720
Housing loans	-	437	437
Vehicle loans	12	228	240
Consumer loans	977	64	1.041
Other	-	2	2
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	1.934	89	2.023
With installment	769	89	858
Without installment	1.165	-	1.165
Personnel credit cards-FC	-	-	-
Installment based	-	-	-
Without-installment	-	-	-
Overdraft account-TL(real person)	-	-	-
Overdraft account-FC(real person)	-	-	-
Total	26.714	926.220	952.934

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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	213.153	125.300	338.453
Business loans	51.546	85.098	136.644
Vehicle loans	61.772	30.818	92.590
Consumer loans	5	-	5
Other	99.830	9.384	109.214
Commercial installment loans-FC indexed	128.087	17.317	145.404
Business loans	51.621	9.831	61.452
Vehicle loans	14.183	2.132	16.315
Consumer loans	-	-	-
Other	62.283	5.354	67.637
Commercial installment Loans-FC	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-TL	37.821	599	38.420
With installment	5.795	599	6.394
Without installment	32.026	-	32.026
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (legal entity)	-	-	-
Overdraft account-FC(legal entity)	-	-	-
Total	379.061	143.216	522.277

e) Allocation of loans by customers:

	Current Period	Prior Period
Public	1.209	1.552
Private	7.250.547	6.242.013
Total	7.251.756	6.243.565

f) Breakdown of domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	6.997.519	6.115.472
Foreign loans	254.237	128.093
Total	7.251.756	6.243.565

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
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As of the balance sheet date, there are no cash loans granted to subsidiaries and associates.

ğ) Specific provisions for loans:

	Current Period	Prior Period
Loans and receivables with limited collectibility	15.253	18.329
Loans and receivables with doubtful collectibility	16.133	22.930
Uncollectible loans and receivables	122.722	117.767
Total	154.108	159.026

In addition to specific provision for loans amounting TL 154.108 (Prior period – TL 159.026), provision amounting to TL 4.774 have been provided for fees and commissions and other receivables with doubtful collectibility which sums up to total TL 158.882 (Prior period- TL 163.520). Specific provision for loans amounting to TL 121.865 (Prior period- TL 109.981) 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 Loans and receivables with limited collectibility	IV. Group Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables
Current period			
(Gross amount before specific provisions)	-	-	252
Restructured loans and other receivables	-	-	252
Rescheduled loans and other receivables	-	-	-
Prior period			
(Gross amounts before special provisions)	-	-	205
Restructured loans and other receivables	-	-	205
Rescheduled loans and other receivables	-	-	-

h.2) Movements of non-performing loans:

	III. Group Loans and receivables with limited collectibility	IV. Group Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables
Closing balance of prior period	33.832	26.366	126.158
Additions in the current period (+)	39.024	2.680	3.780
Transfers from other categories of non-performing loans (+)	-	50.287	52.669
Transfers to other categories of non-performing loans (-)	50.287	52.669	-
Collections in the current period (-)	5.678	4.748	17.007
Write offs (-)	138	384	36.723
Corporate and commercial loans	114	369	29.293
Retail loans	24	15	7.008
Credit cards	-	-	422
Other	-	-	-
Closing balance of the current period	16.753	21.532	128.877
Specific provisions (-)	15.254	16.132	122.722
Net balance at the balance sheet	1.499	5.400	6.155

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
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Non-performing loans and receivables in the amount of TL 167.162 (Prior period- TL 186.356) comprise TL 123.621 (Prior period- TL 122.055) 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 4.774 (Prior period- TL 4.494). In the current period, collections from fees, commissions and other receivables with doubtful collectibility amounted to TL 3.527.

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

	III. Group Loans and receivables with limited collectibility	IV. Group Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables
Current period(net):			
Period end balance	-	-	2.459
Specific provision (-)	-	-	2.459
Net balance on balance sheet	-	-	-
Prior period:			
Period end balance	-	-	5.569
Specific provision (-)	-	-	5.569
Net balance on balance sheet	-	-	-

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

	III. Group Loans and receivables with limited collectibility	IV. Group Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables
Current period (net)	1.499	5.400	6.155
Loans to individuals and corporates (gross)	16.753	21.532	128.877
Specific provision (-)	15.254	16.132	122.722
Loans to individuals and corporates (net)	1.499	5.400	6.155
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Specific provision (-)	-	-	-
Other loans and receivables (net)	-	-	-
Prior period (net)	15.503	3.436	8.391
Loans to individuals and corporates (gross)	33.832	26.366	120.836
Specific provision (-)	18.329	22.930	112.445
Loans to individuals and corporates (net)	15.503	3.436	8.391
Banks (gross)	-	-	-
Specific provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	5.322
Specific provision (-)	-	-	5.322
Other loans and receivables (net)	-	-	-

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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:

The write-off policy of the Bank for receivables under follow up is to retire the receivables from assets in case of determination of the inability of collection through follow-up by the decision of Bank management.

Loans and other receivables, which have been deemed uncollectible according to the “Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans” published in the Official Gazette No. 26333 dated November 01, 2006, have been written-off per the decision of the Bank management. In 2011, non-performing loans amounting to TL 37.245 were written-off (2010 – TL 17.157).

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	92.247	123.179	64.873	-	280.299
Consumer Loans	41.117	7.272	12.562	-	60.951
Credit Cards	1.424	323	-	-	1.747
Total	134.788	130.774	77.435	-	342.997
Prior Period	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and Receivables					
Corporate Loans	121.998	38.346	13.159	-	173.503
Consumer Loans	31.605	8.061	1.823	-	41.489
Credit Cards	4.946	131	13	-	5.090
Total	158.549	46.538	14.995	-	220.082

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)

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

6.2. Information related to government securities held to maturity :

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities (*)	430.862	376.204
Total	430.862	376.204

(*) Consists of Sukook certificates issued by the Central Bank of Bahrain amounting to TL 9.435 (Prior period- TL 7.676) and income indexed bonds issued by the Undersecretariat of Treasury of Turkey amounting to TL 421.427 (Prior period- TL 368.528).

6.3. Information on held-to-maturity investments:

	Current Period	Prior Period
Debt Securities	430.862	376.204
Quoted on a stock exchange(*)	421.427	368.528
Unquoted	9.435	7.676
Impairment provision(-)	-	-
Total	430.862	376.204

(*) 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	376.204	296.007
Foreign currency differences on monetary assets	3.500	390
Purchases during period	50.000	275.000
Disposals through sales and redemptions	(40.180)	(233.619)
Impairment provision (-)	-	-
Income accruals	41.338	38.426
Closing balance	430.862	376.204

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7. Associates (net):

a) Information on unconsolidated associates:

At the Board of Directors meeting held on July 17, 2009 it was decided to participate in Kredi Garanti Fonu A.Ş up to TL 4.000. Regarding the capital increase of Kredi Garanti Fonu AŞ on September 11, 2009, the Bank has paid TL 2.000 of its capital commitment at October 15, 2009. The Bank has paid TL 1.000 of its capital commitment at July 29, 2011 regarding the Board of Directors Meeting of Kredi Garanti Fonu A.Ş on May 24, 2011.

Since the Bank does not have the necessary shareholding percentage to become a qualified shareholder and 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, 2010.

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
128.275	113.763	3.249	-	-	(1.608)	(6.375)	-

b) Information about consolidated associates:

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

8. Information on subsidiaries (net):

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 TL) shares with the nominal value of TL 1 (full TL).

9. Information on investments in joint- ventures:

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

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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	18.260	15.256	20.108	17.067
1 to 4 years	8.921	6.793	9.741	8.853
More than 4 years	117	101	-	-
Total	27.298	22.150	29.849	25.920

b) Information on net investments through finance lease:

	Current Period	Prior Period
Gross finance lease receivables	27.298	29.849
Unearned finance lease receivable (-)	5.148	3.929
Net receivable from finance leases	22.150	25.920

c) General explanation on finance lease contracts:

Finance lease contracts are realized in accordance with the related articles of Finance Lease Act numbered 3286. There is no constraint due to finance lease contracts, any renewal or contingent rent payments that materially affect the financial statements.

	Standard loans and other receivables		Loans and other receivables under close monitoring	
	Receivables from finance lease	Restructured or rescheduled	Receivables from finance lease	Restructured or rescheduled
Finance lease receivables (Net)	14.835	4.172	150	2.993

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
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Current period	Land and buildings	Leased tangible assets	Vehicles	Other	Assets held for sale	Total
Cost						
Opening balance-January 1, 2011	158.839	988	3.153	70.248	10.984	244.212
Additions	6.169	-	244	27.694	192	34.299
Revaluation funds	11.400	-	-	-	-	11.400
Disposals	-	-	(895)	(2.912)	(7.758)	(11.565)
Impairment losses(-)/Reversal of impairment losses	25	-	-	-	(154)	(129)
Transfers	-	(988)	-	988	15.321	15.321
Ending balance: December 31, 2011	176.433	-	2.502	96.018	18.585	293.538
Accumulated depreciation(-)						
Opening balance-January 1, 2011	10.522	510	2.018	38.502	336	51.888
Depreciation expense	3.468	-	467	9.489	278	13.702
Reversal of depreciation of the disposed assets	-	-	(764)	(2.300)	(137)	(3.201)
Transfers	-	(510)	-	510	-	-
Ending balance: December 31, 2011	13.990	-	1.721	46.201	477	62.389
Total cost at the end of the year	176.433	-	2.502	96.018	18.585	293.538
Total accumulated depreciation at the end of the year	13.990	-	1.721	46.201	477	62.389
Closing net book value	162.443	-	781	49.817	18.108	231.149

Prior period	Land and buildings	Leased tangible assets	Vehicles	Other	Assets Held for sale	Total
Cost						
Opening balance-January 1, 2010	114.397	1.464	4.047	58.683	11.834	190.425
Additions	23.777	-	272	17.184	1.401	42.634
Revaluation funds	23.148	-	-	-	-	23.148
Disposals	(2.483)	-	(1.166)	(6.095)	(5.241)	(14.985)
Impairment losses(-)/Reversal of impairment losses	-	-	-	-	455	455
Transfers	-	(476)	-	476	2.535	2.535
Ending balance: December 31, 2010	158.839	988	3.153	70.248	10.984	244.212
Accumulated depreciation(-)						
Opening balance-January 1, 2010	9.819	684	2.498	37.143	227	50.371
Depreciation expense	1.209	164	607	6.912	167	9.059
Reversal of depreciation of the disposed assets	(506)	-	(1.087)	(5.891)	(58)	(7.542)
Transfers	-	(338)	-	338	-	-
Ending balance: December 31, 2010	10.522	510	2.018	38.502	336	51.888
Total cost at the end of the year	158.839	988	3.153	70.248	10.984	244.212
Total accumulated depreciation at the end of the year	10.522	510	2.018	38.502	336	51.888
Closing net book value	148.317	478	1.135	31.746	10.648	192.324

As of December 31, 2011 the Bank has revalued its buildings and revaluation fund of TL 37.150 (Prior period- TL 28.745) net of deferred tax and depreciation, has been reflected in the financial statements. The carrying value of the aforesaid buildings would have been TL 116.006 if revaluation method had not been adopted.

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13. Information on intangible assets:

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

	Current Period	Prior Period
Cost	11.123	6.269
Accumulated depreciation(-)	5.776	4.096
Total (net)	5.347	2.173

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

	Current Period	Prior Period
Opening balance	2.173	1.577
Additions	4.859	1.695
Disposals (-), net	-	-
Depreciation expense (-)	1.685	1.099
Closing net book value	5.347	2.173

14. Information on investment property:

The Bank does not have investment property.

15. Information related to deferred tax asset:

As of December 31, 2011, the Bank presented the deferred tax asset of TL 18.213 (Prior period- TL 15.947) and deferred tax liability of TL 9.610 (Prior period- TL 8.270) calculated on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities in the financial statements that will be considered in the calculation of taxable earnings in the future periods as net in the accompanying financial statements.

	Current Period	Prior Period
Difference of carrying value and taxable value of tangible assets	369	356
Provisions for impairment	144	142
Provisions for retirement and vacation pay liabilities	2.861	2.315
Discount on profit share and deferred commission income	14.062	13.084
General reserves for possible losses	595	18
Other	182	32
Deferred tax asset	18.213	15.947
Revaluation reserve of buildings	9.287	7.186
Marketable securities revaluation reserve	(360)	591
Discount on profit share	325	210
Other	358	283
Deferred tax liability	9.610	8.270
Deferred tax asset (net)	8.603	7.677

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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	18.070	4.902
Additions	31.731	29.593
Disposals	(9.334)	(13.676)
Transfers (*)	(15.321)	(2.535)
Impairment Provision(-)/Reversal of Impairment Provision	226	(214)
Net closing balance	25.372	18.070

(*) 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 18.926 (Prior period- TL 19.948) and does not exceed 10% of balance sheet total.

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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	256.870	-	-	-	-	-	-	-	256.870
II. Real Persons Participation									
Accounts Non-Trade TL	-	959.512	186.448	48.152	-	1.493	1.810.383	-	3.005.988
III. Current Account other-TL	617.669	-	-	-	-	-	-	-	617.669
Public Sector	6.342	-	-	-	-	-	-	-	6.342
Commercial Institutions	572.780	-	-	-	-	-	-	-	572.780
Other Institutions	8.028	-	-	-	-	-	-	-	8.028
Commercial and Other Institutions	33	-	-	-	-	-	-	-	33
Banks and Participation Banks	30.486	-	-	-	-	-	-	-	30.486
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	288	-	-	-	-	-	-	-	288
Participation Banks	30.198	-	-	-	-	-	-	-	30.198
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	81.447	110.046	108.186	-	15.413	602.132	-	917.224
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	71.337	100.187	108.125	-	15.411	570.964	-	866.024
Other Institutions	-	10.110	8.782	61	-	2	27.885	-	46.840
Commercial and Other Institutions	-	-	-	-	-	-	40	-	40
Banks and Participation Banks	-	-	1.077	-	-	-	3.243	-	4.320
V. Real Persons Current Accounts									
Non- Trade FC	150.611	-	-	-	-	-	-	-	150.611
VI. Real Persons Participation									
Accounts Non-Trade FC	-	398.158	159.273	34.591	-	3.807	854.517	-	1.450.346
VII. Other Current Accounts FC	502.352	-	-	-	-	-	-	-	502.352
Residents in Turkey-Corporate	392.011	-	-	-	-	-	-	-	392.011
Residents Abroad-Corporate	72.958	-	-	-	-	-	-	-	72.958
Banks and Participation Banks	37.383	-	-	-	-	-	-	-	37.383
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	28.792	-	-	-	-	-	-	-	28.792
Participation Banks	8.591	-	-	-	-	-	-	-	8.591
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other- FC	-	50.890	128.436	116.681	-	7.283	515.584	-	818.874
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	34.928	59.555	206	-	-	453.025	-	547.714
Other institutions	-	1.132	10.886	37.926	-	-	20.162	-	70.106
Commercial and Other Institutions	-	124	1.160	-	-	-	29.045	-	30.329
Banks and Participation Banks	-	14.706	56.835	78.549	-	7.283	13.352	-	170.725
IX. Precious Metals Deposits	324.813	-	-	-	-	-	-	-	324.813
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)	1.852.315	1.490.007	584.203	307.610	-	27.996	3.782.616	-	8.044.747

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
as at December 31, 2011
(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	213.254	-	-	-	-	-	-	-	213.254
II. Real Persons Participation									
Accounts Non-Trade TL	-	1.942.220	325.516	70.301	-	75.856	436.329	-	2.850.222
III. Current Account other-TL	452.198	-	-	-	-	-	-	-	452.198
Public Sector	10.240	-	-	-	-	-	-	-	10.240
Commercial Institutions	430.334	-	-	-	-	-	-	-	430.334
Other Institutions	8.815	-	-	-	-	-	-	-	8.815
Commercial and Other Institutions	321	-	-	-	-	-	-	-	321
Banks and Participation Banks	2.488	-	-	-	-	-	-	-	2.488
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	2.488	-	-	-	-	-	-	-	2.488
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	357.659	41.556	11.997	-	23.312	408.736	-	843.260
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	343.230	32.550	5.508	-	19.940	406.159	-	807.387
Other Institutions	-	14.429	7.818	6.489	-	342	2.575	-	31.653
Commercial and Other Institutions	-	-	-	-	-	-	2	-	2
Banks and Participation Banks	-	-	1.188	-	-	3.030	-	-	4.218
V. Real Persons Current									
Accounts Non- Trade FC	188.036	-	-	-	-	-	-	-	188.036
VI. Real Persons Participation									
Accounts Non-Trade FC	-	780.187	179.203	48.806	-	129.934	220.124	-	1.358.254
VII. Other Current Accounts									
FC	265.163	-	-	-	-	-	-	-	265.163
Residents in Turkey-Corporate	217.749	-	-	-	-	-	-	-	217.749
Residents abroad-Corporate	8.816	-	-	-	-	-	-	-	8.816
Banks and Participation Banks	38.598	-	-	-	-	-	-	-	38.598
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	11.634	-	-	-	-	-	-	-	11.634
Participation Banks	26.964	-	-	-	-	-	-	-	26.964
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts									
other- FC	-	190.793	179.227	141.928	-	11.073	140.523	-	663.544
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	161.353	47.752	1.386	-	27	136.889	-	347.407
Other Institutions	-	13.298	19.630	46.117	-	12	2.066	-	81.123
Commercial and Other Institutions	-	1.443	-	-	-	514	1.568	-	3.525
Banks and Participation Banks	-	14.699	111.845	94.425	-	10.520	-	-	231.489
IX. Precious Metals Deposits	47.659	-	-	-	-	-	-	-	47.659
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)	1.166.310	3.270.859	725.502	273.032	-	240.175	1.205.712	-	6.881.590

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
as at December 31, 2011
(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 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	1.556.243	1.603.778	1.701.920	1.458.233
Foreign currency accounts	598.409	473.746	1.326.994	1.127.965
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 with a limit of maximum of TL 50 opened on behalf of a real person (including both capital and profit shares) for each 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	399	-
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	5.673	1.770
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
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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 in two portions amounting to USD 202.500.000 and EUR 103.300.000 with a maturity of one year. The loan agreement has been signed on September 12, 2011.

As of December 31, 2011, the Bank has wakala borrowings in the amount of USD 104.534.953 and EUR 89.538.801 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	-	-	-	-
Loans from foreign banks, institutions and funds	-	1.053.290	-	374.807
Total	-	1.053.290	-	374.807

b) Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	-	1.053.290	-	374.807
Medium and Long-Term	-	-	-	-
Total	-	1.053.290	-	374.807

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 (excluding off-balance sheet commitments) and breakdown of items which constitute at least 20% of grand total:

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

5. 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 December 31, 2011
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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	14.406	11.085
1 to 4 years	41.865	32.107
Over 4 years	39.233	30.210
Total	95.504	73.402

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	72.938	59.601
I. Group loans and receivables	57.181	48.688
Participation Accounts' Share	34.711	35.840
Bank's Share	22.470	12.848
Others	-	-
II. Group loans and receivables	5.559	2.769
Participation Accounts' Share	4.131	2.125
Bank's Share	1.428	644
Others	-	-
Non-cash loans	10.198	8.144
Others	-	-

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

As of December 31, 2011, provision for foreign exchange losses on foreign currency indexed loans amounting to TL 5.644 (Prior period- TL 10.793) has been offset with the loans included in the assets of the balance sheet.

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

As of December 31, 2011, the Bank has provided specific provisions amounting to TL 9.879 for non-cash loans that are non-funded and unindemnified non –cash loans (Prior period – TL 5.966).

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**Notes related to unconsolidated financial statements
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7. Information on provisions (continued):

ç) Other provisions:

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

	Current Period	Prior Period
General Reserves for Possible Losses	2.976	90
Total	2.976	90

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

	Current Period	Prior Period
Provision for unindemnified non-cash loans	9.880	5.966
Payment commitments for checks	1.970	1.871
Provisions allocated from profit shares to be distributed to profit sharing accounts(*)	43.998	22.582
Provision for promotions related with credit cards and promotion of banking services	124	71
General reserves for possible losses	2.976	90
Total	58.948	30.580

(*) 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".

d) Information on provisions for employee rights:

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 10.602 (Prior period- TL 8.856) and vacation pay liability amounting to TL 3.705 (Prior period- TL 2.720), totaling to TL 14.307 (Prior period- TL 11.576). 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 (%)	10,0	10,0
Estimated increase rate of salary ceiling (%)	5,1	5,1
Rate used in relation to possibility of retirement (*)	77,29	78,78

(*) The rate has been calculated depending on the years of service of the employees, and represents the average rate.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
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7. Information on provisions (continued):

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

	Current Period	Prior Period
Prior period ending balance	8.856	6.449
Provisions charged in the period	3.729	4.423
Actuarial gain/(loss)	(639)	(1.298)
Paid during the period	(1.344)	(718)
Balance at the end of the period	10.602	8.856

8. Information on taxes payable

a) Explanations on current tax liability:

a.1) As of December 31, 2011, the Bank's corporate tax payable is TL 15.750 (Prior period- TL 9.320) after offsetting prepaid corporate tax.

a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	15.750	9.320
Taxation on securities income	5.082	4.839
Taxation on real estate income	260	191
Banking insurance transaction tax	5.783	3.419
Foreign exchange transaction tax	-	-
Value added tax payable	310	395
Other	3.709	2.880
Total	30.894	21.044

a.3) Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	2.007	1.148
Social security premiums-employer	2.077	1.234
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	141	80
Unemployment insurance-employer	282	162
Other	-	-
Total	4.507	2.624

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
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8. Information on taxes payable (continued)

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.

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

None.

11. Information on shareholders' equity:

a) Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	539.000	539.000
Preferred stock	-	-

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

Registered capital system is not applied at the Bank.

Share Capital System	Paid in Capital	Ceiling
Share Certificate Equivalence	539.000	-

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 at 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.

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
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11. Information on shareholders' equity (continued):

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

The Bank 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 utilized in liquid and profitable assets.

- 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 revaluation reserve:**

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference (*)	(1.438)	-	2.364	-
Foreign exchange difference	-	-	-	-
Total	(1.438)	-	2.364	-

(*) Deferred tax liability is netted off.

12. Information on minority interest:

None (Prior Period – None).

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
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III. Explanations and notes related to off-balance sheet commitments and contingencies:

1. Explanations on off balance sheet commitments:

a) Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Asset Purchase-Sale Commitments	-	-
Time Deposit Purchase-Sale Commitments	-	-
Share capital commitment to associates and subsidiaries	1.000	2.000
Loan granting commitments	18.278	14.899
Commitments for credit card limits	173.723	98.162
Commitments for promotions related with credit cards and banking activities	45	19
Payment commitments for checks	190.160	181.529
Tax and funds liabilities arising from exporting commitments	576	503
Other irrevocable commitments	3.797	-
Total	387.579	297.112

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
Letters of guarantees	4.534.211	3.687.101
Acceptances	43.986	20.651
Letters of credit	506.178	470.805
Other guarantees	113.739	17.403
Total	5.198.114	4.195.960

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

	Current Period	Prior Period
Letters of guarantees	4.534.211	3.687.101
Long standing letters of guarantees	2.866.374	2.756.981
Temporary letters of guarantees	514.815	361.017
Advance letters of guarantees	316.178	253.924
Letters of guarantees given to duties	191.214	176.240
Letters of guarantees given for obtaining cash loans	645.630	138.939
Sureties and similar transactions	113.739	17.403
Total	4.647.950	3.704.504

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
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c.1) Total amount of non-cash loans:

	Current Period	Prior Period
Guarantees given for obtaining cash loans	645.630	138.939
With original maturity of 1 year or less	420.991	75.934
With original maturity of more than 1 year	224.639	63.005
Other non-cash loans	4.552.484	4.057.021
Total	5.198.114	4.195.960

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

	Current period				Prior period			
	TP	(%)	FC	(%)	TP	(%)	FC	(%)
Agricultural	62.105	2,31	7.701	0,31	77.953	3,20	10.745	0,61
Farming and stockbreeding	54.032	2,01	941	0,04	14.108	0,58	4.944	0,28
Forestry	8.064	0,30	6.760	0,27	63.819	2,62	5.706	0,32
Fishery	9	0,00	0	0,00	26	-	95	0,01
Manufacturing	720.975	26,84	1.032.790	41,12	615.230	25,25	787.439	44,76
Mining	11.854	0,44	38.135	1,52	18.461	0,76	9.793	0,56
Production	529.404	19,71	638.029	25,40	509.820	20,92	587.531	33,39
Electricity, gas and water	179.717	6,69	356.626	14,20	86.949	3,57	190.115	10,81
Construction	1.201.297	44,73	671.679	26,74	1.101.072	45,19	520.591	29,59
Services	410.950	15,30	420.471	16,73	378.921	15,55	210.814	11,98
Wholesale and retail trade	125.595	4,68	103.355	4,11	128.059	5,26	84.551	4,81
Hotel, food and beverage services	6.032	0,22	62.422	2,48	8.304	0,34	40.801	2,32
Transportation and telecommunication	28.549	1,06	30.314	1,21	36.132	1,48	22.158	1,26
Financial Institutions	77.291	2,88	129.033	5,14	51.508	2,11	43.769	2,49
Real estate and renting services	52.593	1,96	33.653	1,34	23.648	0,97	11.697	0,66
Self-employment services	12.364	0,46	13.383	0,53	17.606	0,72	217	0,01
Education services	14.702	0,55	856	0,03	12.360	0,51	734	0,04
Health and social services	93.824	3,49	47.455	1,89	101.304	4,16	6.887	0,39
Other	290.608	10,82	379.538	15,10	263.422	10,81	229.773	13,06
Total	2.685.935	100,00	2.512.179	100,00	2.436.598	100,00	1.759.362	100,00

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

	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans				
Letters of guarantee	2.611.104	1.828.624	65.606	28.877
Bank acceptances	-	43.986	-	-
Letters of credit	-	505.815	-	363
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	9.225	104.514	-	-

Albaraka Türk Katılım Bankası Anonim Şirketi

**Notes related to unconsolidated financial statements
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**III. Explanations and notes related to off-balance sheet commitments and contingencies
(continued):**

2. Explanations on derivative transactions:

The Bank does not have any derivative financial instruments.

3. Explanations on contingent assets and liabilities:

The Bank has provided provision amounting to TL 147 for the lawsuits against the Bank charged by various real persons and legal entities with high probability of occurrence and presented under Section Five Note II.7.ç. Although there are other ongoing lawsuits charged against the Bank, the Bank does not consider as remote the probability of a negative result in ongoing litigations resulting in cash outflows.

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

5. Other:

In accordance with the letter sent by BRSA to the Participation Banks Association of Turkey regarding "Loan assignment limits" at April 28, 2011, credit limits granted but not made available and not qualify as commitments have been carried to other off balance sheet items.

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

I. Information on profit share income:

1. a) Information on profit share income received from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share received from loans (*)	677.115	41.195	592.855	18.603
Short Term Loans	259.730	8.390	215.944	8.679
Medium and Long Term Loans	407.934	32.404	367.487	9.539
Loans Under Follow up	9.451	401	9.424	385
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	-	-	7.295	-
Domestic Banks	593	-	52	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	593	-	7.347	-

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

	Cari Dönem		Önceki Dönem	
	TP	YP	TP	YP
From financial assets held for trading	-	-	-	-
From financial assets at fair value through profit or loss	-	-	-	-
From financial assets available-for-sale	7.207	-	4.827	-
From held-to-maturity investments	40.659	679	37.850	576
Toplam	47.866	679	42.677	576

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

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

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	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	-	18.370	-	2.989
CBRT	-	-	-	-
Domestic banks	-	-	-	-
Foreign banks	-	18.370	-	2.989
Head offices and branches abroad	-	-	-	-
Other institutions	-	-	-	-
Total	-	18.370	-	2.989

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:

Account name	Profit sharing accounts							Total
	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	More than 1 year	Accumulated profit sharing account	
TL								
Funds collected from banks through current and profit sharing accounts	-	85	-	-	138	110	-	333
Real persons' non-trading profit sharing accounts	95.811	16.546	4.207	-	2.110	99.477	-	218.151
Public sector profit sharing accounts	-	-	-	-	-	-	-	-
Commercial sector profit sharing accounts	9.634	7.880	3.805	-	1.212	37.401	-	59.932
Other institutions profit sharing accounts	846	643	164	-	7	1.172	-	2.832
Total	106.291	25.154	8.176	-	3.467	138.160	-	281.248
FC								
Banks	584	3.786	2.712	-	371	639	-	8.092
Real persons' non-trading profit sharing accounts	17.129	5.798	1.324	-	2.844	23.533	-	50.628
Public sector profit sharing accounts	-	-	-	-	-	-	-	-
Commercial sector profit sharing accounts	1.650	1.715	73	-	-	12.331	-	15.769
Other institutions profit sharing accounts	100	274	2.054	-	10	1.746	-	4.184
Precious metals deposits	-	-	-	-	-	-	-	-
Total	19.463	11.573	6.163	-	3.225	38.249	-	78.673
Grand total	125.754	36.727	14.339	-	6.692	176.409	-	359.921

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3. Information on dividend income:

	Current Period		Prior Period	
	TP	YP	TP	YP
From trading financial assets	-	-	302	-
From financial assets at fair value through profit and loss	-	-	-	-
From available for sale financial assets	-	-	-	-
Other	-	-	-	-
Total	-	-	302	-

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

	Current Period	Prior Period
Income	2.532.463	1.689.424
Income from capital market transactions	346	1.292
Income from derivative financial instruments	-	-
Foreign exchange income	2.532.117	1.688.132
Loss (-)	2.511.239	1.673.408
Loss on capital market transactions	-	-
Loss on derivative financial instruments	-	-
Foreign exchange losses	2.511.239	1.673.408
Trading income/loss (net)	21.224	16.016

5. Explanations related to other operating income:

	Current Period	Prior Period
Provision for communication expenses	997	885
Provision for bank statement expenses	1.167	1.104
Reversal of prior year provisions	44.942	44.573
Income from sale of assets	6.648	8.865
Cheque book charges	656	814
Other income	1.050	620
Total	55.460	56.861

Albaraka Türk Katılım Bankası Anonim Şirketi**Notes related to unconsolidated financial statements
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	Current Period	Prior Period
Specific provisions for loans and other receivables	58.038	68.026
Loans and receivables in III. Group	35.705	46.836
Loans and receivables in IV. Group	8.393	4.000
Loans and receivables in V. Group	11.671	14.286
Doubtful commission, fee and other receivables	2.269	2.904
General provision expenses	20.834	13.970
Provision expenses for possible losses	2.906	42
Impairment losses on marketable securities	186	80
Financial assets at fair value through profit and loss	186	80
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	24.377	22.988
Total	106.341	105.106

TL 42.507 (Prior period- TL 44.046) of the total specific provisions provided for loan and other receivables amounting to TL 58.038 (Prior period- TL 68.026) is the participation accounts portion of specific provision provided for loans and other receivables.

TL 7.064 (Prior period- TL 11.579) of the total general loan loss provisions provided for loan and other receivables amounting to TL 20.834 (Prior period- TL 13.970) is the participation accounts portion of general loan loss provision provided for loans and other receivables.

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	141.882	117.292
Provision for retirement pay liability	1.746	3.255
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	13.530	8.892
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	1.685	1.099
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	237	22
Depreciation expenses of assets to be disposed	278	167
Impairment expenses of assets held for sale and assets of discontinued operations	31	240
Other operating expenses	53.035	42.381
Financial leasing expenses	19.617	16.053
Maintenance expenses	3.007	1.902
Advertisement expenses	6.155	3.963
Other expenses	24.256	20.463
Loss on sale of assets	391	796
Other	31.345	27.327
Total	244.160	201.471

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

As the Bank does not have any discontinued operations, there is no explanation related to income/loss from discontinued operations before taxes.

The Bank's income before tax increased by 22 % compared to prior period and is realized as TL 202.164. Income before tax comprises net profit share income in the amount of TL 385.647 and fees and commission income in the amount of TL 90.336. Total other operating expenses amount to TL 244.160.

	Current period	Prior period
Income before tax	202.164	165.676
Tax calculated with tax rate of 20%	40.433	33.135
Other additions and disallowable expenses	3.574	1.940
Deductions	(1.999)	(3.443)
Tax calculated	42.008	31.632

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

As the Bank does not have any discontinued operations, the Bank has no tax provision for discontinued operations.

a. Explanations on current and deferred tax income or expense:

As of December 31, 2011, the Bank's current tax expense is TL 44.263 and deferred tax income is TL 2.254. As of December 31, 2011, deferred tax accounted in equity amounts to TL 8.927.

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

The Bank has no discontinued operations. Net income for the period has been realized as TL 160.155 (Prior period – TL 134.044) by deducting tax provision expense amounting to TL 42.009 (Prior period – TL 31.632) from profit from continued operations amounting to TL 202.164 (Prior period – TL 165.676).

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.

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

Other Fees and Commissions Received	Current Period	Prior Period
Member firm-POS	28.572	21.785
Commissions on money orders	4.440	4.376
Credit cards commissions and fees	43	75
Other	17.830	15.089
Total	50.885	41.325

Other Fees and Commissions Paid	Current Period	Prior Period
Clearing room	4.540	93
Funds borrowed	4.911	1.201
Member firm-POS	5.449	5.097
Credit cards commissions and fees	2.615	1.934
Other	2.354	1.349
Total	19.869	9.674

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

- a) There are no disclosed dividend amounts subsequent to the balance sheet date, prior to the presentation of the financial statements.
- Decision related to the dividend distribution will be taken in the General Assembly. General Assembly has not been held as of the date of finalization of the accompanying financial statements.
- b) In current year, the Bank has paid dividend amounting to TL 13.475 to its shareholders.
- c) "Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities revaluation reserve" account under equity, until the financial assets are sold, disposed of or impaired.
- d) Revaluation funds related to tangible and intangible assets and foreign exchange differences arising from translation of tangible and intangible assets of foreign branch of the Bank are accounted under equity in revaluation reserve on tangible assets and revaluation reserve on intangible assets.
- e) Foreign exchange differences arising from translation of income statement of foreign branch of the Bank are accounted in other capital reserves

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

1. Information on cash and cash equivalents:

- a) Components of cash and cash equivalents and accounting policy applied in their determination:

“Cash” is defined as cash in vault and foreign currency cash, money in transit, checks purchased, unrestricted balance with the Central Bank and demand deposits at banks. “Cash equivalents” is defined as money market placements and time deposits at banks with original maturity less than three months.

- (i). Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
Cash	411.946	478.141
Cash in TL/foreign currency	74.457	97.977
Cash in transit	-	-
CBRT	337.489	380.164
Cash equivalents	730.967	607.941
Domestic banks	637.044	425.741
Foreign banks	93.923	182.200
Total cash and cash equivalents	1.142.913	1.086.082

- (ii). Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
Cash	458.519	411.946
Cash in TL/foreign currency	107.332	74.457
Cash in transit	-	-
CBRT	351.187	337.489
Cash equivalents	1.307.472	730.967
Domestic banks	1.072.606	637.044
Foreign banks	234.866	93.923
Total cash and cash equivalents	1.765.991	1.142.913

2. Cash and cash equivalent items which are restricted for the usage of the Bank by legal or other limitations:

Restricted time deposits held at the Central Bank of Turkey are not considered as cash and cash equivalent items.

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3. Explanation about other cash flow items and the effect of the changes in foreign exchange rates on cash and cash equivalents:

The "Others" item under "Operating profit before changes in operating assets and liabilities" amounting to TL (-) 63.247 (Prior period- TL 116.228) mainly comprises other operating expenses excluding personnel expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL (-) 9.920 (Prior period- TL 23.933) mainly comprises changes in miscellaneous payables, other liabilities and taxes and other duties payable.

Effect of the changes in foreign currency rates on cash and cash equivalents has been calculated approximately as TL 52.392 as of December 31, 2011 (Prior period- TL 13.307).

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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	-	-	5	-	99	27.442
Balance at the end of the period	-	-	8	-	179	38.037
Profit share and commission income received	-	-	-	-	5	100

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	-	-	3	-	82.063	9.840
Balance at end of period	-	-	5	-	99	27.442
Profit share and commission income received	-	-	-	-	974	53

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	-	-	775	1.180	367.085	210.155
Balance at the end of period	-	-	1.360	775	350.647	367.085
Profit share expense	-	-	51	238	21.195	18.141

(*) As of December 31, 2011 wakala borrowings obtained from risk group of the Bank through investment purpose wakala contracts amount to USD 104.534.953 and EURO 70.538.802. The profit share expense relating to such borrowings for the period between January 1, 2011 – December 31, 2011 is TL 2.597.

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 end of December 31, 2011; the Bank has paid TL 5.982 (Prior period- TL 4.376) to top management.

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

1. Information on the domestic and foreign branches and representative offices of the Bank:

	Number	Number of Personnel			
Domestic Branches	122	1.704			
			Country		
Foreign Representation Office	-	-			
				Total Assets (thousand TL)	Statutory Share Capital
Foreign Branches	1	8	Iraq	59.991	USD 7.000.000
Off-Shore Branches	-	-	-	-	-

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure:

In 2011, the Bank has opened 13 domestic branches and 1 foreign branch.

IX. Explanations related to subsequent events:

None.

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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

Independent auditors' report

I. Explanations on the independent auditors' report:

The Bank's unconsolidated financial statements as of and for the period ended December 31, 2011 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited) and the independent auditors' report dated February 25, 2012 is presented at the beginning of the financial statements and related notes.

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

None.